



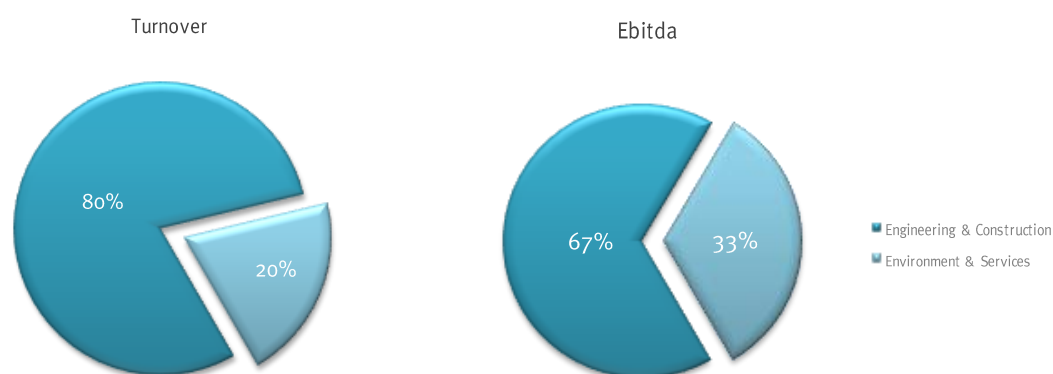
# CONSOLIDATED REPORT & ACCOUNTS 2010

A World of Inspiration



## Highlights

- Turnover stable at €2,005 million
- EBITDA and EBIT margins of 11.8% and 6.6%
- The Group's adjusted Net Profit reached €40.1 million
- Order book of €3.3 billion
- Corporate net debt of €907 million



	2010	% T	Δ	2009 <sup>(***)</sup>	% T	4Q10	% T	Δ	4Q09 <sup>(***)</sup>	% T
thousand euros										
Turnover	2,004,551		1.3%	1,978,733		541,639		4.2%	519,775	
EBITDA	237,294	11.8%	20.9%	196,268	9.9%	66,890	12.3%	22.7%	54,511	10.5%
EBIT	131,746	6.6%	17.1%	112,493	5.7%	28,448	5.3%	(4.4%)	29,771	5.7%
Net financial income	(50,928)	(2.5%)	(6.5%)	(47,836)	(2.4%)	(2,626)	(0.5%)	82.2%	(14,736)	(2.8%)
Net income/losses from equity method	7,506	0.4%	(81.9%)	41,429	2.1%	5,174	1.0%	383.8%	(1,823)	(0.4%)
Income before taxes	88,325	4.4%	(16.7%)	106,086	5.4%	30,996	5.7%	134.6%	13,212	2.5%
Net income	69,357	3.5%	(16.0%)	82,559	4.2%	30,879	5.7%	345.9%	6,924	1.3%
Attributable to:										
Non-controlling interests	32,406	1.6%	225.8%	9,947	0.5%	24,670	4.6%	995.3%	2,252	0.4%
Group	36,951	1.8%	(49.1%)	72,612	3.7%	6,209	1.1%	32.9%	4,672	0.9%
Martifer / other non recurring <sup>(*)</sup>	(3,191)			40,389		(3,214)			(3,137)	
Adjusted Group Net Income <sup>(**)</sup>	40,142	2.0%	24.6%	32,223	1.6%	9,422	1.7%	20.7%	7,809	1.5%

Ebitda = Earnings before interest + depreciation + provisions and impairment losses

Net debt = Gross debt – cash and equivalents

(\*) Includes the effects of the reclassification of gains previously recognised under other comprehensive income, through the reduction of interests in jointly-controlled entities in the wake of the process of concentration of investments in road concessions in ASCENDI GROUP

(\*\*) Group net income adjusted from Martifer and other non recurring results

(\*\*\*) Figures restated (change of the consolidation method of the financial interests in jointly controlled entities; IFRIC 12; IFRIC15)

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## Main events in 2010

### February 2010

- > Partnership agreement signed to set up a company under Angolan law – Mota-Engil Angola, in the wake of the memorandum of understanding signed in 2009

### March 2010

- > Award to Glan Agua (a Mota-Engil subsidiary in Ireland) of contracts for the design, construction and operation during 20 years of 25 water treatment plants, in the sum of €55.2 million

### May 2010

- > Acquisition of 50% of a Brazilian company in the waste area, Geovision, in the wake of compliance with Mota-Engil's strategic internationalisation and business-diversification plan
- > Award to Translei in Peru of works in consortium (50%) in the total sum of €71 million
- > Award to Mota-Engil Central Europe of jobs in Poland in the total sum of €84 million
- > Award to Mota-Engil Engenharia (through its branch in Mozambique, in a 50/50 partnership with Soares da Costa) of the construction of the Pan-African Games Village in Maputo, Mozambique (€114 million)
- > Acquisition of 25% of the Mexican construction company Idinsa, in the wake of compliance with the strategic internationalisation plan

### June 2010

- > Acquisition of Polish company PRD-M LUBLIN SA, with a view to strengthening the strategic internationalisation plan for Mota-Engil
- > Ascendi closed an agreement with Brisa for the acquisition of 20% of the equity capital of Via Verde Portugal – Gestão de Sistemas Electrónicos de Cobrança, SA (Via Verde)

### July 2010

- > Award to Mota-Engil Engenharia of works in Mozambique in the total sum of €116 million

## Message from the Chairman of the Board of Directors

To the Members of Mota-Engil, SGPS, SA,

For the fourth straight year I am obliged, in addressing you, to place emphasis, in the first place, on the crisis which, although it was transverse to every economy, persists in the peripheral, more fragile economies such as the Portuguese economy.

The dragging on of the situation has caused a great deal of financial instability on the markets, with the rise of interest rates in Portugal, with fertile ground for speculation, and with the increase of unemployment, and where, despite the drastic measures that are being taken, clear signs of improvement are taking a long time to appear.

We are therefore going through a difficult period in Portugal, suddenly made worse by the political crisis in countries of North Africa, causing a sharp growth of oil prices.

We are now undergoing a crisis of confidence that needs everyone – politicians, journalists, the business community and workers – to believe that we are able to overcome it in a Europe that needs to rediscover itself and to acquire once more the leadership capabilities that the European project requires and merits.

It was against this background that the Mota-Engil Group carried on its business during 2010 and, as such, its activity could not but have been affected by the worsening of the crisis in the construction industry in Portugal and the need to restrict investment in growth. All this prevented the Group from presenting, in 2010, the growth of turnover that we had planned, though we are proud to be able to state that all the Group's other profitability indicators were met, thus lending sustainability to the future development of the Group.

Meeting these goals was possible thanks only to the strategy that we have been implementing of diversification and greater internationalisation in every business area, meaning that we are now doing business in countries that were not affected by the crisis, such as Angola, Brazil, Peru, Mozambique, Malawi, etc.

The established strategy, the powerful cohesion of all and the leadership capabilities are factors that remain intact within our Group, factors, I am certain, that will allow the sustainable growth of the Group to continue in 2011.

António Mota

Chairman of the Board of Directors



## Message from the Chief Executive Officer

To the Members of Mota-Engil SGPS, SA,

On the international stage 2010 was a truly adverse year in socio-economic terms, following on the heels of what we have persistently witnessed in recently years.

Despite the climate of recession, the global economy and the more developed economies, in particular, were forced to implement measures that decreased investment, lending priority to rebalancing their public finances. This was a relevant fact in Europe, especially so in the peripheral, more fragile economies such as Portugal.

Aware of the difficult reality that we have faced in 2010 and can be expected to last for several years, we have adhered without deviation to the strategy idealised and under implementation within the scope of the 2013 Ambition Plan.

And were remained true to it for we found, through close monitoring of our position at international level, that the path we have followed is seen, on the geostrategic stage, to be the one most suitable in the light of the growth potential that we see for the Mota-Engil Group.

Despite the difficulties with which we are faced, we continue to overcome the head winds and, through a selective strategy of geographic and sectoral diversification, we have been able to grow and, above all, to be more efficient in our operations, rendering the Group's development model more sustainable as far as its future growth is concerned.

Focusing on the creation of value and on profitability, we have disinvested in those markets seen to be less profitable, while consolidating our presence where we clearly affirm ourselves through our capabilities and growth potential, and we have made a start to business in new markets and areas where we see opportunities.

It was with this integrated, pragmatic Strategic Vision of markets and sectors of activity that it proved possible to generate the greatest consolidated value in international business of recent years, thus offsetting the sharp downturn seen on the domestic market.

In 2010 we increased our international presence through greater growth and diversification, generating synergies and greater added value.

In this way, we were able to increase operating profits. Combined with extremely selectivity in investment and in debt management, this allowed us to strengthen the Group's financial structure and, at the same time, to open up the way to greater growth capacity in the future.

Lastly, I would like to leave a word of thanks for the joint effort of all those that work every day to make Mota-Engil what it is today – a diversified economic group, a leader in Portugal and one of increasing international presence.

Whereas last year I said that we were pursuing a strategy of withstanding the present to win the future, I now say that while the challenge is far from being overcome in the adverse economic climate with which we are faced, WE ARE overcoming the challenges and, step by step, with professionalism, determination and a great deal of hard work by all, we shall do everything to win the future.

Jorge Coelho

Chief Executive Officer







CONSOLIDATED  
REPORT &  
ACCOUNTS  
2010

# 1. CONSOLIDATED MANAGEMENT REPORT



## 1. Macroeconomic framework

### The international economy

Only recently has the global economy started to emerge from the deepest recession since the Second World War. Following a contraction of 0.6% in 2009, global gross domestic product have increased 5% in 2010 and, for 2011, the IMF projections suggest a growth rate of about 4%.

In 2010 there was a recovery at differing speeds. The true engine of growth continued to be the emerging markets of Asia (particularly China, with a GDP growth rate of 10.3%, and India which, in 2010, will have increased its domestic product by 9.7%), Latin America and Sub-Saharan Africa, while the developed economies continued to lose ground, dominated by economic and financial concerns.

The discrepancy between the growth of the developed and of the emerging economies will continue to attract greatly differing macroeconomic policies. In the USA and Europe the central banks are likely to continue to implement quantitative easing in their endeavour to stimulate economic growth. At the same time, signs of overheating of the economy, driven by the strong inflows of capital, are beginning to appear in some countries of Asia and Latin America, leading the authorities to consider bringing forward restrictive macroeconomic policies to limit the growth of credit, to control inflation and to avoid sudden and sharp exchange rate appreciations.

In 2010, growing uncertainties about the solidity of the European financial sector and doubts as to the ability of the Euro Area to resolve its sovereign-debt crisis shook the still fragile financial system. Triggered by the events of last May, with the problems of the Greek public debt, financial turbulence spread across the Euro Area during the closing quarter of the year (affecting Ireland, Spain and Portugal in particular), reaching levels not seen since the launch of the Economic and Monetary Union. Thus, the financial crisis in the peripheral countries of the Euro Area led to more stringent risk analysis, in turn leading to a deterioration of their sovereign-risk premium and to greater restrictions in accessing foreign financing. However, contrary to the Greek rescue plan in May, the financial repercussions on the other countries were limited, and financial conditions even improved outside the periphery of the Euro Area. In 2010, despite the tensions in the financial markets, and with the exception of Greece, Ireland and Spain, there will have been growth in Europe, suggesting a major recovery compared to 2009, largely driven by the rebirth of the global economy. In 2010, the Euro Area will have grown by 1.7%, compared to the 4% downturn in 2009. Despite the recent dynamism, institutions and markets continue fragile and the upturn within EU-27 is set to be moderate in historic terms and also by comparison with other developed economies, essentially the result of the prolonged impact of the crisis and also of the implementation of strong budget-control measures in 2011.

Economic recovery is generally taking place as expected, but the risks are still extremely high. Most developed economies and some of the emerging ones continue to face major adjustments and challenges. In the USA, the economy continues to show signs of recovery and, in 2010, its domestic product will have even registered a growth of 2.8%. Nevertheless, the weak points have not disappeared, high unemployment is raising major challenges, the property market continues weak and the financial sector continues to be restructured.

During 2010 mineral (oil and metals) and agricultural commodities (maize, cotton and soy) recorded two-digit price growth, even, in the case of some metals, reaching historic highs. The increase of commodity prices was driven by growing demand from the emerging economies, such as China, the world's biggest consumer of iron ore, rubber, copper and zinc, which, in 2010, was the economy that returned the biggest growth rate – 10.3% – and it's anticipated to register a 9.6% growth in 2011. As a result of the economic upturn there was an increase of global demand for oil throughout 2010, especially by the emerging countries, and this was reflected in an 8% price increase over the year, to stand at US\$ 91 per barrel.

The increase of commodity prices was partly responsible for the growth of inflation observed in the emerging economies in 2010. The increase of food prices also played an important part in driving up inflation in some emerging countries, in Asia in particular. The increase of prices in the developing world contrasts with the low inflation rates in Europe and in the United States and with persisting deflation in Japan. The difference is partly a sub-product of the economic recoveries at different rates, stronger in the developing countries when compared with the slow growth of the advanced economies. According to the IMF, inflation is set to remain at 1.5% in the

developed economies, strongly influenced by the rising energy prices, while in the emerging and developing economies consumer prices in 2010 are expected to have risen 6%, showing signs of overheating. In response to this situation, the central banks of Brazil, India and China (BRIC countries), now responsible for approximately 1/5 of global economic activity, increased their interest rates and are studying additional measures to put the brakes on price increases, food prices in particular.

Despite the good rate of growth seen in 2010 insofar as the global product is concerned, the 2011 forecasts suggest a slight slowdown of the rate of global growth, especially evident in the more advanced economies such as the USA, Japan and the Euro Area. The financial markets remain fragile and the tensions in the currency markets as well as the instability of the sovereign-debt market could well pose serious threats to economic growth.

### The Portuguese economy

Triggered by Greece, the crisis in the sovereign-debt markets was one of the major economic events of 2010 in several peripheral European countries. The small economic growth seen in the country over the past decade is pointed out as one of the main hindrances to the balance of Portugal's public accounts, since it constitutes a barrier to attracting funds to cover the expenditure. During 2010, poor budget execution, leading to a public deficit of 7.3% of the GDP, meant that the sovereign-risk premium was penalised by international investors who demanded a yield of over 7% for 10-year debt. Indeed, Portuguese banks were faced with funding difficulties on the international markets, and were essentially financed by the European Central Bank.

Despite the instability of the financial market in Portugal and the liquidity problems facing the Portuguese banking system, GDP growth is set to have stood at 1.1%, compared to a 2.6% downturn in 2009. Nevertheless, the IMF projections for 2011 suggest zero economic growth, which constitutes an additional risk for an economic system that is already fragile. It is becoming necessary and urgent to ensure a stringent budget execution, principally against a backdrop of zero growth, if the 4.6% target for the public deficit agreed with Brussels for 2011 is to be met.

In 2010, the average annual inflation rate stood at 1.4%, compared to 0.8% in 2009. The unemployment rate rose to historic figures, to stand at 10.9% in the third quarter, causing a widespread worsening of consumer purchasing power and confidence. These factors, allied to the acceleration of the process of budget consolidation, with the announcement of the VAT-rate increase to 23%, the reduction of wages and the freeze on career progress in the public sector, among other measures, may well generate an impact more negative than expected in the short term, even though, in the medium to long term, they could support the recovery of growth in the country's economic activity.

### The Angolan economy

Most of the countries of Sub-Saharan Africa recovered quickly from the international financial crisis. The region is set to have grown by 5% in 2010, returning to the growth rates seen during the pre-crisis period, rising to 5.5% in 2011. The rate of recovery varied throughout the region, though in Angola, the main foreign market for the Mota-Engil Group, recovery was more moderate, with an estimated GDP growth rate of no more than 2.5%. The general increase of commodity prices on the international markets, the great dependence on imported goods and the instability of the currency market were the main reasons suggested for the inflation rate of 15.31% in 2010. For 2011, one of the main objectives of the Angolan market is inflation control, expected to fall to 12% through the use of currency stability as the main instrument.

During the second half of 2010 the Angolan authorities made a start to the process of settlement of debt to foreign companies (the Mota-Engil Group was also covered by this plan), which was also one of the main factors, while the government issued treasury bills to cover the main borrowing requirements, allowing the budget deficit to stand at 2% at the year-end.

For 2011 the IMF predicts that the Angolan economy will grow by 7.5%, strongly influenced by the good prospects for the growth of the emerging economies of Latin America (especially Brazil) and of Asia, markets that account for about 40% of Angolan oil exports.

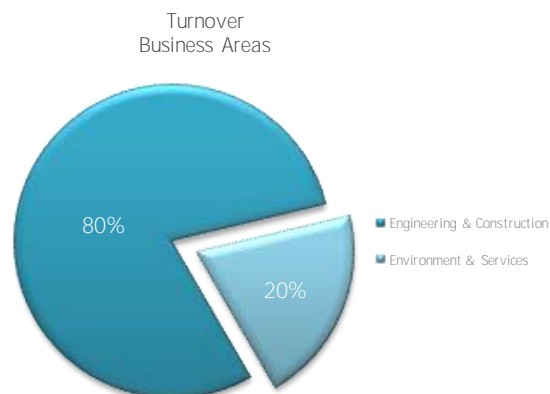
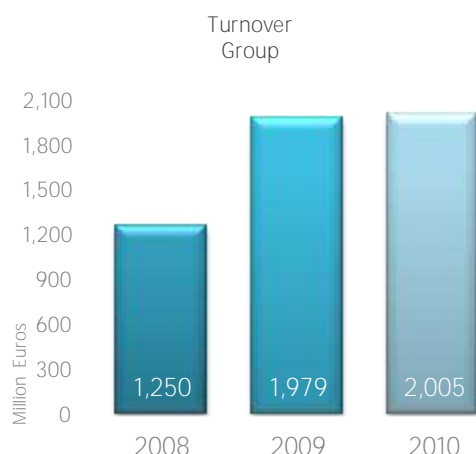
## The Polish economy

In keeping with the widespread global trend, Europe's emerging countries, harshly affected by the global crisis, also showed signs of recovery, returning an economic growth rate of 3.9% in 2010.

The Polish economy is one of the engines of Emerging Europe and, in 2010, its GDP growth rate is set to have stood at 3.4%, rising to 3.7% next year. Notwithstanding these good economic indicators, the country still faces major challenges and budget consolidation is becoming increasingly necessary to reduce the budget deficits that increased sharply during the international financial crisis. Through measures such as the one percentage point increase of VAT and the reduction of public spending through a public sector wage freeze, the Polish government expects to cut the deficit from 8% of the GDP in 2010 to 4.69% in 2011-12.

Notwithstanding the positive signals of economic growth, in January 2011 Poland, as a precaution, again requested access to the IMF's flexible credit line in the sum of US\$ 30 billion to ensure greater solidity of the public finances, to increase international investor confidence and to combat unemployment, which stood at 11.8% in 2010.

## 2. Economic and financial review



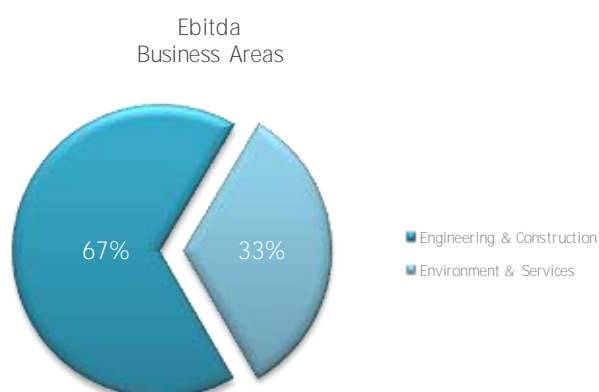
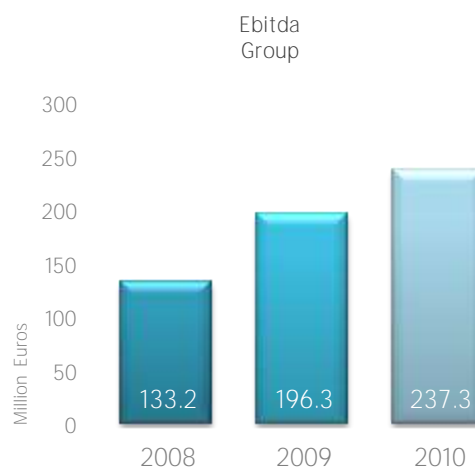
*2009: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities and retrospective application of IFRIC 12 and IFRIC 15). 2008: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities).*

In 2010 the Mota-Engil Group returned a consolidated net profit of €69.4 million, of which €37 million are attributable to the Group. The net profit attributable to the Group, adjusted for Martifer's results and other non-recurrent effects, amounted to €40.1 million (2009: €32.2 million).

Turnover in 2010 grew residually, up 1.3% (considering the pro forma 2009 figures), reaching €2.005 billion, (2009: €1.979 billion). The good performance seen in the Environment & Services area (25% growth in 2010) was almost all absorbed by the neutral performance of the Engineering & Construction area (down 3% in 2010).

The mix of turnover remained stable when compared to 2009, though emphasis should be given to the slight increase of the relative weight of Environment & Services (2010: 20%; 2009: 17%) and, consequently, a slight reduction of the weight of the Engineering & Construction area (2010: 80%; 2009: 83%).

The breakdown of Group turnover was as follows: Engineering & Construction €1.599 billion (2009: €1.654 billion) and Environment & Services €410 million (2009: €329 million).



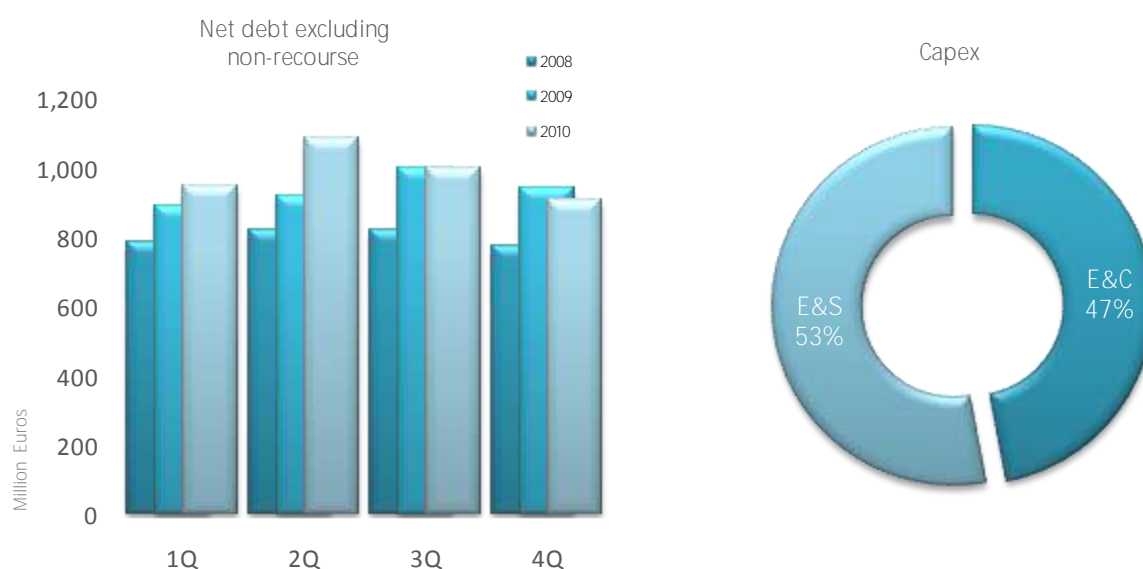
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Despite an unchanged in terms of Turnover, the Engineering & Construction area returned a sharp improvement of its EBITDA margin in 2010 (10.2% in 2010, compared to 7,9% in 2009), which, allied to the growth of turnover and to the unchanged EBITDA in the Environment & Services area, allowed an excellent operating performance in consolidated terms. Growth of EBITDA stood at 21% (€237.3 million in 2010, compared to €196.3 million in 2009).

With regard to the EBITDA mix, the performance of the Engineering & Construction area led to a slight increase of its relative weight, now accounting for 67% of the operating profit before depreciation and provisions/impairments (2009: 66%). The Environment & Services area contributed 33% of the EBITDA (2009: 34%).

Chapter 3 of this report provides a detailed review of the results and business undertaken by each Group area in 2010.



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In 2010, consolidated net investment amounted to €161 million, with emphasis on the investment in the Environment & Services area, totalling €83 million (including investment in maintenance and growth of the water supply and sewerage concessions, namely in Indaqua Matosinhos, Vila do Conde and Feira, with approximately €33 million, and the acquisition of a holding in Brazil in the waste area for approximately €22 million). The Engineering & Construction area invested a little less, €75 million (mainly in the Africa and America segments, including the acquisition of a holding in Mexico, the remainder having been invested in the holding company and its subsidiaries). Investment in maintenance totalled €59 million. This volume of investment is in keeping with Mota-Engil's investment policy, which is directed at sustainable growth and is based on a balance between the various business areas.

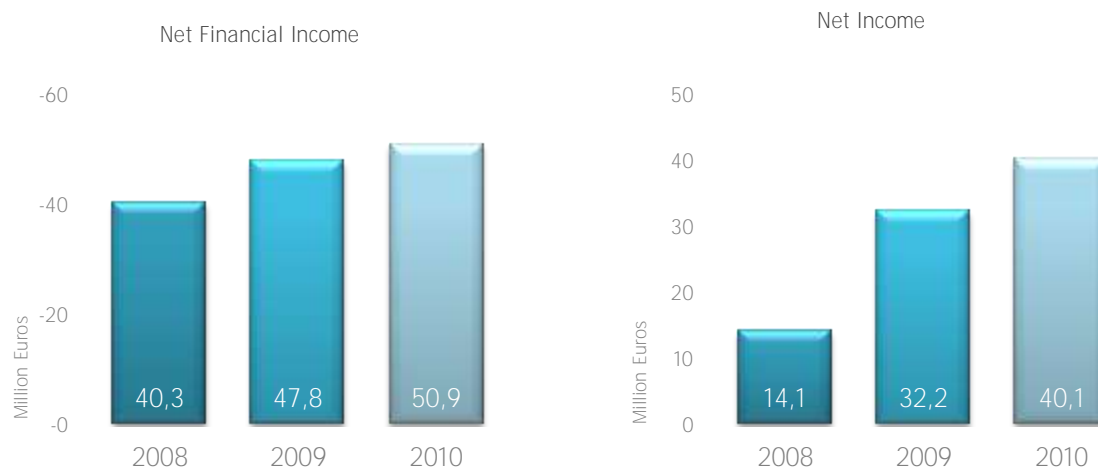
In 2010, despite the significant volume of investment, total net debt remained at roughly the level seen in 2009 (2010: €1.015 billion; 2009: €984 million). Emphasis should be given, however, to the downward trend during the 3rd and 4th quarters of 2010.

Corporate debt (with recourse) amounted to €907 million (2009: €908 million). Of this sum about €413 million were allocated to the Group's operating activity, the remainder (€494 million) being in respect of investment in associates, which does not contribute to the EBITDA, and non-core assets. By business area, €303 million was allocated to Engineering & Construction and €337 million to Environment & Services.

Additionally, Group debt also includes non-recourse (contracted within the scope of project finance business,



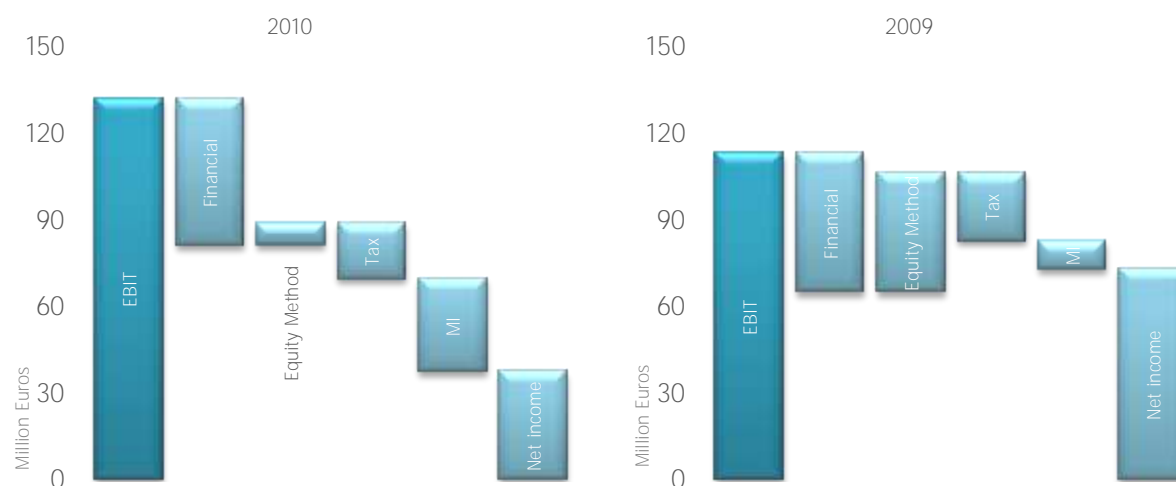
therefore not enforceable on the equityholder), originated by the consolidation of the water and basic sewerage, and port concessionaire companies. In December 2010, the amount of debt without recourse stood at about €108 million (2009: €76 million).



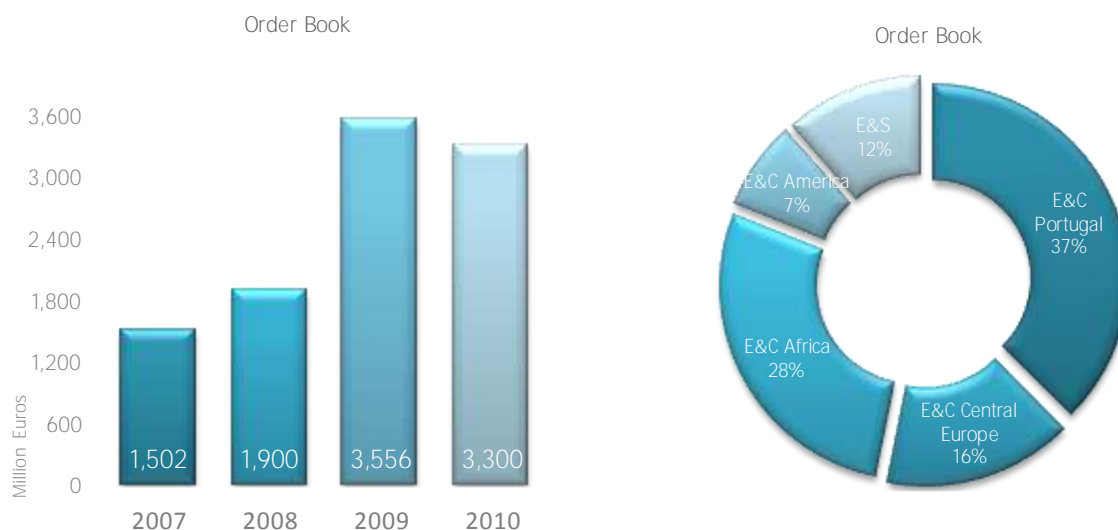
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Financial charges made a negative contribution to Group profits in the sum of €50.9 million (2009: a negative sum of €47.8 million), an increase of about 6% over 2009.

As a result of this operational and financial performance the pre-tax profit amounted to €88,3 million (2009: €106 million) and the net profit to 69,4 million, of which €37 million are attributable to the Group.



In 2010, gains & losses on associate companies (“Equity Method” in the chart) made a positive contribution to net profit in the sum of €7.5 million (2009: €41.4 million). The 2010 figure essentially comprises two effects of contrary sign: the Group's share of the losses of Martifer Group in the sum of €20.6 million (2009: €40.4 million of profit), and the gain of €17.4 million on the reclassification of gains previously recognised under other comprehensive income, through the reduction of interests in jointly-controlled entities in the wake of the process of dispersal of the equity capital of the Ascendi group.



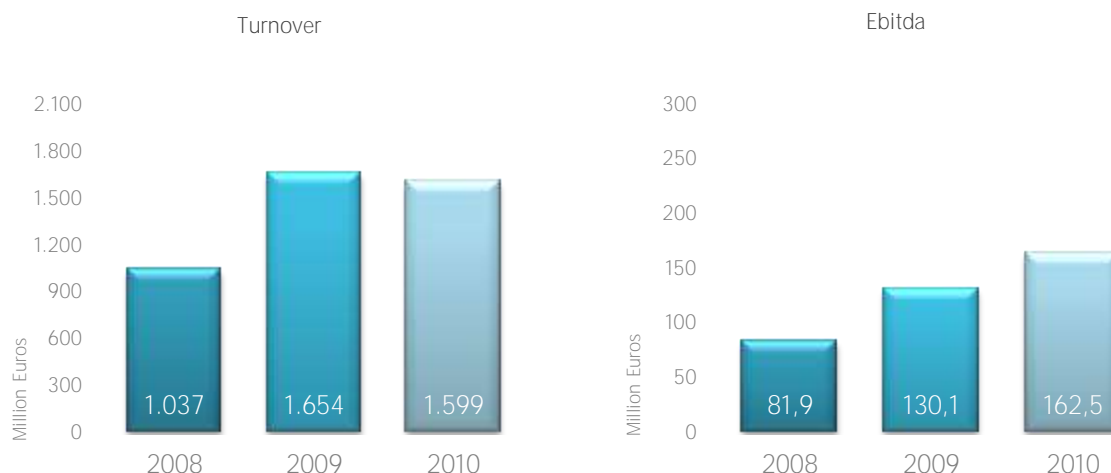
The order book at the end of 2010 amounted to about €3.3 billion, of which €2.9 billion in respect of the Engineering & Construction area.

During 2010 the Group strengthened its African and Latin American order books, particularly in Peru and Mozambique, which offset the reduction seen in another markets.

As usual, the order book for Environment & Services has to do solely with provision of services contracts secured in the Waste and Multi-services segments. In its order book the Group does not consider predictable income stemming from the water and sewerage (which now has a greater weight in consolidated turnover) and from the operation of marine ports.

### 3. Business Areas

#### Engineering & Construction



*2009: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities and retrospective application of IFRIC 12 and IFRIC 15). 2008: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities).*

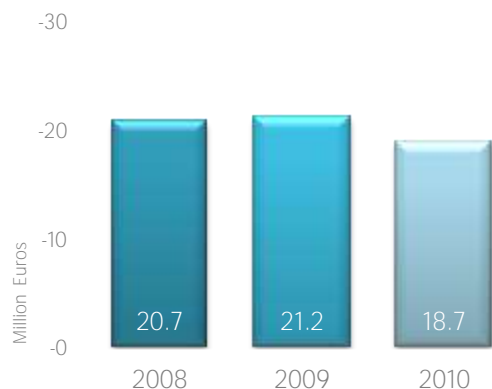
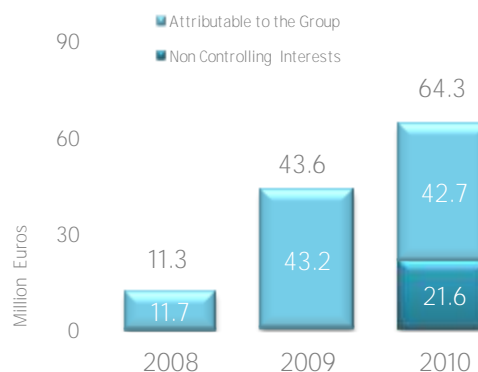
The Mota-Engil Group turnover in Engineering & Construction amounted to €1.599 billion in 2010 (2009: €1.654 billion), a decrease of 3% compared to 2009.

This was the result of different segments performances, having occurred a reduction of the performances obtained in the segments of Portugal (24% decrease in turnover) and Central Europe (decrease of 17% of turnover) and a enhanced performance of the Africa (26%) and America (95%) segments.

The Angolan market contributed to the good performance of the Angolan market, which continues to grow at a good rate and, in 2010, this market generated turnover in the sum of €452 million, compared to €403 million in 2009. At the same time, the order books of the other countries of this region grew sharply, with emphasis on Mozambique where revenues reached €58 million (2009: €16 million)

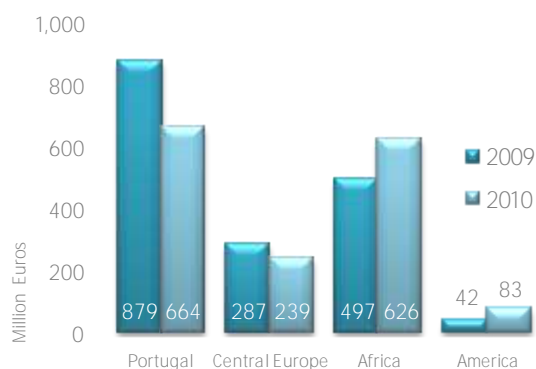
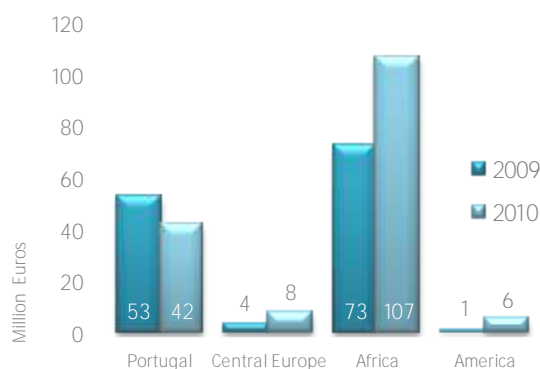
The business in Central Europe was affected, on the one hand, by an exceptionally rigorous winter at the beginning of the year and, on the other, by the discontinuation of the business in Hungary, Romania and Slovakia. The exceptional growth secured in Poland (29%) offset the reduction of business in the other countries of Central Europe. Turnover in this country in 2010 totalled €191 million (2009: €148 million), while the order book predicts a good performance in 2011 at this level.

As far as the operating profit of the business area is concerned, the EBITDA margins grew when compared to 2009 (10.2% in 2010, and 7.9% in 2009), while the EBITDA increased by about 25% (€162.5 million in 2010, compared to €130.1 million in 2009).

**Net Financial Income**

**Net Income**


*2009: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities and retrospective application of IFRIC 12 and IFRIC 15). 2008: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities).*

The financial results of the business area made a negative contribution to the Group's net profit in the sum of €18.7 million (2009: a negative contribution of €21.2 million) a reduction of some 11% compared to 2009. As a result of a better operational and financial performance the pre-tax profit amounted to €74 million (2009: €59.2 million) and the net profit to 64.3 million (2009: €43.6 million, of which €39.2 million are attributable to the Group), of which €42.7 million in respect of the profit attributable to the Group (2009: €43.2 million).

**Turnover  
Engineering & Construction**

**EBITDA  
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*2009: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities and retrospective application of IFRIC 12 and IFRIC 15). 2008: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities).*

Following the guidelines of the Group's 2013 Ambition Plan of diversification of the business and of the risk, emphasis is given to: growth in Africa; consolidation of Mota-Engil Central Europe, with historic results; implementation of Mota-Engil Angola in partnership with a consortium of Angolan companies headed by Sonangol; the move into Mexico through the acquisition of a stake in Indinsa; diversification of the business in Peru, culminating in the change of identity of Translei to Mota-Engil Peru; and also the approach to the markets of Brazil and Columbia.

## Portugal

The Portugal business segment also includes residual activity in the Engineering & Construction area in Spain and Ireland.

In Portugal, Engineering & Construction business has undergone a severe crisis for several years, with weak demand, excessive installed capacity and shrinking margins. Influenced by a profoundly adverse economic situation caused by the international financial crisis begun on 2008, the sector again returned a decline of its activity in 2010. It is a long, systemic and profound crisis that has heightened even further in 2010.

Following an attempt in 2009 to use public investment as the main policy instrument to stimulate the economy as a way to attenuate the impacts of the global financial crisis, this continued to be the main policy instrument employed in 2010, though now for the opposite effect of consolidating public finances. In this connection, the successive austerity policies that have been implemented since the beginning of 2010, and are expected to continue in 2011, contributed to the downturn of public-investment spending and, consequently, of the industry.

Most of the indicators show a decline of construction output volumes of around 6.5% (a downturn of 9% in 2009). Despite everything and the austerity measures in particular, the production indices for civil engineering and non-residential public buildings performed better than those for the private buildings segment.

Given the characteristics of the economic and financial crisis that struck the world in 2008 and had serious repercussions in our country, the residential-building construction segment in 2010 was again the one that saw the biggest decline of production, down by around 15%, despite the slight improvement compared to 2009. In accumulated terms, this business will have lost about 59% of its output volume since 2002, and, in 2010, it accounted for just 29% of the Industry's total production, whereas in 2001 it was equivalent to 46.5%. In fact, this segment has been the hardest hit by the financial crisis, which, with its powerful impact on the banking system, was reflected directly in the residential market given the restrictions imposed on families in obtaining home-purchase loans. This factor, allied to the growing economic difficulties stemming from the increase of unemployment, as well as to the widespread of serious confidence crisis, has led to a drastic reduction of demand for housing.

As a result of the economic crisis, the non-residential buildings segment again went through a considerable decline in 2010, mainly as a result of the downturn seen in the private component caused by the postponement by the economic agents of a part of their investments. All this notwithstanding, the public component of non-residential buildings construction counteracted this negative evolution, taking advantage of the school-buildings rehabilitation programme implemented by Parque Escolar, which continues its work throughout 2010. It is estimated that the public component of non-residential buildings construction increased by about 3% during 2010, contrary to the private component, in which the output will have fallen by some 9%. In aggregate terms, the combined production of non-residential buildings will have fallen by 4.9% in 2010.

Contrary to the prospects set out at the start of the year, as a result of the budget stimulus measures then announced based on the relaunch of construction activity, the volume of work associated with civil engineering works will have declined by about 1% in 2010. In fact, the major restrictions imposed by the government with a view to the reduction of the budget deficit led to a postponement of part of the works initially planned for 2010. As a result, there was a sharp reduction of the amount of works adjudicated, compared to 2009. The total value of work adjudicated in 2010 (€2.1 billion), reflects a reduction of 48% compared to the amount adjudicated during 2010.

Notwithstanding, it is with optimism that the Group views 2011, and it expects that it will come to be a year of improvement of this cycle of recession in the construction industry in Portugal.

The turnover of the business area in Portugal (not including Spain and Ireland) was greater than €641 million (2009: €778 million). Despite a smaller activity in 2010, operating profitability has kept a fairly good performance, partly due to the result of the backlog quality that is being gathered either in highway construction and civil engineering. Taking these difficulties of the domestic market into account, allied to the dynamism of the process of internationalisation of the construction business, the weight of the domestic market again fell as a

proportion of the total turnover of this business area: in 2010 the Portuguese market accounted for just 40% of the Group's construction business (2009: 47%).

There was also an alteration of the type of works, with a growth of highway works and a focus by production on larger contracts involving fewer buildings yards than in 2009.

For their importance the following jobs are underscored:

*Centre for the Unknown*, for the Champalimaud Foundation;

- Operational Fuel Group for ANA - Lisbon Airport;
- INL- Nanotechnology Institute
- Loures and Terceira Island Hospitals;
- New Coach Museum

Emphasis is also given to the construction of several hydraulic infrastructures for EDIA (Alqueva Dam Company) and the DGADR (Agriculture & Rural Development Directorate), as well as several School-Remodelling contracts for Parque Escolar, outstanding for having met very tight deadlines and quality goals.

## Central Europe

The Engineering & Construction area, though currently doing business in five countries of Central Europe (Poland, Czech Republic, Slovakia, Hungary and Romania) focuses its activity primarily on Poland.

The construction industry in Poland has undergone rapid development and growth since 2007-08, essentially owing to Euro 2012, investment in infrastructure financed by the European Union and growth of the property market. Although the development has been somewhat hampered by the financial crisis of 2008, the significant increase in building-materials production in 2010 suggests that construction activity is quite robust, despite the fact that the official indicators do not show this.

With regard to the property market, the impact of the international financial crisis continued throughout 2010, penalising both the average selling prices and the number of transactions in most countries of Central Europe. The strategic plan drawn up for the Group's real-estate business in the region is based on the residential segment in the cities of Warsaw, Krakow, Prague and Bratislava as the priorities, as well as on the definition of the maximum number of homes to be built each year in each of these cities.

Despite a first half of 2010 marked by a severe winter followed by flooding during the spring and by the cancellation of the D1 Project in Slovakia, the better weather during the second half and the order book secured in Poland allowed a recovery of the rate of production and meant that the goals established for 2010 could be met.

In organisational terms, the year saw the implementation of a cycle of alterations to the Corporate Management Model and the modernisation of the Management Systems of Mota-Engil Central Europe. A new stage began in 2011 with a clear strategy, involving a particular focus on Efficiency, Productivity, Innovation and greater Internal Cohesion. Solidification of the development strategy and regional consolidation will continue to be implemented, pursuing the target of covering the whole of Poland. In parallel, the priorities have been defined as diversification of construction in the environment segment – in particular, hydraulic works and flood protection and prevention – and intensification of civil construction activity, with a focus on the company's own property developments.

Turnover in 2010 amounted to about €239 million, while EBITDA stood at some €7.8 million. The order book secured in Poland in the Infrastructure sector allowed Mota-Engil Central Europe to maintain the trend of sustained improvement of operating performance seen in recent years. Business in Poland accounted for about 79% of the region's Turnover (2009: 52%).

The year under review was marked by the following awards of major contracts in Poland:



- S3 Expressway located west of Poznan, along the axis connecting Swinoujscie on the Baltic Sea with Jakuszyce on the border with the Czech Republic (length 16 km). The project value amounts to about €76 million;
- Link-up of John Paul II Avenue with the A4 Motorway in the city of Tarnów, with a value of nearly €8 million;
- Przemyśl Bypass, with a length of 4 km and a value of about €45 million;
- Dobczyce Bypass, with a length of 2.2 km, including a new 500-metre bridge.

In terms of projects under way and jobs inaugurated during 2010, the following warrant particular emphasis:

- Design and construction of a 22.1 km section of the S8 Expressway between Wrocław and Olesnica, for the sum of €87 million;
- Design and construction of a 22.75 km section of the S8 Expressway between Jezewo and Białystok, for the sum of €123 million – leader with 51% of a consortium with Strabag;
- S7 Expressway between Skarżysko/Kamienna/Występa, over a distance of 13.7 km, including the construction of 2 interchanges and 29 engineering works. The contract value amounts to €160 million. The job is scheduled for handing over in the spring of 2011.

Mota-Engil Central Europe considers that a policy of proximity with the regional customers is essential, based on the company's own production capacity and permanent facilities, asphalt plants in particular. To this end, 2010 marked an increase of the regional consolidation strategy through execution of medium-size contracts, and emphasis is given to the acquisition, in June, of the company PRD-M LUBLIN SA, a reference in the Lubelskie region. The start to activity in the Lubuskie and Śląskie regions also extended the field of action, till then centred on the regions of Małopolskie, Lubelskie, Dolnośląskie, świętokrzyskie, Podkarpackie and Podlaskie. Activities are scheduled to commence in 2011 in the region of Pomorskie (Gdańsk).

With regard to the real-estate area and to meet the goals set up in the strategic plan, particularly with regard to the number of homes to be built each year in each market, activity in 2010 was focused on the development and optimisation of projects in the portfolio scheduled to start construction in 2011 and 2012. In this connection, emphasis is given to the third stage of the Soltysowska project and to the second stage of the Devonska II project, both of which are scheduled to begin construction during the second quarter of 2011.

About 180 apartments were sold during the year, and emphasis is given to the finalisation of the sale of the Kordylewskiego project in Krakow, and to the first stage of the Devonska project in Prague. The commercial success of the Soltysowska in Krakow continued, with sales standing at more than 100 units per year for the second straight year.

The year under review was also marked by the coming into operation of the first hotel owned by the Mota-Engil Group in Central Europe, located in the city of Budapest and operated by a renowned international brand, and by the sale of the 60% stake in the Kozielska residential project in the city of Gliwice, in Poland.

In 2010 a start was made to the construction of the Steinerova project in Prague and to Tower B of the Mierova project in Bratislava. The year was also marked by the start to the licensing process for the Wilanów project in Warsaw, the Kilńskiego project in Łódź, and the Bergamon project in Bratislava. Attention is also drawn to the investment in the acquisition of a 50% stake in the Bergamon project in Bratislava.

With regard to the Construction segment in Hungary and Romania, efforts continued with a view to concluding the remaining work. These operations made a negative contribution to the EBITDA of the business area in the sum of €4.2 million, essentially stemming from the cost of demobilisation and from works under warranty.

## Africa

The Engineering & Construction area operates in the following countries of Africa: Angola, Mozambique, Malawi, São Tomé e Príncipe and Cape Verde.

The Mota-Engil Group has been present in Angola for more than 64 years, and it is still seen as one of its natural markets. In this connection, and as a sign of the deepening of the historic relations that the Group has in this country, Mota-Engil Angola was set up, a landmark that constitutes the start of a new cycle in the life of Mota-Engil in this country. This company is the result of a partnership between the Group, with 51% of the equity capital, and an Angolan consortium headed by Sonangol, the oil company, with 49% of the equity capital. This company will come to carry out the greater part of the business now carried on by Mota-Engil Engenharia e Construção through its Branch, which will be maintained. The process of transferring the assets and financial holdings to the newly-created company will be concluded during 2011.

Engineering & Construction business in Angola had an excellent year, once again, in 2010, with turnover amounting to €452 million, a growth of 12% compared to last year (2009: €403 million). This market already accounts for 28% of the total turnover of the Engineering & Construction area (2009: 24%) and 23% of the total turnover of the Mota-Engil Group (2009: 20%). In operating profit, too, 2010 was a very good year, with the EBITDA margin standing at 16.1% (2009: 14.6%).

Despite the global crisis, the start of 2011 in the Angolan market continues to be viewed with some optimism and the expectation of the Group is that it will be able to secure growth, underpinned by a robust order book (now standing at €443 million) that is being further consolidated. Mota-Engil intends to diversify the business in Angola in the Engineering & Construction area and, for the purpose, it is focusing on new industrial activities associated with the construction industry, particularly through Novicer, dedicated to ceramics, and through Fatra, dedicated to wire-drawing.

In the other African markets in which the Mota-Engil Group does business, the year under review was also quite good, in Malawi, Mozambique and Cape Verde in particular, where the Group has strengthened its presence, especially in the area of highway construction and maintenance, having an order book worth more than €447 million at this time. The backlog grew in these markets was possible due to the recognised prestige that has been built up by its position in the marketplace, governed by correctness and competence in execution of works as the bridge of the Zambezi or the port of Nsanje in Malawi.

In Mozambique, the Group achieved Turnover in the Engineering & Construction area in the sum of €58 million in 2010 (2009: €16 million), a growth of business in the order of 262%.

The Olympic Village and Swimming Pools job for the 10th African Games, to be held in Maputo, began in July, involving the construction of 848 apartments to accommodate the participants in the event, including the respective roadways, landscaping and all infrastructures. The contract, also involving a consortium, also calls for the construction of the pavilion for the Olympic Pool. The Tete Bridge Project, which implies the construction of an access viaduct, a bridge over the Zambezi River and the accesses to the structure, and rehabilitation of the highway between Cuchamano and Zóbué, over a distance of 260 km, began in July. The job is being undertaken in consortium and is scheduled for conclusion in June 2014.

Also in Mozambique, the year under review also marked the start to the rehabilitation and improvement of a highway about 84 km in length. The contract calls for earthmoving, all necessary highway and complementary works, as well as the construction of walkways along the existing engineering works. The Mota-Engil Engenharia Mozambique Branch is responsible for the whole of this job, scheduled for conclusion in April 2013.

The African business segment increased its turnover in 2010 by 26% to €626 million (2009: €497 million). This market already accounts for 39% of the total turnover of the Engineering & Construction area (2009: 29%) and 31% of the total volume of the Mota-Engil Group (2009: 25%). In operating profit, too, 2010 was a very good year, with the EBITDA margin standing at 17.1% (2009: 14.7%).

## America

The Engineering & Construction area does business in the following countries of America: Mexico and Peru.

In Peru, 2010 was yet another good year for the business in this country, and the stability of the market allowed ongoing development of the strategy of growth and enhancement of our local associate. At the year-end meeting the goal of harmonisation of the Mota-Engil brand, on the one hand, while also strengthening the diversification strategy that has been implemented in the Peruvian market since 2008, on the other, the company's name was changed from Translei to Mota-Engil Peru.

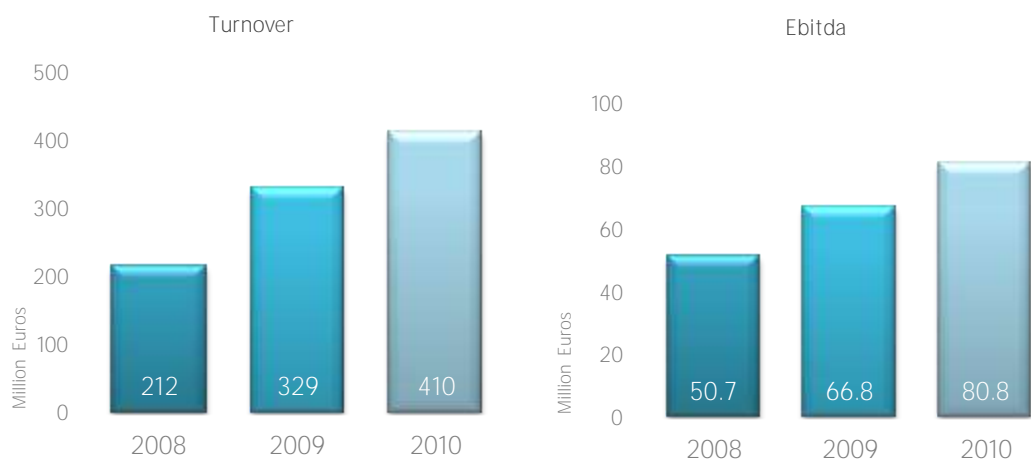
In Mexico, a start was made to the construction of the "Perote-Banderilla y Libramiento de Xalapa" motorway, calling for an investment in the construction area of about €179 million.

In order to comply with the strategic internationalisation plan, Mota-Engil acquired a holding in a Mexican construction concern, Idinsa. Through this subsidiary, the Group expects to drive the growth of construction activity in the Mexican market, taking advantage of the opportunities provided by the Mexican government's 2007-12 National Infrastructure Programme, estimated at a total of €60 billion.

The Group's objectives also include extending its presence in the America business segment. For the purpose it plans to acquire a majority stake in a company operating in the Brazilian market and another in the Colombian market. The economies of both markets have good growth rates, which, allied to the plans calling for major investment in public infrastructure, make them a priority for the international expansion of the Engineering & Construction business area.

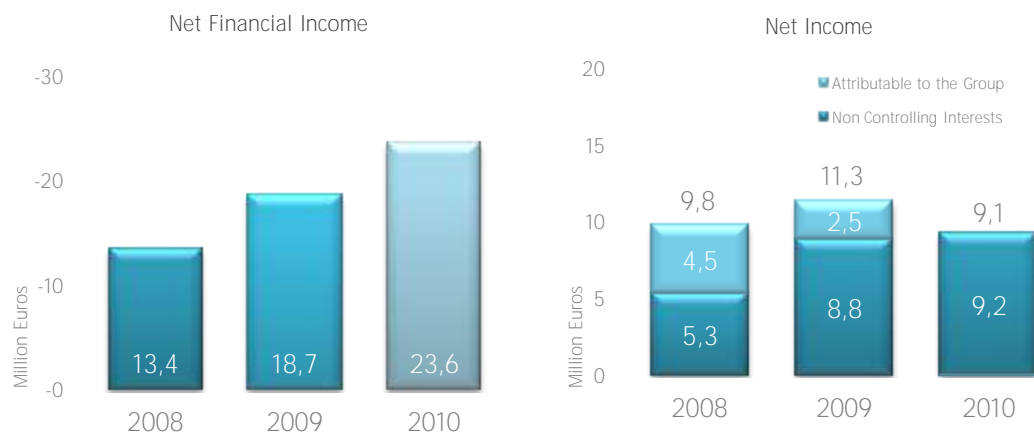
The America business segment increased its turnover in 2010 by 95% to €83 million (2009: €42 million). The performance of the operating profit was also positive, with EBITDA standing at €5.8 million, compared to €1.1 million in 2009.

## Environment & Services



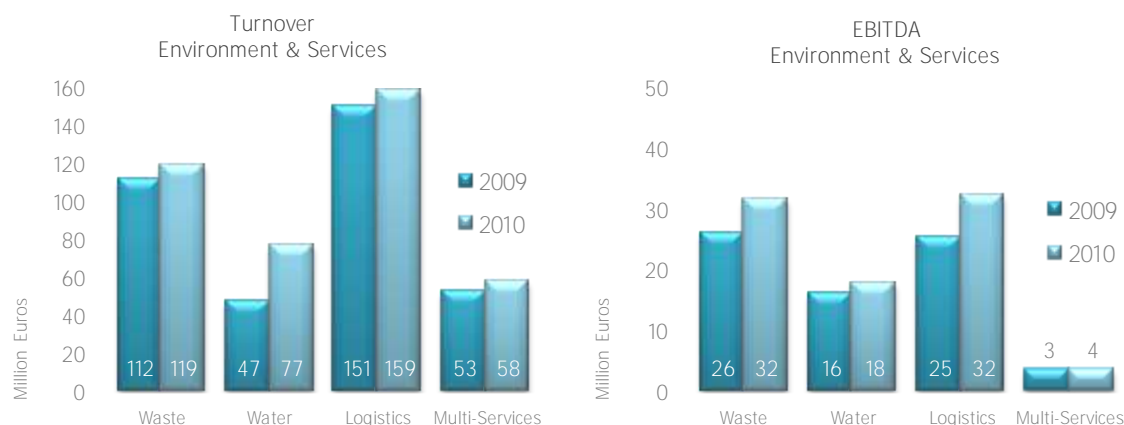
*2009: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities and retrospective application of IFRIC 12 and IFRIC 15). 2008: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities).*

The business of the Environment & Services area was excellent in 2010, in terms both of turnover and of operating profit. Turnover in 2010 amounted to €410 million (2009: €329 million), a growth of around 25%. This growth, allied to a continuation of the EBITDA margins (2010: 19.7% and 2009: 20.3%) led to major improvements in operating performance, EBITDA having grown by about 21% (2010: €80.8 million and 2009: €66.8 million).



*2009: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities and retrospective application of IFRIC 12 and IFRIC 15). 2008: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities).*

Financial charges made a negative contribution to Group profits in the sum of €23.6 million (2009: a negative sum of €18.7 million), an increase of about 25% over 2009. As a result of this operational and financial performance the pre-tax profit amounted to €21.6 million (2009: €20.2 million) and the net profit to €9.1 million (2009: €11.3), of which €9.2 million in respect of non-controlling interests.



*2009: Pro forma data (use of the equity method in recognising the financial interests in jointly-controlled entities and retrospective application of IFRIC 12 and IFRIC 15).*

The Logistics segment continued to account for greater part of this business area, accounting for about 39% of its turnover. This is followed by Waste, with a relative weight of 29%. These two segments accounted for about 67% of the total for the Environment & Services area in terms of turnover (2009: 72%) and 75% (in terms of operating profit as measured by EBITDA (2009: 73%).

## Waste

In 2010 the waste business returned a growth of 6%, its turnover changed from €112 million in 2009 to €119 million in 2010. In EBITDA terms the margins improved (27% in 2010, compared to 23% in 2009), contributing to the growth of EBITDA by about 22% compared to last year (2010: €31.7 million; 2009: €26.1 million).

Based on the Suma Subgroup, the Waste business segment involves over thirty companies that provide excellence in the integrated management of the life-cycle of Waste. The leading position in the national Waste market, with over a decade and a half of consolidated experience in the service of the Environment and of the population, has been synonymous to sustained growth and is the engine of an ambitious internationalisation project. On a par with the diversification of services, with a focus on the industrial waste and treatment market, internationalisation is a pole of business development in this segment, enlarging the geographic scope to markets of Central Europe, Africa and Latin America. The acquisition of Geo Vision, a group of companies engaged in general waste management in Brazil, is the most recent focus abroad, reflecting exponential growth beyond our borders.

The Waste Sector in Portugal is characterised by persistent stagnation of the business growth, while privatisation of the services is still far below expectations and far lower than the European Union's benchmark figures.

Suma has a market share of 54% of the country's privatised market in the collection of solid urban waste and urban cleaning, serving about 2.3 million inhabitants in 54 municipalities. With regard to the solid urban waste management and treatment segment, Suma does business in 36 municipalities, serving over 600,000 inhabitants in Portugal. Abroad, the population covered in Poland is nearing 1 million and in Angola over 1.5 million, while in Brazil about 4 million are covered by the Group's services. The importance of internationalisation is clear to see in the increase of turnover generated in the Waste segment and its relative weight as a proportion of total turnover its already about 20% in 2010, generated by Vista Waste Management in Angola, which provides waste-collection, urban cleaning and environmental education services, and Ekosrodowisko in Poland, which provides services in the area of collection and urban cleaning, snow clearing, interiors cleaning and garden maintenance. Suma continues to be the company that contributed the most to the turnover of the segment, standing as the benchmark player in the solid urban waste and urban cleaning market, though mention must be made of the major contribution of the firms Correia&Correia, Enviroil and Triu, operating in the industrial waste market.



The Waste segment involves about 4,700 workers, providing service in Portugal and abroad, and this, together with over 1,300 items of engine-driven equipment, demonstrate the dimension of a Group that focuses with great ambition on this business area. The Group has several certifications and accreditations in integrated management systems set up at its companies, and Suma is widely recognised as an example of success in its field of operations. It has an unmatched profile on the domestic market, investing in the Quality, Environment and Safety areas with a view to ongoing improvement and compliance with the standards of excellence that are among the attributes of the Group.

Market research and the identification and selection of businesses abroad has come to be of greater importance, not only from a standpoint of breaking into new markets but also in the transposition of the analysis models and in preparation of commercial offers in countries where we already do business. This vector is advancing and there is great growth potential, and being also necessary to take full advantage of Suma's experience and to exploit the potential of the investments already made.

Despite the negative economic surroundings and the difficulties facing organic growth through calls for tenders in Portugal, an analysis of the main indicators shows that Suma is in a position of continuity, demonstrating the dynamism and commitment required to maintain its status of market leader in its field of operations, while assuming once more its commitment to sustainable growth and consolidation.

The safeguard of sustainable development and of the wellbeing of the population is the challenge to which Suma seeks to respond at all times, through diversification and through the progressive advance of its companies and of their provision of services and complete, integrated, competitive and economically viable solutions in the construction of a better environment.

## Water

The Water business segment includes the water supply and sewage concessions of the municipalities of Fafe, Santo Tirso, Trofa, Santa Maria da Feira, Matosinhos and Vila do Conde, controlled by subsidiaries of the Indagua Subgroup. It also includes a public-private partnership with the municipality of São João da Madeira, for the management of the public municipal water supply and wastewater and storm-water collection service in the municipality. On the international market, Indagua has, since 2009, controlled Vista Water, a company that operates within the Angolan market, fully focused on the Water and Sewerage sector.

Indagua is the biggest private Portuguese operator insofar as municipal water concessions are concerned. Taking into account that sewerage services are not provided in the Fafe and Santo Tirso/Trofa concessions, Indagua is not the leader, but ranks second in the market.

The evolution of the domestic market in 2010 was not favourable to Indagua's growth prospects in that few calls for tender were issued and those that were successively postponed. This notwithstanding, the total number of Indagua customers, as at December 2010, exceeded 203,000, with the volume of water billed totalling around 24 million m<sup>3</sup>, increases of about 3% and 6% respectively over 2009. The total number of Indagua sewerage customers as at December 2010 amounted to around 137,000, generating sewerage billing in the order of 16 million m<sup>3</sup>, increases of about 4% and 8.5% respectively over 2009.

At the start of 2010, Indagua acquired 5% of the equity capital of Indagua Feira, and now holds 98% of the company's equity capital, and the remainder of the equity capital of Indagua Fafe and of Indagua Santo Tirso/Trofa, as from when it holds the whole of the equity capital of these concessionaire companies.

Investment by the segment in Portugal amounted to €33 million, the larger part invested in infrastructure, involving the construction of sundry works as defined in the Investments Plans of the concessionaire companies.

Of the relevant aspects of the business in 2010, emphasis is given to the new SAP IS-U customer-management applicational platform now uniformly transverse to all the concessionaire companies. On the international market, in 2010, Vistawater consolidated the consultancy contract entered into with the Energy and Waters Ministry in respect of advisory services concerning the public investment programme "Water for All", a contract expected to last until July 2011. Additionally, the Angolan company has developed another business area related with the sale



of equipment and technological solutions in the water area.

The year under review was also marked by an intense search for new geographic markets, essentially in South America. It has been confirmed that the Brazilian and Peruvian markets provide interesting macroeconomic conditions for investment, although, as a result of the overheating of these economies, assets are inflated, constituting two major risks: slowdown of the economy and currency depreciation. Several possibilities of acquisition of relatively small local concessionaire companies have been determined in Peru. In Brazil, where business is high given the existence of a very large investment plan for the coming years in the field of basic sanitation, including the fresh-water supply, wastewater, solid-waste management and urban storm-water management, the Group is actively seeking investment opportunities.

In turn, in Ireland, there are great expectations as to the development of the market, given the shortfall of infrastructures in the water segment.

For 2011, Indaqua expects that 2 to 4 calls for tender will be issued for concessions or participation in municipal companies, and it plans to take part in them all. The business in 2011 will still be centered on further search for new businesses in those geographic markets defined as priorities, on the definition of new business areas in the non-regulated market, and on the consolidation of the harmonisation of the procedures of the various concessionaire companies with a view to improvement of their quality, environment and safety systems.

## Logistics

The Logistics segment embraces all the Group's activities in the logistics sector (operation of road-rail terminals, integrated logistics and carriage of goods by rail) and ports sector (operation of marine terminals).

Tertir, a Group holding company for the logistics area, occupies a leading position in port-terminal operations (Lisboa, Leixões, Setúbal and Aveiro). Consolidating its know-how in public infrastructure concessions, it also carries out integrated stevedoring, road and rail transport, logistic and intermodal services, distribution, forwarding and other related services. Here, it is outstanding as the first private Portuguese operator to move into the carriage-of-goods-by rail market and is co-promoter of the country's biggest logistics platform, which is located at Poceirão and will serve the city of Lisbon, the future Lisbon airport and the ports of Lisbon, Setúbal and Sines.

Internationally, the Group does business in several countries, with emphasis on the 30-year concession of the port of Paita in northern Peru, awarded in 2009 to a consortium controlled by the Group (Terminales Portuarios Euroandinos) and to Transitex, a cargo forwarding company that deals with the movement of containers between logistic platforms and port terminals in countries such as Spain, Mozambique and Mexico.

Against a backdrop of poor economic activity in Portugal, this business segment has returned solid results, opening up excellent prospects in focusing on the various businesses linked to the logistics value chain.

During 2010, the Group reorganised the companies of the logistics segment through various mergers and swaps of holdings. This concentrated the business of some companies in just one and placed all the logistics companies under the control of Tertir.

In the wake of the revocation by the Assembly of the Republic of the decree-law that extended up to 2042 the Alcântara terminal concession, an court of arbitration was set up to decide whether there are legal grounds for this revocation. Liscont, supported by the opinions of professors of law of repute consider that the revocation of the terminal's concession is unconstitutional, reiterates the complete legitimacy of its legal position.

In 2010, the Tertir Group maintained its focus of the foreign markets in which the Mota-Engil Group operates, with emphasis on the increase of Sonauta's operating capacity. This Angolan company is specialised in coastal shipping between the various ports of Angola and of other African companies, having invested in a barge of a capacity of 750 tonnes, fundamental to the growth of the company's business.

With regard to rail transport, Takargo Rail, following its award of a carriage of goods by rail operator licence in 2006, consolidated its operations as the Iberian benchmark in the carriage of goods by rail.

The Logistics segment continued to account for majority of this business area in 2010. With a growth of 5% over 2009, the segment generated turnover in the sum of €159 million (2009: €151 million). In EBITDA terms the margins improved significantly (20.3% in 2009, compared to 16.7% in 2009). For this reason, despite the increase of turnover, the EBITDA grew by about 28% compared to last year, to stand in 2010 at €32.3 million (2009: €25.2 million). This performance reflects the growth of Portuguese exports in 2010, which had a direct impact on port activity and on road and rail transport.

### Multi-Services

The Mota-Engil Group involves a number of companies engaged in the provision of services in which subcontracting is seen to be an interesting alternative for their customers, who are thus able to outsource activities that are not part of their core business.

Of the companies that make up this area, mention should be made to the activities of the industrial and buildings maintenance segments, through Manvia. This company also operates in the field of pipeline rehabilitation through Manvia Condutas.

Another field of intervention is landscape architecture and design, construction and maintenance of green spaces and golf courses, through Vibeiras and Áreagolfe respectively. Vibeiras is also involved in the Angolan market through Vbt.

Also to mention the involvement in the car-park concessions market through Emsa and Parquegil, companies that have car parks under concessions in several Portuguese cities.

Lending continuity to the process of internationalisation of Vibeiras, emphasis is given to the set up of the firm Vibeiras Moçambique with a local partner of importance.

Lastly, emphasis is also given to Lokemark, a company specialised in the outsourcing of billing and mail finishing and direct-mail services, and to Vortal, a pioneer company specialised in the development and management of electronic-transactions platforms.

With the exception of golf-course construction activity, which declined in 2010, all the other Multi-services businesses continued to grow, substantially in some cases, as in the case of the business of Glan Agua, Manvia, Vortal and Lokemark.

## Ascendi Group

The Ascendi Group is the result of the partnership entered into between the Mota-Engil Group and the Banco Espírito Santo Group at the end of 2006 for the transport-concessions area.

This partnership called for the set up of a new autonomous vehicle. Nevertheless, the difficulties arising from the need to safeguard the operational efficiency of the implementation of the partnership led to parties to alter the configuration of the operation, and it came about through the concentration of the holdings in Mota Engil Concessões de Transportes, renamed Ascendi Group in the meantime.

This transfer of holdings began with an operation undertaken on August 24, 2010, in which the equity capital of the Ascendi Group was increased through subscription by ESConcessões involving payment in kind of the equityholdings in the “Norte”, “Costa de Prata”, “Beiras Litoral e Alta” and “Grande Porto” concessions. The transfer of the other holdings is scheduled to take place during 2011.

With a view to strengthening and consolidating public recognition of the Ascendi brand, the process of implementation of the new image took place during 2010, culminating in July with the alteration of the corporate names of 7 concessionaires and 7 operators, (of the “Norte”, “Costa de Prata”, “Beiras Litoral e Alta”, “Grande Porto”, “Grande Lisboa”, “Douro Interior” and “Pinhal Interior” concessions). Through this alteration all the companies came to have the name Ascendi in their designation.

### “Douro Interior” Sub-concession

On March 26, 2010, the Court of Auditors gave its approval to the Douro Interior Sub-concession, allowing the construction activities to go ahead on a regular basis. During December 2010 the first two green-field sections of the sub-concession were opened to traffic (Trancoso/Celorico da Beira section of the IP2, over a distance of about 14 km; and Murça (IP4) / EN 212 Interchange section of the IC5, over a distance of 7 km).

### “Pinhal Interior” Sub-concession

The Sub-concession contracts and the respective financing contracts were signed in April 2010. This sub-concession was contracted on the basis of a mixed scheme – availability and service charge – and it has a life of 30 years. The initial investment amounts to approximately €1.429 billion. Of this investment about €210 million will be financed by own funds and the remainder by loans to be taken out from the EIB and commercial banks totalling some €1,200 million. The value of the construction contract is €958 million and the construction consortium is headed by Mota-Engil (53.52%). The sub-concession is mainly controlled by the Ascendi Group (79.99%). During 2010 a start was made to the construction work, which is going ahead in keeping the completion deadlines initially estimated.

## Overall Agreement with the State

During 2010 alterations to the concession contracts were signed and implemented and, related therewith, to the financing and operating contracts in respect of the North, Costa de Prata, Beiras Litoral e Alta, Greater Porto and Greater Lisbon Concessions. The alterations to the Concession Contracts essentially involved the form of remuneration of the activities of the concessionaire companies, which changed from real or shadow toll remuneration to a remuneration based on availability of the highway infrastructure under concession.

## Electronic Toll Collection (Ascendi O&M)

Concluding an intense, demanding process of development and integration of information and operational systems, Ascendi O&M was able to make a start, on October 15, to collect tolls from the users of the “Costa de Prata” and “Grande Porto” Concessions through a novel, fully-electronic system of the Multi Lane Free Flow

(MLFF) type. All together, the system comprises 42 collection points. It is now one of Europe's biggest (if not the biggest), with a capacity to collect tolls for every type of vehicle (both light and heavy), putting Ascendi O&M at the forefront of Europe in the development of technological toll collection systems using solely electronic means.

The potential to globalise these systems is frankly large in view of the widespread acceptance of the user-payer principle, as demonstrated by the fact that, as a result of a process begun at the end of 2010 and concluded in January 2011, Ascendi O&M contracted the installation and made a start to the operation of a further two MLFF systems in Portugal, one on the Beiras Litoral e Alta Concession, the other on the North Interior Concession (in which the Ascendi Group does not participate), with a total of 52 new collection points.

## Lusoponte

During 2010 the Lusoponte operation evolved as normal for a concession at its stage of maturity within the present macroeconomic framework. It should be pointed out, however, that the importance of the Via Card automatic payment means increased even further, accounting in 2010 for 10.0% of total traffic. On the April 25 Bridge it amounted to 13.4%, a growth of transaction numbers in the order of 2.4% compared to 2009. With regard to the involuntary-violation recovery system known as photo-tolling, installed in 2004, its contribution to the reduction of violations (non-collectables) has allowed the recovery of about 63% of all violations initially recorded.

## South Tagus Light Railway Concession

The business took place as expected and there were no outstanding differences in the indices for demand, income and costs. It should be pointed out that in 2010 the integrated environment, quality and safety system certification was obtained with no non-conformity. A negative factor to be noted was the delays to receiving the contractual compensations owed, which caused serious cash-flow restrictions.

## Increasing in stake in Portugal

Within the scope of the process of stake reorganisation and lending continuity to the strategy of increasing its role in Portugal, the Ascendi Group acquired at the end of 2010 the stake that Odebrecht and BCP had in the “Norte”, “Costa de Prata”, “Beiras Litoral e Alta” and “Grande Porto” Concessions. The stake that was acquired from Odebrecht amounted to 13.87% of the North Concession and 14.23% of the “Costa de Prata”, “Beiras Litoral e Alta” and “Grande Porto” Concessions, at a cost of €126 million. The holdings acquired from BCP amounted to 6.67% of the “Norte” Concession and 7.5% of the “Costa de Prata”, “Beiras Litoral e Alta” and “Grande Porto” Concessions, at a cost of €51,9 million.

## Acquisition of a holding in Via Verde Portugal

With a view to consolidating the skills in the field of electronic toll collection, driven by the great development of activity generated by the start to the new MLFF systems, a 20% stake was acquired in Via Verde Portugal in October, through Ascendi O&M.

## Business Carried on on the International Market in 2010

About to complete two years in operation, the Rodovias do Tietê Concession has contributed to the development of the region in which it is located. The recovery of the more than 400 km of highways allowed the traffic levels provided for in the original business plan to be achieved. The year under review was the first full year of operation of the concession, having accomplished service levels required on the concession plan and the investments called in the initial plan were realised. For 2011, several major investments are planned: laying the optic fibre network along the entire highway network managed by the concessionaire; the Piracicaba Bypass, which will allow a sharp reduction of urban traffic in this city, for which the population has waited for over 20

years; and the start to the doubling of the SP101 and SP308, major means of communication between Campinas, Salto and Piracicaba.

In Mexico, following the approval of May 2011 for the end of the construction of the Perote-Xalapa Concession, a start was made to the process of negotiation with the concessor for the widening of the concession to two-by-two lanes, rather than the contractually planned situation of one lane in each direction. As of this date the process is practically concluded, and it can be expected that all the documentation to formalise this alteration will be signed in the coming months. This alteration will increase the concession's service level and will allow the entire journey between Vera Cruz and Mexico City (via Xalapa) to be undertaken on a two-by-two lane highway, increasing the traffic potential of the concession. During 2010, construction work went ahead at a rate slower than estimated, caused by the delay to the release of the highway rights, a matter foreign to the concessionaire. At the year-end about 60% of the work had been concluded and now has an A2 profile. Should the process of enlargement be concluded satisfactorily, it can be expected that, in accordance with the new construction schedule, the two-by-two lane construction will be completed by the end of 2012, while the first 30 km of the concession (the Perote-Banderilla connection) will come into operation during the first quarter of 2012.

In 2010, in Mozambique, a consortium headed by Ascendi closed with the government of Mozambique a concession contract in respect of the Tete Bridge for 30 years. It will give rise to the construction of the second road crossing in the city of Tete in the Province of Tete, as well as to several rehabilitation works along the 260 km of the Cuchamano – Tete – Zóbue highway, which links, within the borders of Mozambique, Malawi, Zambia and Zimbabwe. This concession also includes another two (secondary) highway axes, involving a total of 702 km of highway in operation with toll collection, in addition to routine maintenance work. At the end of the year another consortium headed by Ascendi was awarded the title of Preferred Bidder for the Maputo – Ka Tembe – Ponta do Ouro Concession. An immediate start was made to the tasks leading to the contractual and financial close of this new concession, which are scheduled for conclusion before the end of 2011.

In Slovakia, Ascendi has a 19% stake in the Slovenské Dial'nice Concessionaire, to which a concession was awarded in April 2009 for the design, construction, financing, operation and maintenance of the D1 Motorway. However, prior to the financial close, scheduled for the end of August 2010, the elections held in Slovakia led to a new government that decided to cancel all the highway PPPs for which the financial close had not yet taken place.

## Evolution of the concessions and assets portfolios

As mentioned earlier, Ascendi has not yet implemented all the transfers of assets, in that the necessary authorisations involve a complex bureaucratic process. However, the following tables reflect the present portfolio as though the transfers had already been undertaken.

Concessionaire	Actual holding <sup>(1)</sup>	Foreseen holding <sup>(1)</sup>	Km	Ending	Investment (emn)
<b>Portugal</b>					
Lusoponte – Concessionária para a Travessia do Tejo	38.02%	38.02%	19.5	2030	897
Ascendi – Auto-Estradas do Norte	74.87%	74.87%	175.0	2029	1,272
Scutvias – Auto-Estradas da Beira Interior	-	22.23%	178.0	2029	812
Ascendi – Auto-Estradas da Costa de Prata	80.20%	80.20%	109.6	2030	499
Ascendi – Auto-Estradas das Beiras Litoral e Alta	80.20%	80.20%	172.5	2031	1,130
Ascendi – Auto-Estradas do Grande Porto	80.20%	80.20%	55.5	2032	841
Vialitoral – Concessões Rodoviárias da Madeira	-	4.75%	44.2	2025	390
Ascendi – Auto-Estradas da Grande Lisboa	-	80.20%	91.1	2036	290
Ascendi – Estradas do Douro Interior	8.85%	80.75%	242.3	2038	931
Ascendi – Estradas do Pinhal Interior	8.09%	79.99%	520.3	2040	1,429
<b>Total Portugal</b>			<b>1,608.0</b>		<b>8,491</b>
<b>Espanha</b>					
Auvisa – Autovia de Los Viñedos	-	50.00%	75.0	2033	210
Autopista Madrid – Toledo	-	15.00%	81.0	2040	600
<b>Total Spain</b>			<b>156.0</b>		<b>810</b>
<b>Latin America</b>					
Mexico – Concesionaria Autopista Perote – Xalapa	30.00%	50.00%	60.0	2038	389
Brazil – Concessionária Rodovias do Tietê	-	40.00%	415.0	2039	470
<b>Total Latin America</b>			<b>475.0</b>		<b>859</b>
<b>Africa</b>					
Mozambique – Nova Ponte de Tete	40.00%	40.00%	701.0	2039	151
<b>Total Africa</b>			<b>701.0</b>		<b>151</b>
<b>Railway Concessions</b>					
MTS – Metro, Transportes do Sul	18.09 %	24.89%	20.0	2032	338
<b>TOTAL</b>			<b>3,046.0</b>		<b>10,854</b>

(1) Shares held (or to be held) directly by Ascendi Group, SGPS, SA or by any other company belonging to its scope of consolidation.



## 4. MOTA-ENGIL on the stock market

The year of 2010 was marked by the serious crisis within the bond markets of the euro area, reflecting concern as to sovereign foreign-debt default by its peripheral countries (Southern Europe and Ireland). This crisis was the main factor conditioning the evolution of the other markets in Europe. Particularly as from the second quarter of the year there was unheard-of selectivity within the euro area, with investors making a clear distinction between those countries that have accumulated foreign debt as a result of major budget deficits and those where domestic demand has overheated.

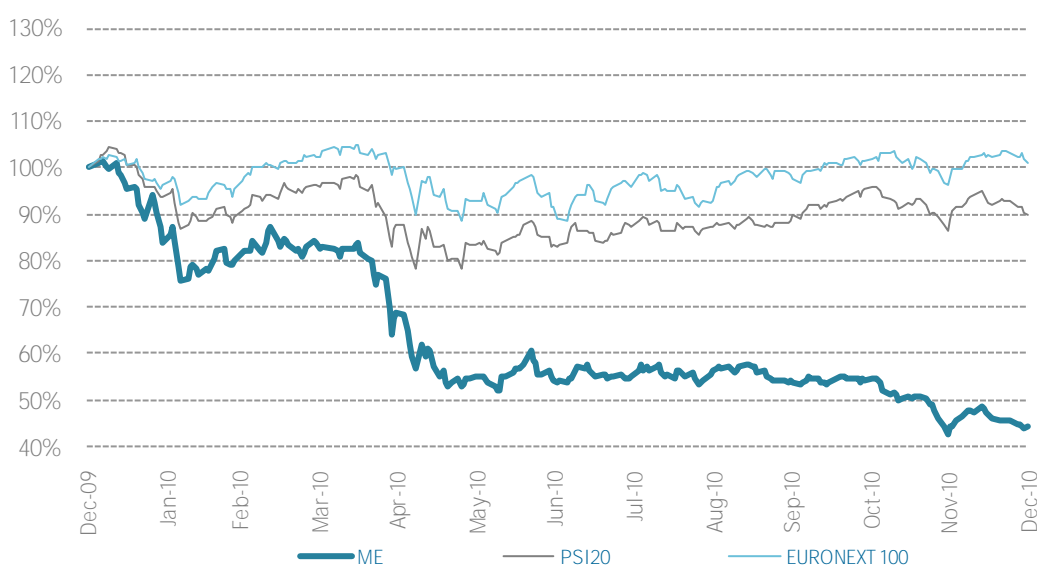
During the third quarter, reacting to signs suggesting a fragile, though sustainable economy and to expectations that the North American Federal Reserve could recommence a policy of massive purchases of long-term financial instruments, injecting liquidity into the economy and allowing a reduction of long-term interest rates, the equity markets made a significant recovery. Nevertheless, this trend failed to eliminate uncertainties as to the ability of the Greek, Irish and, to a certain extent, Portuguese States to repay foreign public debt.

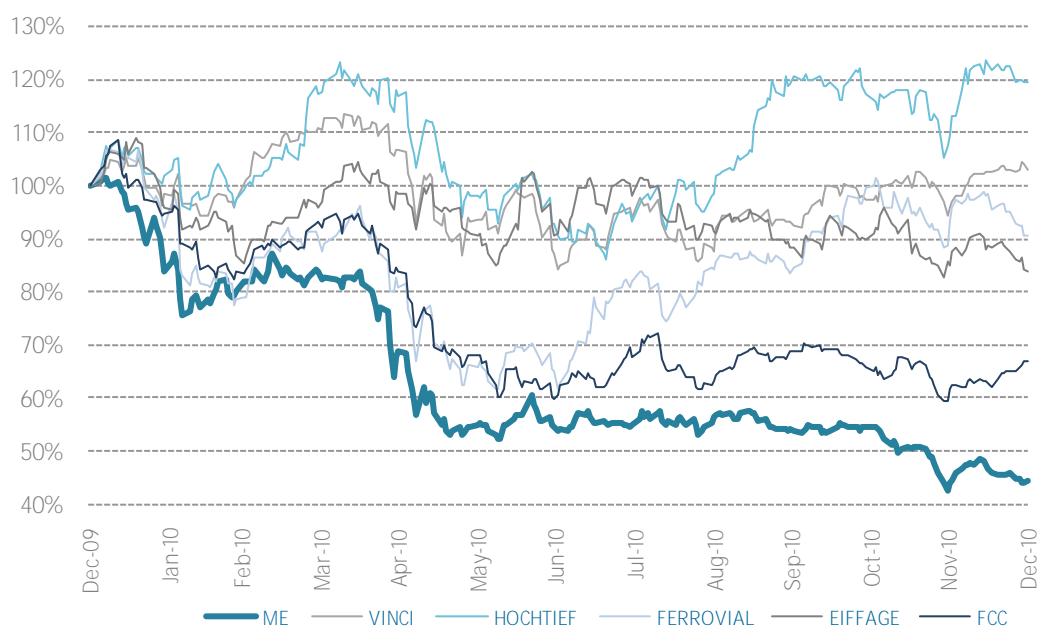
Within the context of a new paradigm in which investors in equities were increasingly seen to be more sensitive to company indebtedness and affected also by the uncertainties in the construction industry in Portugal, mainly in the public works sector, the Mota-Engil shares, especially following the sharp rise in 2009 (68%), were severely penalised and fell 55.7% during the year, to a market capitalisation of €356.7 million.

The performance of the shares throughout the year is as follows:

	1st Half 2010	2nd Half 2010	Total Performance	1st Half 2009	2nd Half 2009	Total Performance
Mota-Engil shares	-46%	-10%	-56%	37%	30%	68%
PSI-20	-17%	6%	-10%	12%	21%	33%
EURONEXT 100	-9%	10%	1%	0%	26%	25%

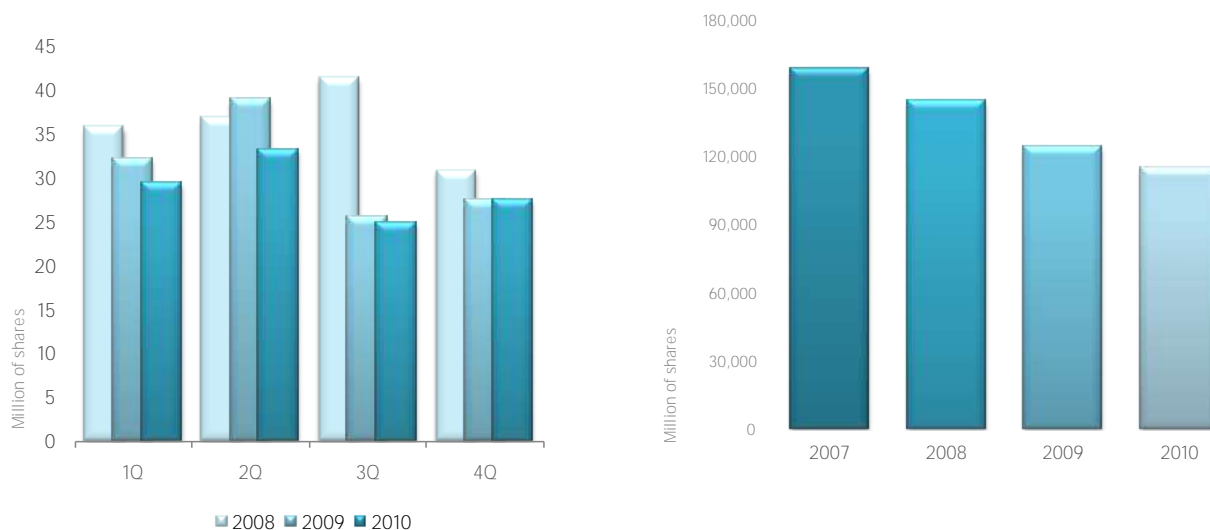
The evolution of the performance of the share price can be analyzed in the following charts:





The intrinsic value of the shares, according to the evaluation made by the eight financial analysts that monitor them, still has a significant upside. The price targets for Mota-Engil stand between €2.60 and €5.00 (the closing price of the shares on December 31, 2010 was €1.743)

With regard to volume, 115 million shares were traded in 2010, 7.3% less than in the previous year. The evolution of liquidity is shown in the following charts:



The company paid out a dividend of 11 cents per share during the first half, providing a dividend yield of 4.4% on the average share price during the year.

The Company's Board of Directors is pleased to present in this report its proposal for the appropriation of profits calling for the payment of a dividend of 11 cents per share.

## 5. Risk management

The central aim of risk management is to create value through processes involving management and control of uncertainties and threats that could affect the Group's subsidiaries, based on a perspective of long-term continuity of operations.

Exposure to risk by any subsidiary of the Mota-Engil Group must at all times be subordinated to its strategy and be limited to and accessory to the business of each company, to allow them to pursue and meet the goals established for the various business areas.

The boards of each of the Group's business areas are responsible for the Risk Management process, which generally involves a number of sequential stages or phases that are repeated cyclically, detailed as follows:

- Risk identification: determination of the risks to which the organisation is exposed and of the level of tolerance of exposure to such risks;
- Risk measurement: quantification of risk exposures, and preparation of basic reports to support decision-taking;
- Risk control and management: definition of the measures to be taken in facing risks;
- Implementation of the established risk-management measures;
- Evaluation of the risk-management process and, if necessary, realignment and redefinition of strategies.

The Mota-Engil Group has several committees of a consultative nature whose mission is to monitor matters of great importance to its sustained development, bringing to bear an independent, objective vision in support of the decision-taking process of the Mota-Engil, SGPS, SA Board of Directors.

The main duties and responsibilities of the Audit and Risk Committee are to appraise the Group's investment and business-risk policies and its projects, to examine and issue opinions on investment or divestment plans, to issue opinions on moves into and out of business areas, and to monitor major financial and corporate transactions.

Therefore the main risks to which the Group is subject, which are now addressed, are covered by the in-house reports of this committee, in conjunction with the reports or communications issued by staff having corporate functions, with emphasis on Legal Department, Corporate Planning and Controlling Department, Corporate Finance and Corporate Human Resources Division.

The mission of the Investment, Audit and Risk Committee is to support the management of the MOTA-ENGIL Group in strengthening the means and methods of action employed in internal control and in anticipation of the business risks. The Committee lent continuity to the new cycle of activity begun in 2008, through the Audit and Risk Office, whose resource structure is specifically directed at the following functions:

- risk identification and appraisal, suggesting the establishment of acceptable risk levels in the light of the established management goals;
- issue of opinions as to alterations of the degree of risk inherent in the business of the Mota-Engil Group;
- minimisation of operational deficiencies and losses, strengthening the capabilities of the Mota-Engil Group in the identification of potentially damaging effects, in risk appraisal and in putting forward responses, thus reducing unforeseen costs or losses;

- identification of transverse risks within the Group, auditing implementation of the corporate policies and good practices of the Mota-Engil Group;
- issue of prior opinions on risks inherent in the acquisitions and/or disposals defined by the Mota-Engil Group;
- conformity audits in the development of processes and activities in every materially relevant area and/or company of the Mota-Engil Group.

After the table of risks of the materially relevant companies of the Mota-Engil Group had been drawn up, internal audits are performed annually at several Group companies, the aim being to instil efficiency in the use of the means of internal control and to improve their business processes. This methodology ensures a dynamic process in risk monitoring at each operation of the Mota-Engil Group, promoting adequate measures in the light of the perceived risk, keeping in step with its evolution.

Additionally, in 2010, it was strengthened the monitoring of the implementation of measures suggested in the course of work carried out previously.

## Financial Risk Management

The Mota-Engil Group, like other companies and businesses, is exposed to a variety of financial risks, and special attention is warranted in respect of the interest-rate risk, the exchange-rate risk, the liquidity risk and the credit risk.

This set of financial risks is the result of its business and induces uncertainties as to its ability to generate cash flows and returns adequate to the remuneration of equity.

The Group's financial-risk management policy endeavours to minimise possible adverse effects arising from the characteristic uncertainty of the financial markets. This uncertainty, which is reflected in various aspects, requires special attention and concrete, effective measures in the management of the financial risks.

Financial risk management activity is co-ordinated by the Corporate Finance Division with the support of the Corporate Planning and Controlling Department and it is undertaken in accordance and in compliance with the guidelines approved by the Board of Directors, with the Investment and Risk Audit Committee providing a consultative role, delegated by the former, though the Boards of each business unit of the Mota-Engil Group retain full responsibility.

The Group's stance in respect of financial-risk management is a cautious, conservative one that uses derivatives instruments to hedge risks as and where advisable, always from the standpoint that they are related to the company's normal, routine business. No positions are ever taken in derivatives or other financial instruments of a speculative nature.

The various types of financial risks are interrelated and the various management measures, even though specific to each, are largely related. This interrelation contributes to the pursuit of the same common goal, that is, reduction of the volatility of cash flows and of expected returns.

## Interest-rate Risk

The aim of the interest-rate management policy it's to optimise the cost of borrowings and to ensure that financial charges are not excessively volatile, that is, to control and mitigate the risk of incurring losses as a result of variations of the interest rates to which the Group's debt its indexed, most of which is denominated in euros.

By 2008, several business areas have realised various interest-rate hedging operations to fix or limit interest rates on loans, particularly those indexed to the Euribor, involving contracting swaps or other structured

derivatives instruments at zero cost, which contribute, and will continue to do so, to the reduction of the sensitivity of financial charges to possible interest-rate increases.

The rationale underlying these operations is the pursuit of the goal of realising and/or maintaining hedging for about 30% of the Group's corporate debt, usually issued at an indexed or variable rate.

After 2008 and in view of the stagnation to which short, medium and long-term interest rates have been voted, now stable at historic minimum in the wake of the serious, prolonged economic and financial crisis that is affecting us, no new hedges have been taken out for this risk. However, the Group keeps a careful eye in on any reversal of this trend that will surely accompany the inevitable upturn of the economies in the coming years.

### Exchange-rate risk

The aim of the exchange-rate risk management policy is to reduce the volatility of investments and transactions expressed in foreign currency (currencies other than the euro), contributing to lesser sensitivity of the Group's profits to currency fluctuations.

The exposure of the Mota-Engil Group to the exchange-rate risk stems mainly from the business done by several of its subsidiaries in various markets, particularly in Angola and Central Europe, where the business accounts for an increasingly important share of turnover, but also, as from 2009, in Central and South America, Mexico and Brazil in particular. This brings about new challenges through exposure to new currencies and new economic and financial realities.

In exchange-rate risk management terms the aim is, as where considered possible or advisable, to carry out natural hedging of the value of the exposure by means of financial debt expressed in the foreign currency associated with the values at risk. Where this does not prove possible or appropriate, other operations are contracted or undertaken from a standpoint of minimisation of their cost, especially to hedge risks in future currency transactions to provide a large degree of certainty as to the amount and date of realisation.

### Liquidity Risk

The aim of liquidity-risk management is to ensure that the funds available from time to time within the Group and its subsidiaries are sufficient to cover in a timely manner all the financial commitments entered into. It is therefore a matter of ensuring that the Group has the financial means (balances and financial inflows) required to meet its commitments (financial outflows), as and when they fall due.

Ensuring very considerable financial flexibility, essential to the management of this risk, has been provided by the following management measures:

- establishing a partnership relationship with the financing entities, ensuring their financial support for the Group from a long-term viewpoint during the good and the bad times that cyclically mark every business;
- contracting and taking out surplus short-term credit lines, to act as a liquidity reserve, available for use at any moment;
- carrying out thorough financial planning per company, involving preparation and periodic review of cash flow budgets, allowing a prediction of future cash surpluses and shortfalls, and optimisation and integrated management of the cash flows between Group subsidiaries;
- financing medium and long-term investments, matching the debt maturities and the repayment plan of the liabilities arising from the loans, with the capacity of the project or company to generate cash flows;
- starting the process of negotiation of refinancing medium- and long-term loans falling due during the year six months in advance of their maturity;

- keeping up a debt structure for the companies, with medium and long-term loans standing between 60% and 70%, thus reducing their dependence on more volatile short-term funds, creating a certain immunity to episodic factors affecting the financial markets;
- ensuring staggered maturity of financial debt over time and continuing to extend the average maturity of the debt to make it more consistent with some of the long-term assets held by the Group;
- searching for new sources of financing and new lenders, with the aim of:
  - geographic diversification – attracting new resources in the various markets in which the Group carries on its business;
  - debt-instrument diversification – fund-taking from alternative sources.

Efficient liquidity-risk management is intimately related with the adequate management of the other financial risks, complementing the pursuit of this goal, while ensuring that cash flows are realised on schedule in the planned amounts.

#### Credit risk

The aim of the credit-risk management policy is to ensure that the Group's subsidiaries effectively collect amounts owed by third parties by the deadlines established and/or negotiated for the purpose.

The Group's exposure to credit risk has to do, in particular, with receivables arising in the normal course of its various businesses, in which special attention is warranted by activities involving provision of services and/or retail sales.

Mitigation of this risk is preventively achieved prior to exposure to the risk, making use of entities that provide credit-risk information and profiles, providing the grounds for decisions to extend credit. Subsequently, after credit is extended, mitigation of this risk involves the organisation and upkeep of credit-control structures and, in some special cases, recourse to credit insurance provided by credible insurers in the marketplace.

These measures contribute to keeping customers' debt at a level that will not affect the financial health of the Group's subsidiaries.



## 6. Group's human capital management

In line with the Ambition 2013 strategic plan, the initiatives developed within the scope of Management of the Group's Human Resources continued to be focused on the seven strategic Human Resources priorities established:

1. To identify and manage Talent within the Group;
2. To develop the profile of Group Manager;
3. To develop skills that add value to the Business;
4. To promote staff mobility and rotation;
5. To foster the recruiting and development of International staff;
6. To align remuneration policy with performance management;
7. To strengthen the Group's Culture and Knowledge.

In this connection, 2010 was characterised by the consolidation of the Corporate Human Resources Policies and Models as well as by the launch of Corporate Projects and Programmes in the various business areas and markets in which the Group is currently engaged.

### 6.1 1. Corporate Human Resources Policies and Models

The mission being to ensure a philosophy and architecture common to the diverse businesses and countries in which the Group is involved and, at the same time, to ensure they are appropriate to the sundry realities and needs of the different companies of the Mota-Engil Group, the Corporate HR Policies and Resources will gradually be implemented throughout the Group.



In this respect, 2010 made a positive contribution to the mission designated as "One – HR Corporate Standards" through implementation of the approved Corporate Policies and Models at several companies:



The Corporate Functions and Competences Model is a tool central to people management, its aim being to create a common structure able to promote organisational alignment between the various business units/ markets, as well as the creation of bases for the future development of other human resources management processes.

The Corporate Performance Management Model is designed to support the development, management and recognition of the employees' performance, with a view to promoting employee commitment to the Mota-Engil Values and Strategy and, at the same time, to strengthen the Group Culture.



The Remuneration Policy, the mission of which is to promote a Group Culture and to reward individual and team performance, ensuring a degree of equity and ability to attract, mobilise and retain the talent necessary to the management of the business.

The International Mobility Policy directed at supporting the creation and development of a global business underpinned by a set of processes and instruments that



will promote adequate management of staff mobility within the Group, with a view to meeting the objectives and implementing the strategy of the Mota-Engil Group.

Implementation of HR Corporate Standards within the Mota-Engil Group, providing the various companies/markets with people-management instruments appropriate to pursuing the strategic goals reflects the realisation of a medium to long-term implementation plan whose results will be progressively consolidated by 2013.

## 6.2 2. Corporate Human Resources Programmes and Projects

In 2010 there was also a focus on implementation of Corporate Programmes and projects specifically developed to promote the realisation of the seven strategic HR priorities.



The second edition of the MAP project was implemented at Mota-Engil, its mission to identify Talent within the Group with a view to the creation of surroundings that will capitalise the development of the employees' potential.

Strengthening its corporate nature, the 2010 edition of this project involved 248 employees of 21 different companies, involving over 35% of participants from four foreign markets where the Mota-Engil Group is present. A significant number of these employees are local staff, and this meant a true internationalisation of the project that was entirely bilingual and took place in various countries.

Of the immediate benefits of this second edition of the MAP we would underscore:

- Clarification of the employees' development potential in skills considered critical for the business;
- Sustained identification of the competences to be capitalised, and also of those areas that require further development, directing investment at development initiatives;
- Collection of qualitative information about the profile of the employees covered by the project, particularly their career-advancement expectations;
- Increasing the Group's knowledge, aligning the employees with the conduct prized by the Mota-Engil Group.

In the medium term, the MAP Project will allow a focus on development directed at the Group manager profile and, at the same time, it will capitalise the development potential of its employees.



Having the important mission of contributing to the rejuvenation of the Group, start@ME, the Corporate Trainee Induction Programme, is intended to provide Mota-Engil with youths of high potential, a spirit of leadership and motivation to take on challenges.

To fulfill this mission, the programme aims to attract the best resources, recent graduates in several areas, and to incorporate them into the Group, aligning them with the Mota-Engil Culture and Values.

The year under review was particularly important for this Corporate Programme, to the extent that it marked the conclusion of the first edition, putting into practice the planned evaluation model and determining on a sustained basis those youths having the potential to remain with the Group and, at the same time, the start of the second edition of the programme in October 2010.

For 2011, the Mota-Engil Group will lend continuity to the implementation of the HR Corporate Standards plan in the various business units and countries, and also to the development/ monitoring of Corporate Programmes and Projects that will capitalise the development of its People, contribution to the realisation of the seven

priorities.

## 7. Activity carried out by non-executive Board Members

During the year, the non-executive directors regularly participated in meetings of the Board, discussed the matters under debate and expressed their views on the strategic guidelines and the specific business areas. Where necessary, kept a close contact with the corporate directors and business managers.

## 8. Proposal for the appropriation of profits

The Individual Management Report contains the following proposal: the Board of Directors of MOTA-ENGIL, SGPS, SA, proposes to the Annual General Meeting the following appropriation of the Net Profit for the year in the sum of €104,429,791:

- a) To legal reserve 5% or €5,221,489.55;
- b) For distribution to the Board of Directors under the terms of article 27.3 of the articles of association, the sum of €700,000, or about 0.67%;
- c) For distribution to equityholders, a total of €22,509,926.45, or 11 cents per share, subject to tax; and
- d) To free reserves, the remainder, or €75,998,375.00.

## 9. The Outlook for 2011

Notwithstanding the current international and domestic macroeconomic environment, characterized by many uncertainties, the medium and long term trend outlined by Mota-Engil in its Ambition 2013 plan remains valid.

The Group believes that business that operates with unique value propositions, focused on growth and efficiency of operations, are well positioned to continue to hold up well, if not benefit, the adverse economic environment.

Under these circumstances and in line with its strategic objectives, Mota-Engil expects the following for the year 2011:

- Growth in consolidated turnover exceeding 10%, supported by a strong order book of construction;
- Engineering & Construction with over 10% growth in its consolidated turnover, with a trend of stabilising margins;
- Growth of consolidated turnover in Environment & Services over 10%, with a trend of stabilising margins;
- Ascendi Group with a contribution to the Group's profit similar to 2010;
- Order book of more than €3 billion, underpinned by international business.

Attention is called to the fact that these prospects do not constitute a commitment as to the future performance of the Group, but simply a best forecast, as of this date, of the business of its companies in 2011. Therefore, the actual performance achieved in 2011 may differ substantially from these predictions. Additionally Mota-Engil, SGPS does not undertake to update or correct this information because of any alteration of endogenous or exogenous factors that may come to alter the performance of the Group.

## 10. Subsequent events

The following relevant facts occurred in 2011 by the date of issue of this report, details of which have been adequately divulged as privileged information, via the Mota-Engil and CMVM sites:

- Mota-Engil announces €158 million contract award in Poland

“Mota-Engil informs the award of a contract for the construction of a section of a highway in Poland to the consortium led by its subsidiary MOTA-ENGIL CENTRAL EUROPE (stake of 62%).

The project comprises the design and construction of a section of the Highway S17, between Warsaw and Lublin, with a length of 24.5 Km. The works should be completed in 24 months and the project amounts, approximately, to 624 million zlotys (158 million Euros).

Mota-Engil keeps growing in this market, with a total present backlog of 500 million Euros.”



## 11. Closing remarks

We would like to thank all the Group's employees, for their personal and professional commitment, the Corporate Officers, the customers and all those in any way related with its various companies.

Porto, March 14, 2011

António Manuel Queirós Vasconcelos da Mota  
Chairman of the Board of Directors

Jorge Paulo Sacadura de Almeida Coelho  
Deputy-chairman of the Board of Directors and  
Chief Executive Officer

Arnaldo José Nunes da Costa Figueiredo  
Deputy-chairman of the Board of Directors and  
Member of the Executive Committee

Gonçalo Nuno Gomes de Andrade Moura Martins  
Deputy-chairman of the Board of Directors and  
Member of the Executive Committee

Maria Manuela Queirós Vasconcelos Mota dos Santos  
Member of the Board of Directors

Maria Teresa Queirós Vasconcelos Mota Neves da Costa  
Member of the Board of Directors

Maria Paula Queirós Vasconcelos Mota de Meireles  
Member of the Board of Directors and  
Member of the Executive Committee

Ismael Antunes Hernandez Gaspar  
Member of the Board of Directors and  
Member of the Executive Committee

Luís Manuel Ferreira Parreirão Gonçalves  
Member of the Board of Directors

José Luís Catela Rangel de Lima  
Member of the Board of Directors

Luís Filipe Cardoso da Silva  
Member of the Board of Directors and  
Member of the Executive Committee (Chief Financial Officer)

Maria Isabel da Silva Ferreira Rodrigues Peres  
Member of the Board of Directors and  
Member of the Executive Committee

Luís Valente de Oliveira  
Non-executive and independent member of the  
Board of Directors

António Bernardo Aranha da Gama Lobo Xavier  
Non-executive and independent member of the  
Board of Directors

António Manuel da Silva Vila Cova  
Non-executive and independent member of the  
Board of Directors



CONSOLIDATED  
REPORT &  
ACCOUNTS  
2010

## 2. CONSOLIDATED FINANCIAL INFORMATION





## Separate Consolidated Income Statement For The Year Ended December 31, 2010 & 2009

Notes	Year			4 <sup>th</sup> Quarter		
	2010 Euro	2009 restated Euro	2009 Euro	2010 Euro	2009 restated Euro	2009 Euro
	(audited)	(audited)	(audited)	(unaudited)	(unaudited)	(unaudited)
Sales & services rendered 3 and 4	2,004,550,902	1,978,732,739	2,131,244,582	541,639,191	519,775,232	563,282,738
Other revenues	121,758,147	160,546,450	163,342,427	64,331,691	62,743,097	61,579,593
Cost of goods sold, mat. cons. & Subcontractors 5	(1,175,693,906)	(1,246,714,071)	(1,280,421,840)	(352,984,489)	(334,081,483)	(338,885,690)
Gross profit 4	950,615,143	892,565,118	1,014,165,169	252,986,393	248,436,846	285,976,641
Third-party supplies & services 6	(340,420,025)	(359,541,473)	(382,780,384)	(88,649,243)	(107,802,901)	(116,116,612)
Wages and salaries 7	(358,586,804)	(314,001,411)	(326,166,059)	(93,855,274)	(82,850,844)	(86,316,560)
Other operating income / (expenses) 8	(14,314,425)	(22,754,021)	(864,035)	(3,592,057)	(3,272,427)	(634,847)
4	237,293,889	196,268,213	304,354,691	66,889,819	54,510,674	82,908,622
Depreciation & Amortization 4, 9, 17, 18 and 19	(86,379,789)	(77,369,800)	(125,785,864)	(21,641,704)	(19,217,403)	(34,112,453)
Provisions and impairment losses 10	(19,168,089)	(6,404,923)	(6,210,612)	(16,799,804)	(5,522,091)	(5,712,395)
Operating profit 4	131,746,011	112,493,490	172,358,215	28,448,311	29,771,180	43,083,774
Financial income & gains 4 and 11	79,324,988	58,981,318	65,721,450	28,776,858	22,043,552	24,466,762
Financial costs & losses 4 and 11	(130,252,581)	(106,817,289)	(181,176,312)	(31,402,855)	(36,779,732)	(54,808,910)
Gains / (losses) on associated companies 4 and 12	7,506,187	41,428,587	50,568,297	5,174,157	(1,823,167)	(51,276)
Income Tax 4 and 13	(18,967,917)	(23,526,827)	(27,559,489)	(117,634)	(6,287,342)	(7,942,649)
Consolidated net profit of the year	69,356,688	82,559,279	79,912,161	30,878,837	6,924,491	4,747,701
Attributable:						
to non-controlling interests 4	32,406,014	9,946,801	8,174,069	24,670,125	2,252,282	949,878
to the Group 4	36,950,674	72,612,478	71,738,092	6,208,712	4,672,209	3,797,823
Earnings per share:						
basic 15	0.1908	0.3749	0.3704	14.9817	0.0228	0.0183
diluted 15	0.1908	0.3749	0.3704	14.9817	0.0228	0.0183

To be read with the Notes to the Consolidated Financial Statements

## Statement of Consolidated Comprehensive Income For The Year Ended December 31, 2010 & 2009

	Year			4th Quarter		
	2010 Euro	2009 restated Euro	2009 Euro	2010 Euro	2009 restated Euro	2009 Euro
<b>Consolidated net profit for the period</b>	69,356,688	82,559,279	79,912,161	(unaudited) 30,878,837	(unaudited) 6,924,491	(unaudited) 4,747,701
<b>Other comprehensive income</b>						
Exchange differences stemming from transposition of financial statements expressed in foreign currencies	825,549	(8,144,212)	(8,144,211)	1,247,207	(11,323,937)	(11,323,936)
Variation, net of tax, of the fair value of financial derivatives	1,684,353	(4,645,256)	(6,911,784)	4,233,169	8,929,395	6,662,867
Variation, net of tax, of the fair value of mineral resources	6,632,284	386,516	386,516	6,632,284	386,516	386,516
Reclassification of other comprehensive income (reduction of interest in jointly controlled companies)	(17,394,209)	-	-	-	-	-
Other comprehensive income in investments in associates using the equity method	(22,912,864)	2,166,213	2,166,210	(14,610,040)	2,543,719	2,543,716
<b>Total comprehensive income for the period</b>	<b>38,191,801</b>	<b>72,322,540</b>	<b>67,408,892</b>	<b>28,381,458</b>	<b>7,460,184</b>	<b>3,016,863</b>
<b>Attributable:</b>						
to non-controlling interests	31,463,649	7,011,189	5,238,457	30,290,537	3,925,207	2,152,475
to the Group	6,728,152	65,311,351	62,170,435	(1,909,080)	3,534,977	864,389



## Statement of Consolidated Financial Position as at December 31, 2010 & 2009

	Notes	2010 Euro	2009 restated Euro	2009 Euro
<b>Assets</b>				
<b>Non-current</b>				
Goodwill	16	135,309,629	133,010,980	166,173,280
Intangible fixed assets	17	264,980,820	239,196,453	103,515,556
Fixed assets under concession	18	-	-	1,359,426,080
Tangible fixed assets	19	569,058,903	577,498,566	558,985,747
Financial investments under the equity method	20	336,920,636	325,660,378	330,232,487
Available for sale financial assets	21	20,678,852	9,670,554	52,709,067
Investment properties	22	88,614,797	30,652,729	30,837,291
Customers & other debtors	24	80,680,939	60,002,508	89,938,103
Deferred tax assets	13	47,869,265	40,754,066	50,338,968
		<u>1,544,113,841</u>	<u>1,416,446,234</u>	<u>2,742,156,579</u>
Non-current Assets Held for Sale	39	<u>67,807,496</u>	<u>29,043,672</u>	<u>29,043,672</u>
<b>Current</b>				
Inventories	23	203,023,766	233,084,664	249,924,349
Customers	24	1,008,220,486	806,728,613	838,114,736
Other debtors	24	303,982,065	189,163,819	195,850,259
Other current assets	24	127,927,830	101,215,748	313,725,464
Derivative financial instruments	27	464,598	-	-
Cash & cash equivalents without recourse	24	8,636,101	18,717,241	120,440,729
Cash & cash equivalents with recourse	24	191,990,001	109,497,429	124,875,090
		<u>1,844,244,847</u>	<u>1,458,407,514</u>	<u>1,842,930,627</u>
<b>Total Assets</b>	4	<u>3,456,166,184</u>	<u>2,903,897,420</u>	<u>4,614,130,878</u>
<b>Liabilities</b>				
<b>Non-current</b>				
Debt without recourse	26	112,974,953	91,592,684	1,091,580,057
Debt with recourse	26	584,034,666	468,569,668	742,741,654
Sundry Creditors	28	231,298,170	227,021,318	299,466,970
Provisions	29	71,774,463	56,643,475	29,567,835
Other non-current liabilities	30	16,929,087	3,909,554	55,181,435
Deferred tax liabilities	13	32,482,904	31,086,236	33,552,856
		<u>1,049,494,243</u>	<u>878,822,935</u>	<u>2,252,090,807</u>
<b>Current</b>				
Debt without recourse	26	3,413,463	3,099,065	135,773,353
Debt with recourse	26	514,952,264	549,346,996	563,291,966
Suppliers	28	482,169,565	451,358,905	464,271,291
Derivative financial instruments	27	13,684,750	13,888,963	16,434,046
Sundry Creditors	28	441,011,161	353,970,785	409,778,150
Other current liabilities	30	470,710,839	260,599,033	396,399,973
		<u>1,925,942,042</u>	<u>1,632,263,747</u>	<u>1,985,948,779</u>
<b>Total Liabilities</b>	4	<u>2,975,436,285</u>	<u>2,511,086,682</u>	<u>4,238,039,586</u>
<b>Shareholders' equity</b>				
Equity capital	25	204,635,695	204,635,695	204,635,695
Reserves	25	170,120,973	65,360,941	51,955,904
Consolidated net profit for the year		<u>36,950,674</u>	<u>72,612,478</u>	<u>71,738,092</u>
Own funds attributable to the Group		<u>411,707,342</u>	<u>342,609,114</u>	<u>328,329,691</u>
Non-controlling interests		<u>69,022,557</u>	<u>50,201,624</u>	<u>47,761,601</u>
Total shareholders' equity		<u>480,729,899</u>	<u>392,810,738</u>	<u>376,091,292</u>
Total shareholders' equity & liabilities		<u>3,456,166,184</u>	<u>2,903,897,420</u>	<u>4,614,130,878</u>
To be read with the Notes to the Consolidated Financial Statements				

## Statement of Consolidated During The Years Ended

	Equity capital	Own Shares	Issue premiums	FAIR VALUE RESERVES		
				Available-for-sale investments	Lands assigned to quarrying operations	Derivatives
Balance as at January 1, 2009	204,635,695	(21,699,082)	87,256,034	45,586,328	(2,227,574)	(6,600,821)
Total comprehensive income for the period	-	-	-	-	386,516	(4,026,840)
Dividend distribution	-	-	-	-	-	-
Other distributions of results	-	-	-	-	-	-
Acquisition of own shares	-	(859,710)	-	-	-	-
Transfers for other reserves	-	-	-	-	-	-
Alterations to the consolidation perimeter	-	-	-	-	-	-
Balance as at December 31, 2009	204,635,695	(22,558,792)	87,256,034	45,586,328	(1,841,058)	(10,627,661)
Balance as at January 1, 2009	204,635,695	(21,699,082)	87,256,034	45,586,328	(2,227,574)	(6,600,821)
IFRIC 12 and IFRIC 15	-	-	-	-	-	-
Balance as at January 1, 2009	204,635,695	(21,699,082)	87,256,034	45,586,328	(2,227,574)	(6,600,821)
Balance as at January 1, 2009	204,635,695	(21,699,082)	87,256,034	45,586,328	(2,227,574)	(6,600,821)
Total comprehensive income for the period	-	-	-	-	386,516	(1,760,313)
Dividend distribution	-	-	-	-	-	-
Other distributions of results	-	-	-	-	-	-
Acquisition of own shares	-	(859,710)	-	-	-	-
Transfers for other reserves	-	-	-	-	-	-
Alterations to the consolidation perimeter	-	-	-	-	-	-
Balance as at December 31, 2009	204,635,695	(22,558,792)	87,256,034	45,586,328	(1,841,058)	(8,361,134)
Balance as at January 1, 2010	204,635,695	(22,558,792)	87,256,034	45,586,328	(1,841,058)	(8,361,134)
Total comprehensive income for the period	-	-	-	(17,884,232)	6,632,284	2,833,678
Dividend distribution	-	-	-	-	-	-
Other distributions of results	-	-	-	-	-	-
Acquisition of own shares	-	(67,728)	-	-	-	-
Transfers for other reserves	-	-	-	-	-	-
Change in ownership interest in subsidiaries	-	-	-	-	-	-
Alterations to the consolidation perimeter	-	-	-	-	-	-
Balance as at December 31, 2010	204,635,695	(22,626,520)	87,256,034	27,702,096	4,791,226	(5,527,456)

To be read with the Notes to the Consolidated Financial Statements

## Changes in Equity December 31, 2010 & 2009

Currency translation reserve	Other reserves	Net Profit	Own funds attributable to shareholders	Own funds attributable to non-controlling interests	Shareholders' equity
(23,169,923)	(25,324,182)	30,565,438	289,021,913	52,295,170	341,317,083
(8,093,543)	2,166,210	71,738,092	62,170,435	5,238,457	67,408,892
-	(21,302,947)	-	(21,302,947)	(7,437,879)	(28,740,826)
-	(700,000)	-	(700,000)	-	(700,000)
-	-	-	(859,710)	-	(859,710)
-	30,565,438	(30,565,438)	-	-	-
-	-	-	-	(2,334,147)	(2,334,147)
(31,263,466)	(14,595,481)	71,738,092	328,329,691	47,761,601	376,091,292
(23,169,923)	(25,324,182)	30,565,438	289,021,913	52,295,170	341,317,083
-	11,138,507	-	11,138,507	1,836,981	12,975,488
(23,169,923)	(14,185,675)	30,565,438	300,160,420	54,132,151	354,292,571
(23,169,923)	(14,185,675)	30,565,438	300,160,420	54,132,151	354,292,571
(8,093,543)	2,166,213	72,612,478	65,311,351	7,011,189	72,322,540
-	(21,302,947)	-	(21,302,947)	(7,437,879)	(28,740,826)
-	(700,000)	-	(700,000)	-	(700,000)
-	-	-	(859,710)	-	(859,710)
-	30,565,438	(30,565,438)	-	-	-
-	-	-	-	(3,503,837)	(3,503,837)
(31,263,466)	(3,456,971)	72,612,478	342,609,114	50,201,624	392,810,738
(31,263,466)	(3,456,971)	72,612,478	342,609,114	50,201,624	392,810,738
277,722	(22,081,975)	36,950,674	6,728,152	31,463,649	38,191,801
-	(21,302,947)	-	(21,302,947)	(10,263,362)	(31,566,309)
-	(837,163)	-	(837,163)	(87,628)	(924,791)
-	-	-	(67,728)	-	(67,728)
-	72,612,478	(72,612,478)	-	-	-
-	83,655,930	-	83,655,930	(3,029,893)	80,626,037
-	921,986	-	921,986	738,166	1,660,152
(30,985,744)	109,511,336	36,950,674	411,707,342	69,022,557	480,729,899

## Statement of Consolidated Cash-Flows For the Years Ended December 31, 2010 & 2009

	Notes	2010 Euro	2009 restated Euro	2009 Euro
<b>OPERATING ACTIVITY</b>				
Cash receipts from customers		2,010,583,485	1,718,651,861	1,974,367,308
Cash paid to suppliers		(1,482,038,133)	(1,186,500,419)	(1,216,799,169)
Cash paid to employees		(326,646,590)	(292,455,236)	(297,201,082)
Cash generated from operating activities		<u>201,898,762</u>	<u>239,696,206</u>	<u>460,367,057</u>
Income tax paid/received		(24,795,034)	(23,785,879)	(33,947,672)
Other receipts/payments generated by operating activities		31,496,212	(58,957,057)	(75,335,659)
Net cash from operating activities (1)		<u>208,599,940</u>	<u>156,953,270</u>	<u>351,083,726</u>
<b>INVESTING ACTIVITY</b>				
Cash receipts from:				
Financial assets	38	2,021,692	11,319,695	11,319,695
Tangible fixed assets		16,087,390	4,990,412	11,668,266
Interest and similar incomes		18,852,211	17,061,862	-
Dividends paid by companies not consolidated		7,752,202	367,147	4,860,675
		<u>44,713,495</u>	<u>33,739,116</u>	<u>27,848,636</u>
Cash paid in respect of:				
Financial assets	38	(33,443,172)	(16,246,877)	(142,445,447)
Tangible fixed assets		(2,278,766)	(963,653)	(963,653)
Intangible fixed assets		(142,542,166)	(314,400,479)	(408,648,239)
		<u>(178,264,104)</u>	<u>(331,611,009)</u>	<u>(552,057,339)</u>
Net cash from investing activities (2)		<u>(133,550,609)</u>	<u>(297,871,893)</u>	<u>(524,208,703)</u>
<b>FINANCING ACTIVITY</b>				
Cash receipts from:				
Loans obtained		2,340,839,421	1,943,933,743	2,165,200,779
		<u>2,340,839,421</u>	<u>1,943,933,743</u>	<u>2,165,200,779</u>
Cash paid in respect of:				
Loans obtained		(2,238,072,488)	(1,696,360,518)	(1,775,497,031)
Amortization of finance lease contracts		(26,867,605)	(18,131,869)	(18,131,869)
Interest & similar expense		(60,962,160)	(39,145,155)	(117,778,038)
Dividends		(21,302,947)	(21,302,947)	(21,302,947)
Acquisition of treasury shares		(67,728)	(859,707)	(859,709)
		<u>(2,347,272,928)</u>	<u>(1,775,800,196)</u>	<u>(1,933,569,594)</u>
Net cash from financing activities (3)		<u>(6,433,507)</u>	<u>168,133,547</u>	<u>231,631,185</u>
Variation of cash & cash equivalents (4)=(1)+(2)+(3)		68,615,824	27,214,924	58,506,208
Variations caused by changes to the perimeter		392,215	6,278,254	6,278,254
Exchange rate effect		3,403,393	1,061,814	1,061,814
Cash & cash equivalents at the beginning of the year	28	128,214,670	93,659,678	179,469,543
Cash & cash equivalents at the end of the year	28	<u>200,626,102</u>	<u>128,214,670</u>	<u>245,315,819</u>
To be read with the Notes to the Consolidated Financial Statements				

## 0. Introduction

The principal business of Mota-Engil, SGPS, SA, having its registered office at Edifício Mota, Rua do Rego Lameiro, 38 4300-454 Porto (Mota-Engil SGPS, or Company) and of its subsidiaries (Group) is public and private construction work and related activities.

A more detailed description of the Group's business is provided in Note 4 Business segments of this Annex.

All sums shown in these notes are presented in euro, rounded by the unit, unless otherwise stated.

## 1. Accounting Policies

### 1.1 Basis of presentation

The consolidated financial statements of the Mota-Engil Group have been prepared on a going concern basis from the books and accounting records of the companies that form the Group, in a manner such that the consolidated financial statements are in accordance with the International Financial Reporting Standards ("IAS/IFRS") issued by the International Accounting Standards Board ("IASB") and with the interpretations issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the former Standards Interpretation Committee (SIC), as adopted by the European Union.

Interim consolidated financial statements were presented quarterly in Accordance with IAS 34 - Interim Financial Reporting.

For the Group, there are no differences between the IFRS adopted by the European Union and those published by the International Accounting Standards Board.

January 1, 2005, marked the start to the period of first application of the IAS/IFRS by the Group in keeping with IFRS 1 – First-time Adoption of International Financial Reporting Standards.

As of the date of approval of these financial statements by the Board of Directors the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards and interpretations, of mandatory application only in subsequent years, some of which came into force during 2010:

Standard	Date of Issue	Date of Application <sup>(1)</sup>	Adopted by the EU
<b>Amendments</b>			
<b>IAS 32</b> – Financial Instruments: Presentation (Classification of Rights Issues)	08/10/2009	01/02/2010	Yes
<b>IAS 39</b> - Financial Instruments: Recognition and Measurement	31/07/2008	01/07/2009	Yes
<b>IFRS 1</b> Limited Exemption from Comparative <b>IFRS 7</b> - Disclosures for First-time adopters	28/01/2010	01/07/2010	Yes
<b>IFRS 1</b> - Additional Exemptions for First-time Adopters	23/07/2009	01/01/2010	Yes
<b>IFRS 2</b> – Group Cash-settled Share-based Payment Transactions	18/06/2009	01/01/2010	Yes
<b>IFRS 7</b> - Financial Instruments: Disclosures	23/07/2009	01/01/2010	Yes
<b>IFRS 8</b> – Operating Segments	04/11/2009	01/01/2010	Yes
<b>IFRIC 14</b> – Prepayments of a Minimum Funding Requirement	26/11/2009	01/01/2011	Yes
<b>New Standards/Interpretations</b>			
<b>IFRS 9</b> – Financial Instruments - Classification and measurement	12/11/2009	01/01/2013	No
<b>IFRIC 12</b> – Service Concession Arrangements	30/11/2006	29/03/2009	Yes

Standard	Date of Issue	Date of Application <sup>(1)</sup>	Adopted by the EU
<b>IFRIC 15</b> – Agreements for the construction of real estate	03/07/2008	01/01/2010	Yes
<b>IFRIC 16</b> – Hedges of investments in foreign currency	03/07/2008	01/07/2009	Yes
<b>IFRIC 17</b> – Distributions of non-cash assets to owners	27/11/2008	01/11/2009	Yes
<b>IFRIC 18</b> – Transfers of assets from customers	29/01/2009	01/11/2009	Yes
<b>IFRIC 19</b> – Extinguishing Financial Liabilities with Equity Instruments	25/11/2009	01/07/2010	Yes
<b>Revisions</b>			
<b>IAS 24</b> –Related Party Disclosures	04/11/2009	01/01/2011	Yes
<b>IAS 27</b> - Consolidated and Separate Financial Statements	10/01/2008	01/07/2009	Yes
<b>IFRS 1</b> – First-time adoption of international financial reporting standards	27/11/2008	01/01/2010	Yes
<b>IFRS 3</b> - Business Combinations	10/01/2008	01/07/2009	Yes
<b>Improvements</b>			
Improvements to IFRSs 2007–2009	16/04/2009	01/01/2010	Yes

1) Years started on or after the stated date

On December 31, 2010, with the exception of the standards of mandatory application in 2010, the Group was not applying any of the above rules and interpretations. According to the board of directors of the Group they will not have a material effect on the consolidated financial statements during the period of their first application.

The more significant impacts on the financial statements of the Mota-Engil Group, stemming from the adoption of the standards of mandatory application in 2010 are set out in the following comments:

### **IFRIC 12 – Service Concession Arrangements**

This Interpretation establishes the provisions to be applied in the measurement, recognition, presentation and disclosure of activities carried on within the scope of public-service concession contracts.

Application of this Interpretation has introduced several alterations to the provisions and interpretation of the standards previously in force, whose impact on the financial statements of the Group's concessionaire companies occurred mainly:

- (i) in the reclassification to intangible fixed assets of a part of the fixed assets under concession in which the Group's concessionaire companies had and have an operating right in respect thereof and in which they assume the risk inherent in the demand of the operation (intangible model);
- (ii) in the reclassification to receivables of a part of the fixed assets under concession in which the Group's concessionaire companies have an unconditional right to receive predetermined amounts and in which they do not assume the risk inherent in the demand of the operation (financial model);
- (iii) In the recognition under financial results of the majority of the income inherent in the assets classified as receivables, which, as of the date of mandatory application of this Interpretation, were mainly carried under operating income headings.

Owing to the application of this standard the Mota-Engil Group restated in its consolidated accounts the opening balances of assets, liabilities and equity. The balance sheet headings are presented with the comparative figures restated to incorporate the effects of the corrections.



## IFRIC 15 – Agreements for the construction of real estate

This interpretation addresses the way of assessing whether an agreement for the construction of an immovable is within the scope of IAS 11 – Construction contracts or within that of IAS 18 – Revenue, and how the revenue associated with such transactions should be recognised. Application of this Interpretation has introduced some alterations to the recognition of the results associated with property development built and promoted by the Group. Owing to the application of this standard the Mota-Engil Group restated in its consolidated accounts the opening balances of assets, liabilities and equity.

Additionally, in 2010, so as to transmit a more faithful and appropriate image of the financial situation of the Mota-Engil Group, as well as of the results of its operations, the Group altered the method of consolidation of its financial interests in Joint Arrangements (from the proportional consolidation method to the equity method) for the following reasons:

- In this connection, the IASB (International Accounting Standards Board), the entity that systematically studies and reviews the IAS/IFRS, Exposure Draft n° 9 (ED9) in September 2007, in which the elimination was proposed of the proportional consolidation method in recording Joint Arrangements, to the extent that in these situations the participating entities did not severally have effective control of their share of the assets or were not responsible for their share of the respective liabilities. Therefore, ED9 recommended the adoption of the equity method instead of the proportional consolidation method.
- Additionally, since the Mota-Engil Group shares the grounds set out in the already mentioned Exposure Draft, which is likewise convergent with the American accounting standards, and given that the equity method was a treatment already allowed under IAS 31, it decided to alter the form of consolidation of its Joint Arrangements with effect as from January 1, 2020, and, for the purpose, it has restated its financial statements for prior periods in accordance with the provisions of IAS 8.

The interests of Mota-Engil Group in Joint Arrangements are accounted under the Equity Method as detailed in Note 20.

The main impacts in consolidated Financial Statements resulting from the adoption of IFRIC 12 and IFRIC 15 and from the change in the consolidation method of joint arrangements might be summarized as follows:

Balance sheet	2009 Euro	IFRIC 12	IFRIC 15	Changes of consolidation method	2009 restated Euro
<b>Assets</b>					
Non-current	2,771,200,251	54,418,401	(648,617)	(1,379,480,129)	1,445,489,906
Current	1,842,930,627	(3,646,233)	(2,282,068)	(378,594,812)	1,458,407,514
<b>Total Assets</b>	<b>4,614,130,878</b>	<b>50,772,168</b>	<b>(2,930,685)</b>	<b>(1,758,074,941)</b>	<b>2,903,897,420</b>
<b>Liabilities</b>					
Non-current	2,252,090,807	29,949,456	-	(1,403,217,328)	878,822,935
Current	1,985,948,779	1,256,373	-	(354,941,405)	1,632,263,747
<b>Total Liabilities</b>	<b>4,238,039,586</b>	<b>31,205,829</b>	<b>-</b>	<b>(1,758,158,733)</b>	<b>2,511,086,682</b>
<b>Shareholders' equity</b>					
Attributable to the Group	328,329,691	17,210,108	(2,930,685)	-	342,609,114
Total shareholders equity	376,091,292	19,566,339	(2,930,685)	83,792	392,810,738
<b>Total shareholders' equity &amp; liabilities</b>	<b>4,614,130,878</b>	<b>50,772,168</b>	<b>(2,930,685)</b>	<b>(1,758,074,941)</b>	<b>2,903,897,420</b>

Income statement	2009 Euro	IFRIC 12	IFRIC 15	Changes of consolidation method	2009 restated Euro
Sales & services rendered	2,131,244,582	(729,842)	(11,332,995)	(140,449,006)	1,978,732,739
Gross profit	1,014,165,169	(640,137)	(2,282,068)	(118,677,846)	892,565,118
Third-party supplies & services, Wages and salaries and Other operating income / (expenses)	(709,810,478)	142,706	-	13,370,867	(696,296,905)
Depreciation & Amortization, Provisions and Impairment losses	(131,996,476)	2,769,496	-	45,452,257	(83,774,723)
Operating profit	172,358,215	2,272,065	(2,282,068)	(59,854,722)	112,493,490
Financial profit	(115,454,862)	(1,105,495)	-	68,724,386	(47,835,971)
Consolidated net profit of the year:					
to Non-Controlling interests	8,174,069	519,257	-	1,253,475	9,946,801
to the Group	71,738,092	3,805,071	(2,930,685)	-	72,612,478

Additionally, on December 31, 2010, as a result of changes of consolidation method on jointly controlled companies (from proportional consolidation method to equity method) ceased to be included in the consolidated financial statements, approximately €2 billion of assets and liabilities, as well as €200 million of profits and losses.

The consolidated financial statements are presented in euro since this is the main currency of the Group's operations.

The financial statements of subsidiaries that use foreign currency have been translated into euro in accordance with the accounting policies described in indent xvi) of the Main Valuation Criteria of this Note. All estimates and assumptions made by the board of directors have been based on their knowledge as of the date of approval of the financial statements and of the events and transactions in progress.

In preparing the consolidated financial statements in accordance with the IAS/IFRS, the Group's board of directors adopted certain assumptions and estimates that affect the assets and liabilities reported, as well as the income and costs incurred in respect of the accounting periods in question, as described in indent xxvi) of the Main accounting criteria of this Note.

The attached consolidated financial statements have been prepared for appraisal and approval at the annual general meeting. The Groups' board of directors believes that they will be approved without alteration.

## 1.2. Basis of consolidation

The consolidation methods employed by the GROUP are as follows

### a) Group companies

Financial holdings in companies in which the GROUP directly or indirectly holds more than 50% of the voting rights at General Meetings of Equityholders and/or has the power to control its financial and operating policies (the definition of control used by the GROUP), have been included in the attached consolidated financial statements by the full consolidation method. The equity and net profit/(loss) of these companies corresponding to the stake of third parties in these companies are carried in the consolidated balance sheet (under equity) and in the consolidated financial situation statement (included under consolidated net profits) respectively, under the Non-controlling interests sub-heading.

If losses attributable to the minorities exceed the minority interest in the equity of the subsidiary, the GROUP absorbs this excess and any other additional losses, unless the minorities have the obligation and the capacity to cover such losses. If the subsidiary subsequently returns a profit, the GROUP appropriates the whole of the profit until such time as the minority's share of the losses absorbed has been recouped.

The results of subsidiaries acquired or sold during the year are included in the income statements as from the date of the acquisition or up to the date of their sale (assignment of control).

Transactions, balances and dividends distributed between GROUP companies are eliminated in the consolidation process.

In those cases in which the GROUP has substantial control of special purpose entities (SPEs), even though it has no direct equityholdings in such entities, the SPEs are consolidated using the full consolidation method. As at December 31, 2010 & 2009, there were no entities in such a situation.

### b) Associate companies

Financial holdings in associate companies (companies in which the GROUP exercises significant influence, but does not have control, through participation in the financial and operational decisions of the company – generally investments representing between 20% and 50% of the issued capital of a company) are recorded, under financial investments using the equity method.

In accordance with the equity method, equityholdings are recorded at acquisition cost adjusted for the value corresponding to the GROUP's holding in the changes in equity (including net profit) of the associates, with a contra entry under gains or losses for the year and for dividends received, net of accumulated impairment losses.

The assets and liabilities of each associate (including contingent liabilities) are carried at their fair value on the date of acquisition. Any excess/(shortfall) of the acquisition cost compared to the fair value of the net assets and liabilities acquired is recognised respectively as goodwill and is added to the value of the financial investment, or, in the case of shortfall and provided it is maintained following reconfirmation of the fair value valuation process, in the income statement for the period.

A valuation is performed of the investments in associates where there are signs that the asset could be impaired, any loss being recorded in the income statement on confirmation of the impairment. Where impairment losses recognised in previous years no longer exist, they are written back.

Where the GROUP's proportion of the accumulated losses of the associate exceeds the book value of investment, the investment is carried at zero value until such time as the equity of the associate becomes positive, unless the Group has entered into commitments with the associate and, in this case, has set aside a provision meet such obligations.

Unrealised gains on transactions with associates are eliminated in the proportion of the GROUP's interest in the associate, with a contra entry under the investment in the associate in question. Unrealised gains are similarly eliminated, but only up to the point at which the loss does not show that the transferred asset is impaired.

Whenever necessary, adjustments are made to the subsidiaries' financial statements to approximate their accounting policies with those used by the GROUP.

#### c) Jointly-controlled companies

As from January 2010, financial interest in joint arrangements was accounted for in the financial statements according to the equity method. According to this methodology, financial investments are accounted for at the acquisition price, adjusted by the Group's share of changes in shareholders' equity of affiliated companies (including net income) with a contra entry under gains or losses in the financial year and dividends received, net from accumulated impairities.

Additionally, the jointly controlled companies that are mainly dedicated to construction activities accounted for in the financial statements according to the proportional consolidation method since the time that the management became jointly controlled. According to this methodology, the assets, liabilities, gains and losses of these companies are accounted in the consolidated financial statements in the relative proportion of the control attributable to the Group.

Classification of financial interests in jointly-controlled companies/ entities is determined on the basis of:

- equityholders' agreements governing joint control;
- the actual percentage of the holding;
- the voting rights held.

Transactions, balances and dividends distributed between companies are eliminated, in the proportion of the control attributable to the Group

### 1.3. Main valuation criteria

The main valuation criteria, judgments and estimates used in the preparation of the Group's consolidated financial statements during the periods under review are as follows:

#### i) Positive consolidation differences ("Goodwill")

Differences between the acquisition price of financial investments in Group's companies (subsidiaries) plus non-controlling interests and the fair value of the assets and liabilities of these companies as of the acquisition date, whenever positive, are accounted for as "Goodwill" and whenever negative, following a confirmation of the latter figure, are booked directly in the Income Statement. The differences between the acquisition price of the affiliated companies and joint arrangements and the fair value of assets and liabilities of these companies as of the date of the

acquisition, whenever positive, are kept as “Equity Consolidated Investments” and, whenever negative, following a confirmation of the latter figure, are booked directly in the Income Statement.

The Group, on a transaction by transaction basis (for each business combination), will choose to quantify any non-controlling interest in the acquired company for either fair value or proportionally to the non-controlling interest of the net assets of the acquired. Until January 1st 2010, non-controlling interests were exclusively valued in accordance with the proportion of fair value of acquired assets and liabilities.

Future contingent payments are recognized as a liability as of the date of the corporate merger at its fair value, any change in the initial value being registered against “Goodwill” though only during the reassessment period (12 months following the acquisition date) and if related with events prior to the acquisition date otherwise it will have to be booked against net profit.

Acquisitions or disposals of stakes in already controlled entities whenever not losing their control are treated as transactions between capital owners only affecting shareholders equity with no impact on Goodwill nor net profit.

Whenever a disposal generates a loss in control, assets and liabilities of the disposed entity will have to be disregarded and whatever interest recognized in the disposed company will have to be reassessed at fair value and the eventual gain or loss arising from the disposal accounted as net profit.

Until January 1st, 2004, Goodwill was amortized during the estimated timeframe to recover the investment, amortizations accounted in the profit & loss account under “Amortizations and depreciations”. As from January 1st, 2004, in accordance with IFRS 3 – “Business combinations”, the Group suspended the amortization of Goodwill, pursuing imparity tests. As from that date, imparity losses of the financial year related to Goodwill are booked in the income statement under “Amortizations and depreciations”.

## ii) Intangible fixed assets

Intangible fixed assets are carried at acquisition or production cost less accumulated amortisation and any impairment losses, and they are recognised only if it is likely that they will generate future benefits for the Group, if their value can be reasonably measured and if the Group has control over them.

Intangible fixed assets basically consist of concession operating licences (stemming from the processes of imputing fair value to assets acquired in business combination procedures), which are written down using the straight-line method over their useful life, and of software, which is written down using the straight-line method over a period of three to six years.

Research costs are recognised as costs for the year in which they are incurred, whereas formation costs and issued capital increase costs are deducted from equity.

## iii) Premises

Immovables (land & buildings) for own use are recorded at their revalued value, which is their fair value as of the revaluation date less any subsequent accumulated depreciation and/or accumulated impairment losses. Revaluation is undertaken periodically by independent property valuers in a manner such that the revalued amount does not materially differ from the fair value of the respective property. In those situations in which the fair value determined by the valuations is slightly greater than the amount carried in the financial situation statement, the Group, for a question of prudence, does not update the assets subject to the valuation to their fair value. For reasons to do with the working of the respective markets, the Group has opted not to apply this policy to properties held in African countries, in some Central European countries and in Peru, which it carries at acquisition cost less any subsequent accumulated depreciation and/or accumulated impairment losses.

Adjustments caused by revaluations of own-use immovables are taken to equity. If a tangible fixed asset that was positively revalued in subsequent years and is then negatively revalued, the adjustment is taken to equity up to an amount equal to the increase of equity caused by the previous revaluations, less the amount realised through

depreciation, any surplus being recorded as cost for the year.

Depreciation is charged on a systematic basis over the estimated useful life of the buildings, which currently varies between 20 and 50 years, while land is not depreciated.

Buildings under construction by the Group, particularly in Angola, are carried at production cost, including the cost of materials consumed, staff costs incurred and other costs, which is less than the realisable value.

#### iv) Land assigned to quarrying operations

Land assigned to quarrying operations, as well as several related costs (costs incurred with the licensing and start-up of the quarries, and costs to be incurred with their dismantling) are carried at a revalued amount, which is their fair value as of the date of the revaluation, less any subsequent accumulated depreciation and/or accumulated impairment losses. In those situations in which the fair value determined by the valuations is slightly greater than the amount carried in the financial situation statement, the Group, for a question of prudence, does not update the assets subject to the valuation to their fair value. The revaluations are performed periodically by the Group's external specialists in a manner such that the revalued amount does not materially differ from the fair value of the quarry in question. Depreciation of these assets is undertaken in accordance with the quantity of stone quarried each year taking into account the residual value of the quarry on conclusion of quarrying.

Adjustments caused by revaluations of land assigned to quarrying operations are taken to equity. If the quarry that was positively revalued in subsequent years is then negatively revalued, the adjustment is taken to equity up to an amount equal to the increase of equity caused by the previous revaluations, less the amount realised through depreciation, any surplus being recorded as cost for the year.

#### v) Other tangible fixed assets

Other tangible fixed assets acquired up to December 31, 2003, are carried at their deemed cost, which corresponds to the acquisition cost or acquisition cost revalued in accordance with accounting practices generally accepted in Portugal up to the mentioned date, less accumulated depreciation and impairment losses.

Other tangible fixed assets acquired after that date are carried at acquisition cost less accumulated depreciation and impairment losses.

Tangible fixed assets in progress comprise fixed assets still under construction/ development, and are carried at cost less any accumulated impairment losses.

Depreciation is calculated after the assets are in a position to be used, that is, when the underlying assets are ready for use in the required conditions, in terms of quality and technical reliability, to operate in accordance with the requirements of the Group's board of directors, and it is systematically charged over the useful life determined taking into account the expected use of the asset by the Group, on the basis of the expected natural wear, of subjection to predictable technical obsolescence and of the residual value attributable to the asset. The residual value attributable to the asset is estimated on the basis of the residual value prevailing on the date of the estimate of similar assets that have reached the end of their useful lives and have operated under conditions similar to those under which the asset is to be used.

The depreciation rates used correspond to the following estimated useful lives

##### Equipment:

Plant & machinery (except that assigned to the concessions)	3 to 10
Office equipment	4 to 10
Transport equipment	3 to 10
Tools & utensils	3 to 6

Other tangible fixed assets:	3 to 10
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Subsequent expenses on the replacement of components of fixed assets by the Group is added to the respective tangible fixed assets, the net value of the replaced components of such assets being written off and recorded as a cost under Other operating costs.

Maintenance and repair costs that neither increase the useful life nor provide significant amelioration or improvement of the items of tangible fixed assets are recorded as a cost for the year in which they are incurred.

Depreciation and amortisation of tangible and intangible fixed assets are recorded on a monthly basis under "Depreciation" in the income statement. Any alteration of the estimated useful life of the fixed assets is undertaken on a prospective basis.

#### vi) Leasing

Lease contracts are classified as (i) finance leases if, through them, all the risks and advantages inherent in possession of the leased assets are substantially transferred, and as (ii) operating leases if, through them, all the risks and advantages inherent in the possession of the leased asset are not substantially transferred.

Classification of leases as finance or operating is undertaken in the light of the substance and not of the form of the contract.

Fixed assets acquired under finance lease contracts, as well as the corresponding liabilities, are recorded using the financial method, with recognition of the tangible fixed assets, the corresponding accumulated depreciation, as defined in Indents iii) and v) hereabove and debts pending settlement in keeping with the contractual financial plan. Additionally, the interest included in the value of the lease payments and the depreciation of the tangible fixed asset is recognised as costs in the income statement of the year to which they refer.

In operating leases payments owed are recognised as a cost in the income statement on a linear basis over the life of the lease contract.

#### vii) Investment Properties

Investment properties consist of land and buildings the purpose of which is to generate rents and/or secure the appreciation of capital invested (particularly land held in Central Europe for a future undetermined current use) and not for use in the production or supply of goods or services, for administrative purposes or for sale during the course of day-to-day business.

Investment properties, including those at the construction stage, are recorded at their fair value determined by an annual valuation performed by independent, specialised entities or in accordance with current prices realisable on the market in question.

Variations of the fair value of investment properties are recognised directly in the income statement for the period under variation of the value of investment properties. For reasons to do with the working of the Angolan market, the Group has opted not to apply this policy to investment properties held in that country, and it carries them at acquisition cost less any subsequent accumulated depreciation and/or impairment losses. At the end of 2010, the Group held no investment properties in Angola.

Costs incurred with investment properties in use, namely maintenance, repairs, insurance and property taxes (municipal rates), are recognised in the consolidated income statement for the period to which they refer.

#### viii) Non-current assets held for sale

Non-current assets are classified as held for sale if their book value can be recovered only through a sale and not through their ongoing use. For such assets to be so classified they have to be available for immediate sale as found,



the sale has to be highly probable, the board of directors must be committed to execute such a sale and the sale must occur within 12 months, as determined in IFRS 5 - Non-current Assets Held for Sale and Discontinued Operations.

Non-current assets classified as held for sale are carried at the lesser of book value and fair value, after deduction of expected selling costs.

#### ix) Financial assets & liabilities

Financial assets and liabilities are recognised in the financial position statement when the Group becomes a contracting party to the respective financial instrument.

##### a) Financial instruments:

The Group classifies financial investments under the following categories: "Investments carried at fair value through profit & loss", "Loans and receivables", "Investments held to maturity" and "Investments held for sale". The classification depends of the intention underlying the investment.

The classification is determined at the time of the initial recognition and is reappraised half-yearly.

- Investments carried at fair value through profit & loss: this category is divided into two sub-categories: "financial assets held for trading" and "investments carried at fair value through profit & loss". A financial asset is classified in this category, particularly if acquired to be sold in the short term or if the adoption of valuation using this method eliminates or significantly reduces an accounting lag. Derivatives instruments are also classified as held for trading unless assigned to hedging operations. Assets of this category are classified as current assets if they are held for trading or if they are expected to be realised within 12 months of the balance sheet date;

- Loans and accounts receivable are non-derivative financial assets having fixed or variable reimbursements that are not quoted in active, liquid markets. These financial investments arise when the Group provides cash, goods or services directly to a debtor with no intention of negotiating the debt. "Loans and accounts receivable" are classified as current assets, except in those cases in which the maturity is greater than 12 months of the balance sheet date, these being classified as non-current assets. In both cases, this category appears in the financial position statement under Customers and Other debtors;

- Investments held for sale: These include financial assets, other than derivatives, that are designated as held for sale or those that do not fall within the previous categories. This category is included under non-current assets unless the board of directors intends to sell the investment within 12 months of the balance sheet date.

Investments held to maturity are classified as non-current assets unless they fall due within 12 months of the balance sheet date. "Investments carried at fair value through profit & loss" are classified as current investments. "Investments held for sale" are classified as non-current.

All purchases and sales of these investments are recognised on the date of signature of the respective contracts, regardless of the financial settlement date.

The investments are initially recorded at acquisition cost, which is the sum paid on acquisition date and corresponds to their fair value as of that day, including transaction costs.

After initial recognition, investments recorded at fair value through profit & loss and held-for sale investments are revalued at their fair value as marked to market as of the balance sheet date, with no deduction in respect of transaction costs that might be incurred up to their sale.

Gains or losses arising from alteration of the fair value of held-for sale investments are recorded in the consolidated statement of comprehensive income under "Fair Value Reserve - Held-for-sale investments" until such time as the investment is sold, received or in any other way disposed of, or in those cases in which the fair value of

the investment is lower than cost and provided it is considered a significant or permanent impairment loss, when the accumulated gain or loss is recorded in the income statement.

Gains or losses caused by alteration to the fair value of trading investments are recorded in income statement for the period.

Gains and losses, realised or otherwise, caused by an alteration to the fair value of "Investments held at fair value through profit & loss" are recorded in the income statement for the period.

The fair value of the investments is based on current market prices. If the market of which the investment is a part is not an active or liquid one (unquoted investments), the Group establishes its fair value using other valuation techniques, such as transactions in substantially similar financial instruments, financial-flow analyses and price option models adjusted to reflect the specific circumstances. The fair value of listed investments is calculated on the basis of the Euronext close on the balance sheet date.

The Group performs valuations on each balance sheet date if there is objective evidence that a financial asset could be impaired. In the case of capital instruments classified as held for sale, a significant or prolonged decline of their fair value to less than cost indicates that the asset is in a situation of impairment. For other assets, objective signs of impairment may include:

- financial difficulties of the counterparty in settling its debts;
- failure by the counterparty to repay in a timely manner credit extended by the Group;
- high probability that the counterparty may be involved in bankruptcy or debt-restructuring proceedings.

For financial assets carried at amortised cost, the amount of the impairment results from the difference between their book value and the present value of future cash flows discounted at the initial real interest rate.

The book value of financial assets is reduced directly by any impairment losses encountered, with the exception of trade accounts receivable and other debtors for whom the Group sets aside a specific "Accumulated impairment loss" account. When an account receivable from customers or other debtors is considered a bad debt, it is written off against "Accumulated impairment losses". Amounts subsequently received in respect of accounts receivable from customers or other debtors written off in the financial statements are credited to the income statement for the period. Alterations to "Accumulated impairment losses" are recorded in the income statement for the period.

With the exception of Available-for-sale investments, if, in a subsequent year, there is a reduction of accumulated impairment losses and if this decrease is objectively the result of an event after the date of recognition of the impairment, the decrease is recorded through the income statement for the period up to the limit of the existing Accumulated impairment loss.

Investments held to maturity are recorded at amortised cost using the real interest rate, net of amortisation of principal and interest received.

All available-for-sale financial investments involving shares in unlisted companies are carried at their acquisition cost, taking into account always any impairment losses in the event of objective proof of impairment. The Group's board of directors is of the conviction that the fair value of these investments does not differ significantly from their acquisition cost.

Dividends received in respect of equity instruments classified as Available-for-sale investments are recognised in the income statement for the period in which the right to receive them was established.

b) Customers & other debtors

The debts of "Customers" and of "Other debtors" are carried at their nominal value less any accumulated impairment losses, so as to reflect their net realisable value.

c) Borrowings

Borrowings are carried in liabilities at amortised cost. Any costs incurred with the issue of these loans are carried as a deduction from the debt and are recognised over the life of the loans in question, in keeping with the actual interest-rate method.

d) Accounts payable

Accounts payable that do not bear interest are recorded at their nominal value, which is substantially the same as their fair value, in that the effect of the discount is considered immaterial.

e) Financial liabilities and own funds instruments

Financial liabilities and own funds instruments are classified in accordance with the contractual substance of the transaction. The Group considers own funds instruments to be those in which the contractual support of the transaction shows that the Group has a residual interest in a set of assets after deduction of a set of liabilities.

f) Derivatives instruments

The Group uses derivatives instruments in the management of its financial risks solely to hedge these risks, and derivatives instruments are not used for speculative purposes. Use of financial derivatives instruments is duly authorised by the board of directors of the Group.

The derivatives instruments used by the Group defined as cash-flow hedging instruments involve solely interest-rate hedging instruments in respect of loans obtained. The amount of the loans, the interest payment dates and the repayment plans of the loans underlying the interest-rate hedging instruments are similar to the conditions established for the loans taken out.

The criteria employed by the Group in classifying derivatives instruments as cash-flow hedging instruments are as follows:

- the hedge is expected to be highly effective in offsetting alterations to cash flows attributed to the hedged risk;
- effectiveness of the hedge can be reliably measured;
- there is adequate documentation as to the transaction to be hedged at the beginning of the operation; and
- the transaction covered by the hedge is highly probable.

Interest-rate hedging instruments are initially recorded at cost, if any, and are subsequently revalued at their fair value. Alterations to the fair value of these instruments, associated with that part that is actually hedged, are recognised in the consolidated statement of comprehensive income under "Fair value reserves – derivatives", and are transferred to the income statement for the period that the instrument that is hedged affects the results.

Accounting of derivatives instruments is discontinued when the instrument falls due or is sold. In those cases in which the derivative instrument is no longer qualified as a hedging instrument, accumulated differences of fair value deferred in the consolidated statement of comprehensive income under "Fair value reserves - Derivatives" are transferred to the income statement for the period or added to the value of the asset to which the transactions subject to hedging gave rise, and subsequent revaluations are recorded directly under the headings of the income statement.

With regard to derivatives instruments which, though contracted for economic hedging purposes, do not meet all the requirements of IAS 39 – Financial Instrument: Recognition and Measurement insofar as the possibility of accounting qualification as hedges is concerned, the respective variations of fair value are recorded in the income statement for the period in which they occur.

g) Treasury shares

Treasury shares are carried at acquisition cost as a deduction from equity. Gains or losses inherent in the sale of treasury shares are recorded under "Other reserves".

#### h) Bills discounted and accounts receivable assigned under factoring arrangements

The Group derecognises the financial assets of its financial statements solely when contractual entitlement to the financial flows inherent in such assets expires or when the Group substantially transfers all the risks and benefits inherent in the possession of such assets to a third party.

Consequently, customer balances secured by bills discounted not yet fallen due and accounts receivable assigned under factoring arrangements as of the date of each balance sheet, with the exception of factoring operations without recourse, are recognised in the Group's financial statements up to such time as they are received, with a contra entry under "Sundry creditors".

#### x) Cash and cash equivalents

The amounts carried under "Cash & cash equivalents" correspond to cash-in-hand, bank deposits at sight and with agreed maturity dates and other cash placements falling due within less than three months that can be mobilised immediately and have an insignificant risk of alteration of value.

#### xi) Inventories

Merchandise, raw and subsidiary materials, and consumables are carried at the lesser of average acquisition cost or of market value (estimated selling price less costs to be incurred with their sale). Finished and semi-finished products, sub-products and products and work in progress are carried at production cost, which is less than market value. Production costs include the raw materials incorporated, direct labour and manufacturing overheads.

#### xii) Accrual accounting

Income and expenditure are recorded in accordance with the accrual accounting principles whereby they are recognised as and when generated regardless of the moment when they are received or paid. Differences between the amounts received and paid and the corresponding revenues and expenses are recorded under "Other current assets", "Other current liabilities" and "Other non-current liabilities".

#### xiii) Revenue

Revenue is recorded at the fair value of assets received or receivable, net of expectable discounts and returns.

#### a) Recognition of costs and income generated by works

The Group recognises the results of works, contract by contract, in accordance with the percentage of finishing method, understood to be the ratio between costs incurred by each job up to a given date and the sum of those costs with those estimated to complete the job. Differences between the figures obtained by the application of the degree of finishing to the estimated income and the sums invoiced are recorded under "Production not invoiced" or "Advance billing", included under "Other current assets" and "Other current liabilities".

As far as construction contracts performed by companies/affiliated companies in African countries are concerned, revenues are accounted in accordance with the interim payment certificate of performed works with positive or negative differences from the revenues invoiced calculated on a contract basis and shown in sub-items "Non-invoiced output" or "Invoice in Advance" included in "Other current Assets" and "Other current liabilities". The impact stemming from the adoption of this policy as compared to the one described in the above paragraph does not produce any materially relevant effect in consolidated financial statements.

Variations of the works affecting the income agreed for the contract are recognised in the income statement for the period, provided it is likely that the customer will approve the revenue caused by the variation and that it can be reliably measured.

Claims for reimbursement of costs not included in the contract price are included in the contract value when the negotiations reach an advanced state at which it is likely that the customer will accept same and they can be reliably measured.

To meet costs to be incurred during the works' warranty period, the Group recognises each year a liability to cover this legal obligation, which is determined taking into account the year's production volume and the history of costs incurred in the past with works during the warranty period.

When it is probable that the total costs provided for in the construction contract will exceed the income defined therein, the expected loss is immediately recognised in the income statement for the period.

#### b) Short-duration civil construction works and public works

In this provision of services contracts the Group recognises income and costs as they are invoiced or incurred, respectively.

#### c) Recognition of costs and income in real-estate business

Relevant costs incurred with real-estate undertakings are calculated taking account the direct cost of construction as well as all costs associated with the preparation of plans and with the licensing of the works. Costs attributable to financing, supervision and inspection of the undertaking are also added to the cost of real-estate undertakings, provided they are under way.

For the purpose of capitalisation of financial charges and costs incurred with the supervision and inspection of the undertaking, it is considered that the undertaking is under way if a decision of the authorities involved is awaited, or if the undertaking is under construction. Should the undertaking not be in one of the foregoing circumstances, it is considered stopped and capitalisation referred to above is suspended.

In accordance with IFRIC 15, Sales in the real estate activity are recognized whenever all the risks related to the asset are substantially transferred to the buyer (or, at the date of signature of the transfer ownership contract of the asset).

#### xiv) Cost of preparation of bids

Costs incurred with the preparation of bids for sundry calls for tender are recognised in the income statement for the period in which they are incurred, in view of the fact that the outcome of the bid cannot be controlled.

#### xv) Own work capitalised

Own work capitalised consists basically of construction and repair work carried out by the companies themselves, as well as major repairs of equipment, including materials, direct labour and overheads.

These costs are capitalised only where the following requirements are met:

- the assets developed are identifiable;
- there is strong probability that the assets will come to generate future economic benefits; and
- the development costs are reliably measurable

#### xvi) Assets and liabilities expressed in foreign currency

All assets and liabilities expressed in foreign currency are translated into the presentation currency using the exchange rates ruling on the reporting date. Currency translation differences, both favourable and unfavourable, stemming from differences between exchange rates ruling on the date of the transactions and those ruling on the date of the collections or payments or balance sheet dates, are recorded as income and costs in the income statement for the period.

In preparing the consolidated financial statements, the assets and liabilities of the financial statements of the Group's foreign entities are translated into euros using the exchange rates ruling on the balance sheet date. Costs and income, as well as the cash flows are also translated into euros at the average annual rate. The resultant currency translation difference is recorded under equity under Currency translation reserves. At the time of sale of such foreign entities, the accumulated currency translation differences are recorded in the income statement for the period.

Currency translation differences associated with receivables/ payables whose maturity are not defined but is expected to occur (net investment in foreign operational units) are recorded in the consolidated statement of comprehensive income and are transferred to the income statement for the period when the receivables/ payables are amortised/ disposed of/ settled.

Goodwill and the fair-value adjustments of assets and liabilities acquired as a result of the acquisition of foreign entities are dealt with as assets and liabilities in foreign currency and are translated into euros at the exchange rates ruling on the balance sheet date.

The financial statements of subsidiaries and branches expressed in foreign currencies are translated into euros.

#### xvii) Income tax

Since January 2010 Mota-Engil is covered by the special taxation of groups of companies mechanism, and therefore the current tax is calculated on the basis of the taxable profits of the companies included in the consolidation and in the special mechanism, in keeping with its rules.

The special taxation of groups of companies mechanism includes all companies in which there is a direct or indirect holding of at least 90% of the equity capital, are resident in Portugal and are taxed under Corporate Income Tax.

For companies not covered by the special taxation mechanism, current tax is calculated in the basis of their taxable profits, in accordance with the tax rules in force at the place of each company's registered office.

Deferred taxes are calculated on the basis of the balance sheet liability method and refer to temporary differences between the values of assets and liabilities for accounting purposes and their respective values for taxation purposes.

Deferred tax assets and liabilities are calculated and valued each year using the tax rates in force on or announced for, the date of reversion of the temporary differences.

Deferred tax assets are recorded only when there are reasonable expectations of future tax profits sufficient to use them. On each balance sheet date a reappraisal is performed of the differences underlying deferred tax assets with a view to recognising deferred tax assets not previously recorded because the conditions to do so were not then extant and/or to reduce the amount of deferred tax assets recorded in the light of present expectations of their future recovery.

The amount of tax to be included both under current tax and under deferred tax resulting from transactions or events recognised under reserves is recorded directly under those headings and does not affect the year's result.

#### xviii) Financial charges on borrowings

Financial charges related with borrowings are generally recognised as a cost in accordance with accrual accounting principles.

Financial charges on borrowings directly related with the acquisition, construction or production of fixed assets or associated with motorway concessions or real-estate projects classified under inventories, are capitalised and come to form part of the cost of the asset. Capitalisation of these charges begins following the start of preparation of the activities involving construction or development of the asset and is interrupted following the start of the use or the end of production or construction of the asset, or in the event that the product in question is suspended.



#### xix) Provisions

Provisions are recognised when and only when the Group has a present obligation (legal or implicit) resulting from a past event and it is probable that, to fulfill such an obligation, there will be an outflow of funds, provided that the amount of the obligation can be reasonably estimated. The provisions are reviewed on each balance sheet date and are adjusted to reflect the best estimate on that date, taking into account the risks and uncertainties inherent in such estimates. Where a provision is determined taking into account the future cash flows required to settle the obligation it is recorded for their actual value.

Provisions for restructuring costs are recognised by the Group whenever there is a formal, detailed restructuring plan that has been communicated to the parties involved.

#### xx) Pensions

Liabilities for defined-benefit pension plans attributed to some former and present employees of the Group are calculated in accordance with the “Projected Unit Credit Method” using the actuarial and financial assumptions best suited to the plan in question.

#### xxi) Subsidies granted by the State

Subsidies granted to finance personnel training courses are recognised as income during the period of time in which the Group incurs the respective costs and are presented in the income statement as a deduction from these costs.

Subsidies granted to finance investment in fixed assets are recorded as deferred income and are recognised in the income statement over the estimated useful life of the assets in question.

#### xxii) Impairment of assets other and goodwill

An impairment valuation is undertaken on each balance sheet date and whenever an event or alteration to circumstances is identified, suggesting that the amount at which an asset is carried may not be recovered. In the event that the sum at which an asset is carried is greater than its recoverable value, impairment loss is recognised and is recorded in the income statement under “Other operating costs”. The amount recoverable is the higher of net selling price and of the value-in-use. The net selling price is the amount that can be obtained on the sale of the asset in an arm's length transaction, less costs directly attributable the sale. The value-in-use is the present value of future estimated cash flows arising from the ongoing use of the asset and from its sale at the end of its useful life. The amount recoverable is estimated for the asset, individually, or, should this not be possible, for the cash-generating unit to which the asset belongs.

Reversal of impairment losses recognised in previous years is recorded when the reasons that caused the recording no longer exist and, consequently, the asset is no longer impaired. Reversal of impairment losses is recognised in the income statement as an operating profit. However, reversal of an impairment loss is undertaken up to the limit of the sum that would be recognised (either through the historic costs or through its revalued value, net of amortisation of depreciation) had the impairment loss not been recorded in previous years.

Evidence that impairment exists in accounts receivable appears where:

- the counterparty is in significant financial difficulty;
- there are significant delays in payment by the counterparty of interest and principal; and
- it become probable that it will be wound up or go into financial restructuring.

In the case of inventories, any reduction of their net realisable value is calculated on the basis of market values and of various inventory-rotation indicators.

For Goodwill and for Financial investments, the recoverable amount is essentially determined on the basis of the latest financial projections in respect of such assets.

#### xxiii) Balance sheet classification

Assets realisable and liabilities enforceable more than one year after the balance sheet date are classified as non-current assets and liabilities respectively. Additionally, for their nature, deferred tax assets and liabilities and "Provisions" are classified as non-current assets and liabilities (Note 13 Income Tax and Note 29 Provisions, respectively).

#### xxiv) Contingencies

Contingent liabilities are not recognised in the consolidated financial statements and are disclosed in the notes to the financial statements unless the possibility of an outflow of funds affecting future economic benefits is remote.

A contingent asset is not recognised in the financial statements, but is disclosed in the notes to the financial statements when it is likely that there will be a future economic benefit.

#### xxv) Subsequent events

Events occurring after the balance sheet date that provide additional information on conditions that existed as of the balance sheet date ("adjusting events") are reflected in the consolidated financial statements. Events following the balance sheet date that provide information on conditions occurring after the balance sheet date ("non-adjusting events"), if material, are disclosed in the notes to the consolidated financial statements.

#### xxvi) Judgments and estimates

In preparing the financial statements the Group's board of directors based itself on its best knowledge and experience of past and/or current events while taking into account certain assumptions in respect of future events.

The more significant accounting estimates reflected in the consolidated financial statements for the years ended December 31, 2009 & 2008, include:

- fair value and useful lives of the tangible assets, land, buildings and quarrying in particular;
- impairment tests performed on goodwill and on tangible assets;
- recording provisions and impairment losses;
- recognition of costs and income generated by works in progress;
- determination of the fair value of the derivative financial instruments.

The estimates were made on the basis of the best information available on the date of preparation of the consolidated financial statements. However, situations could occur during subsequent periods that, not being predictable at this time, were not taken into account in these estimates. Alterations to these estimates taking place after the date of the consolidated financial statements will be revised in results in a prospective manner, in accordance with the provisions of IAS 8.

#### xxvii) Consolidated cash-flow statement

The consolidated cash-flow statement is prepared in accordance with IAS 7, using the direct method. The Group classifies under "Cash & cash equivalents" investments falling due within three months in respect of which the risk of alteration of value is insignificant, including the blocked sums of term deposits of the concessionaire companies assigned to debt servicing.

The cash-flow statement is divided into operating, financing and investing activities. Operating activities include cash received from customers, payments to suppliers, payments to staff and others related with operating activities. Cash flows involved in investing activities include, in particular, acquisitions and disposals of investments in associates and subsidiaries and cash paid and received stemming from the purchase and sale of fixed assets.

The cash flows related to financing activities include, in particular, cash paid and received in respect of borrowings, finance lease contracts and dividend payments.

#### xxviii) Management of capital invested

The fundamental aim of capital management at the Mota-Engil Group is to ensure the continuity of the Group's operations in an endeavour to maximise the creation of value for its equityholders, especially through the adoption of an efficient structure of capital employed through optimisation in the balance sheet of the ratio between own and borrowed funds.

The Group's capital structure therefore comprises its equity, debt with recourse, debt without recourse and also amounts available as cash & cash equivalents.

Equity includes the fully subscribed and paid up issued capital of Mota-Engil SGPS in the sum of €204,635,695, represented by €204,635,695 ordinary shares each of a par value of €, admitted to listing in the Euronext Lisbon regulated securities market. It also includes all the reserves of capital accumulated by the Group, namely those imposed by law, the free reserves, the asset-revaluation reserves, the currency-translation reserves and the goodwill reserves created on the consolidation of the Group companies. Lastly, it also includes previous years' results not paid out to equityholders.

Generally speaking, Group debt has two different sources: debt with recourse and debt without recourse. These two categories differ in the type of liability assumed by the Group in respect of fulfillment of the payment obligation. On the one hand, while debt with recourse assumed by any Group company can be demanded of its equityholders, debt without recourse, assumed solely within the scope of the concession businesses financed under project finance arrangements, is enforceable only as far as the company that took out the loan is concerned and, therefore, only the assets of that company answer for its payment.

The maturity structure of the debt is suited to the characteristics of the assets it finances, with a focus on long-term maturities so as to meet, above all, the Group's investments of a permanent nature.

The origin of the capital requirements imposed on the Group externally may be legal or contractual or may be required for access to markets.

The main legal requirement in respect of capital is imposed by Article 35 of the Companies Code, which stipulates that the equity of a Company must be more than half the issued capital. At Mota-Engil Group there has been no ongoing failure to comply with this rule in that, in those cases where compliance might be temporarily called into question, those measures seen to be most adequate are immediately applied.

Capital requirements imposed contractually mainly involve financing contracts with banks. In more relevant financing transactions, covenants are sometimes established that are linked with ratios that relate the capital structure with the Group's operating profitability. These contractual clauses are defined in the light of negotiations with the financing entities and, throughout the history of the Group, there has been no case of breach of such contracts.

A large part of the business carried on by the Mota-Engil Group is undertaken in close co-operation with the public sectors of those countries in which it is involved. Both in the construction of public works and in obtaining construction, operating and maintenance licences for public infrastructures, the Group faces conditions of access to these markets that are subject to strict regulations and supervision. Some of the conditions of access to these

markets require that the bidder has proven financial capacity and robustness, without which it will be excluded. The Mota-Engil Group is particularly concerned as to compliance with the requirements usually imposed in this field and, indeed, it has been able to turn this aspect into one of its strong points when compared to its main competitors. This is a competitive advantage compared to its rival bidders in major national and international projects.

#### xxix) Financial risk management

The Group's management of the financial risks that it incurs is set out in Chapter 5 of the management report included in this Report and Accounts.

## 2. Companies included in the consolidation

As at December 31, 2009, the companies included in the consolidation and the respective consolidation methods, registered offices, business, proportion of issued capital held, date of incorporation and date of acquisition of the equityholdings are as listed in Appendix A.

The main alterations to the consolidation perimeter during 2010 are detailed in Note 36. Variation of perimeter.

## 3. Sales & services rendered

The breakdown of sales and services rendered during the years to December 31, 2010 & 2009 is as follows:

	2010	2009 restated	2009
<i>Sales of merchandise</i>	41,051,593	58,407,245	70,199,023
<i>Sales of products</i>	80,339,491	84,783,837	96,014,279
<i>Services rendered</i>	1,883,159,818	1,835,541,657	1,965,031,280
	<b>2,004,550,902</b>	<b>1,978,732,739</b>	<b>2,131,244,582</b>

During 2010 and 2009 there was no discontinuation of the businesses of the Group.

## 4. Business segments

The Group makes use of its in-house organisation for management purposes as the basis for reporting information by operational segments.

The Group is organised as two main business areas – Engineering & Construction and Environment & Services – which are co-ordinated and supported by Mota-Engil SGPS and by MESP.

The Engineering & Construction segment includes construction activities, public works and property development.

The Environment & Services segment basically covers the companies engaged in solid urban waste collection and treatment, the water and basic sanitation companies, and the port operations companies.

The figures in respect of Mota-Engil SGPS, MESP and the Group companies in the Tourism area are included under "Other, eliminations & intra-group" which also includes sums in respect of inter-operational segment flows and balances.

During 2010, the Group altered the method of consolidation of its financial interests in several joint arrangements, which are not consolidated using the equity method (rather than the proportional method). This alteration caused

greater impact on the transport-infrastructure concessionaire companies that lie within the scope of the Ascendi projects (the partnership with the Banco Espírito Santo (BES) Group that are therefore considered joint arrangements). Under these circumstances, and since the balance sheets and income statements of these companies are no longer included in the consolidated financial statements of the Group using the proportional method, the Transport Concessions area is no longer a reportable area.

The financial information by operating segment is broken down as follows:

2010	Engineering & Construction	Environment & Services	Transport concessions	Others, eliminations & Intra-Group	Mota-Engil Group
<i>Sales &amp; services rendered</i>	1,599,023,363	410,056,169	-	(4,528,630)	2,004,550,902
<i>EBITDA</i>	162,493,522	80,776,843	-	(5,976,476)	237,293,889
<i>Amortizations</i>	(54,664,597)	(29,784,034)	-	(1,931,158)	(86,379,789)
<i>Operating profit</i>	94,520,925	46,832,721	-	(9,607,635)	131,746,011
<i>Net financial income</i>	(18,744,732)	(23,563,524)	-	(8,619,337)	(50,927,593)
<i>Gains / (losses) on associated companies</i>	(1,809,670)	(1,716,451)	-	11,032,308	7,506,187
<i>Income tax</i>	(9,623,763)	(12,465,306)	-	3,121,152	(18,967,917)
<i>Consolidated net profit of the year attributable: to Non-Controlling interests</i>	21,604,079	9,166,568	-	1,635,367	32,406,014
<i>to the Group</i>	42,738,681	(79,129)	-	(5,708,878)	36,950,674
2009 restated	Engineering & Construction	Environment & Services	Transport concessions	Others, eliminations & Intra-Group	Mota-Engil Group
<i>Sales &amp; services rendered</i>	1,654,265,892	328,820,057	-	(4,353,210)	1,978,732,739
<i>EBITDA</i>	130,127,732	66,819,732	-	(679,251)	196,268,213
<i>Amortizations</i>	(50,996,542)	(24,299,013)	-	(2,074,245)	(77,369,800)
<i>Operating profit</i>	74,831,723	40,415,263	-	(2,753,496)	112,493,490
<i>Net financial income</i>	(21,191,706)	(18,677,325)	-	(7,966,940)	(47,835,971)
<i>Gains / (losses) on associated companies</i>	6,615,829	(1,500,750)	-	36,313,508	41,428,587
<i>Income tax</i>	(16,014,666)	(8,927,321)	-	1,415,160	(23,526,827)
<i>Consolidated net profit of the year attributable: to Non-Controlling interests</i>	367,786	8,835,166	-	743,849	9,946,801
<i>to the Group</i>	43,224,778	2,474,704	-	26,912,996	72,612,478
2009	Engineering & Construction	Environment & Services	Transport concessions	Others, eliminations & Intra-Group	Mota-Engil Group
<i>Sales &amp; services rendered</i>	1,693,864,575	333,482,305	117,488,400	(13,590,698)	2,131,244,582
<i>EBITDA</i>	134,152,064	66,308,914	104,961,816	(1,068,103)	304,354,691
<i>Amortizations</i>	(52,465,085)	(27,594,361)	(43,651,934)	(2,074,484)	(125,785,864)
<i>Operating profit</i>	77,627,200	36,597,105	61,276,496	(3,142,586)	172,358,215
<i>Net financial income</i>	(22,152,456)	(18,145,345)	(67,189,468)	(7,967,593)	(115,454,862)
<i>Gains / (losses) on associated companies</i>	7,343,241	492,660	2,209,195	40,523,200	50,568,297
<i>Income tax</i>	(16,294,735)	(8,510,051)	(4,237,732)	1,483,029	(27,559,489)
<i>Consolidated net profit of the year attributable: to Non-Controlling interests</i>	367,786	8,315,909	(1,135,218)	625,592	8,174,069
<i>to the Group</i>	46,155,463	2,118,462	(6,806,291)	30,270,458	71,738,092

As at December 31, 2010, sales and services rendered between business segments are carried under "Other, eliminations and intra-group", and are immaterial.

Gains/(losses) on associate companies during 2010 are essentially caused by the effect of the application of the equity method to the financial investment in Martifer, SGPS, SA, and in Ascendi Group, SGPS, SA..

During the years ended December 31, 2010 & 2009, intra-group sales were undertaken at prices similar to those used for sales to external companies.

The breakdown of the Group's total net assets and liabilities of by primary segments is as follows:

	Assets			Liabilities		
	2010	2009 restated	2009	2010	2009 restated	2009
Engineering & Construction	2,264,388,898	1,832,161,271	1,875,362,462	1,865,575,135	1,546,588,209	1,589,789,400
Environment & Services	948,215,590	788,791,518	794,814,636	880,156,460	714,807,922	719,619,845
Transport concessions	-	-	1,799,250,437	-	-	1,738,154,900
Holding, others and adjustments	243,561,696	282,944,631	144,703,343	229,704,690	249,690,551	190,475,441
	<b>3,456,166,184</b>	<b>2,903,897,420</b>	<b>4,614,130,878</b>	<b>2,975,436,285</b>	<b>2,511,086,682</b>	<b>4,238,039,586</b>

The Group's investments and amortisation by primary segments are as follows:

	Net investment			Depreciation & Amortization		
	2010	2009 restated	2009	2010	2009 restated	2009
Engineering & Construction	74,534,000	113,203,513	114,205,076	54,664,597	50,996,542	52,465,085
Environment & Services	83,342,573	84,376,125	86,973,011	29,784,034	24,299,013	27,594,361
Transport concessions	-	-	320,052,879	-	-	43,651,934
Holding, others and adjustments	3,177,427	884,057	(4,773,935)	1,931,158	2,074,245	2,074,484
	<b>161,054,000</b>	<b>198,463,695</b>	<b>516,457,031</b>	<b>86,379,789</b>	<b>77,369,800</b>	<b>125,785,864</b>

The Group's business is international in scope and it operates on the Iberian Peninsula, in Central Europe (namely Poland, Hungary, Czech Republic, Romania, Slovakia), in Africa (namely Angola, Mozambique, Malawi, Benin, Algeria, Cape Verde and Chad), in North America (USA) and in South America (Peru, Mexico and Venezuela). Thus, 3 major geographic areas of operations have been defined: Iberian Peninsula, Central Europe and Africa & America.

The breakdown of Sales & services rendered by geographic segment is as follows:

Sales & services rendered			
	2010	2009 restated	2009
Iberian Peninsula	1,030,392,529	1,383,897,028	1,522,004,078
Central Europe	241,305,923	291,279,181	294,281,626
Africa & America	750,403,673	551,090,688	569,495,408
Others, eliminations & intra-Group	(17,551,223)	(247,534,158)	(254,536,530)
	<b>2,004,550,902</b>	<b>1,978,732,739</b>	<b>2,131,244,582</b>

As at December 31, 2010 & 2009, the Group's sales and provision of services involved a wide range of customers, none of which accounted for over 10% of the Group's total turnover.

The breakdown of assets held and investments made by geographic segment is as follows:

	Assets			Net investment		
	2010	2009 restated	2009	2010	2009 restated	2009
Iberian Peninsula	2,465,855,192	2,573,393,579	4,428,208,861	126,127,665	225,824,255	399,879,602
Central Europe	364,106,855	310,945,652	323,068,657	14,045,426	47,078,504	47,078,504
Africa & America	1,140,209,925	613,943,438	733,399,327	20,880,720	20,069,396	95,454,289
Others, eliminations & intra-Group	(514,005,788)	(594,385,249)	(870,545,967)	189	(94,508,460)	(25,955,364)
	<b>3,456,166,184</b>	<b>2,903,897,420</b>	<b>4,614,130,878</b>	<b>161,054,000</b>	<b>198,463,695</b>	<b>516,457,031</b>



## 5. Cost of merchandise and of subcontracts

The breakdown of the cost of materials consumed and of subcontracts during the years ended December 31, 2010 & 2009, is as follows:

2010	Merchandise	Raw & subsidiary materials & consumables	Total
Opening stocks	52,628,190	50,069,303	102,697,493
Variation of perimeter, transfers and regularization	(26,029,305)	(596,238)	(26,625,543)
Purchases	23,577,592	317,958,386	341,535,978
Closing stocks	(38,286,426)	(47,947,573)	(86,233,999)
	<u>11,890,051</u>	<u>319,483,878</u>	<u>331,373,929</u>
Subcontracts			<u>844,319,977</u>
Cost of Goods Sold, Materials Consumed & Subcontracts			<u>1,175,693,906</u>
2009 restated	Merchandise	Raw & subsidiary materials & consumables	Total
Opening stocks	56,640,111	64,240,582	120,880,693
Variation of perimeter, transfers and regularization	(146,548)	(3,750)	(150,298)
Purchases	21,756,947	328,279,808	350,036,755
Closing stocks	(52,628,190)	(50,069,303)	(102,697,493)
	<u>25,622,320</u>	<u>342,447,337</u>	<u>368,069,657</u>
Subcontracts			<u>878,644,414</u>
Cost of Goods Sold, Materials Consumed & Subcontracts			<u>1,246,714,071</u>
2009	Merchandise	Raw & subsidiary materials & consumables	Total
Opening stocks	56,640,111	64,240,582	120,880,693
Variation of perimeter, transfers and regularization	(146,548)	(3,750)	(150,298)
Purchases	38,452,341	336,031,080	374,483,421
Closing stocks	(54,081,697)	(52,524,857)	(106,606,554)
	<u>40,864,207</u>	<u>347,743,055</u>	<u>388,607,262</u>
Subcontracts			<u>891,814,578</u>
Cost of Goods Sold, Materials Consumed & Subcontracts			<u>1,280,421,840</u>

As of December 31st, 2010, transfers in "Merchandise" account are related to inventory transfer of a rented building to the "Investment Properties" account (Note 22) for which, during the financial year, the Group signed a renting contract with a third-party.

## 6. Third-party Supplies & Services

The breakdown of third-party supplies & services during the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Leases & rents	110,075,410	118,445,176	123,540,738
Specialised works	51,294,119	63,215,492	69,160,849
Transport, travel and board & lodging	40,907,708	47,118,930	48,811,225
Maintenance & repairs	32,471,384	28,028,721	31,793,157
Fuel	18,571,860	15,896,847	16,338,260
Insurance	10,342,994	11,663,148	12,973,514
Commissions & fees	7,641,397	10,261,968	11,497,525
Water & electricity	8,008,271	8,688,197	9,376,614
Utensils & office equipment	10,705,961	7,731,673	8,016,145
Vigilance & security	8,014,909	7,244,444	7,425,955
Communications	6,388,499	5,108,121	5,467,707
Advertising & publicity	2,637,415	1,905,442	2,146,497
Other supplies & services	33,360,098	34,233,314	36,232,198
	<u>340,420,025</u>	<u>359,541,473</u>	<u>382,780,384</u>

"Rents & leases" as at December 31, 2010 & 2009, includes the sums of €€11,260,887 and €€7,153,210 respectively, in respect of the rents of operational lease transactions.

Operating lease payments falling due are as follows:

Maturity	2010	2009 restated	2009
1 year	11,294,669	7,014,928	7,174,670
Between 2 and 5 years	17,320,401	8,983,687	8,983,687
more than 5 years	2,367,800	3,108,634	3,108,634
	<u>30,982,870</u>	<u>19,107,249</u>	<u>19,266,991</u>

The Group's main operating lease contracts are in respect of premises leases and vehicle rental and hardware leases.

## 7. Staff costs

The breakdown of staff costs during the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Remuneration	279,196,220	242,997,000	252,937,725
Social security charges:			
Pensions & other benefits granted	1,231,040	1,656,699	1,656,828
Other	78,159,544	69,347,712	71,571,506
	<u>358,586,804</u>	<u>314,001,411</u>	<u>326,166,059</u>

Liabilities for Pension and Retirement Plans are detailed in Note 32.

As December 31, 2010 & 2009, "Other" essentially includes costs borne in respect of Social Security, meal & sickness subsidies, and workmen's compensation insurance.

## Average staff numbers

The average number of personnel in the service of the Group during 2010 & 2009 is broken down as follows:

	2010	2009 restated	2009
Management	126	143	170
Employees	8,417	7,993	8,240
Workers	10,861	10,845	10,892
	<u>19,404</u>	<u>18,981</u>	<u>19,302</u>
Companies in Portugal	8,123	8,862	9,063
Companies abroad	5,221	3,876	3,996
Branch offices	6,060	6,243	6,243
	<u>19,404</u>	<u>18,981</u>	<u>19,302</u>

## 8. Other operating income / (costs)

The breakdown of operating income and costs during the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Donations	(1,192,718)	(2,174,372)	(2,213,192)
Gains/(losses) on the sale of fixed assets	4,801,721	1,556,669	1,557,066
Taxes	(17,585,165)	(14,322,464)	(15,582,925)
Operating subsidies	1,617,629	949,764	964,849
Own work capitalised	6,407,007	3,178,647	32,434,796
Other income/(costs)	(8,362,899)	(11,942,265)	(18,024,629)
	(14,314,425)	(22,754,021)	(864,035)

“Own work capitalised” essentially includes sums in respect of property developments undertaken by the Group.

## 9. Depreciation

The breakdown of depreciation for the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Amortization of intangible fixed assets for the year:			
Development costs	289,365	1,281,109	1,651,014
Software & other rights	1,743,193	2,183,687	2,193,541
Concession Operation Licenses	9,933,081	6,759,788	1,731,557
	11,965,639	10,224,584	5,576,112
Depreciation of tangible fixed assets for the year:			
Land & buildings	6,592,870	5,401,280	10,792,685
Equipment			
Engineering & Construction	49,792,320	45,233,232	46,368,348
Environment & Services	16,663,226	12,433,258	15,562,523
Transport concessions	-	-	43,376,774
Other & eliminations	416,437	290,344	290,525
	66,871,983	57,956,834	105,598,170
Other tangible fixed assets	949,297	3,787,102	3,818,897
	74,414,150	67,145,216	120,209,752
	86,379,789	77,369,800	125,785,864

## 10. Provisions and impairment losses

The breakdown of provisions and impairment losses for the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
<b>Provisions (Note 29. Provisions)</b>			
Engineering & Construction	11,494,714	3,135,464	3,239,093
Environment & Services	2,648,371	1,452,032	1,452,032
	<b>14,143,085</b>	<b>4,587,496</b>	<b>4,691,125</b>
<b>Impairment losses</b>			
stocks (Note 23. Stocks)			
Engineering & Construction	222,803	1,294,040	1,295,736
Environment & Services	-	56,941	56,941
	<b>222,803</b>	<b>1,350,981</b>	<b>1,352,677</b>
trade receivables and other debtors (Note 24. Other financial assets)			
Engineering & Construction	7,018,270	3,232,049	3,361,658
Environment & Services	1,792,085	1,360,047	1,373,424
Transport Concessions	-	-	33,385
Other & Eliminations	1,700,000	-	-
	<b>10,510,355</b>	<b>4,592,096</b>	<b>4,768,467</b>
<b>Reversal of provisions and impairment losses</b>			
Engineering & Construction	(5,427,786)	(3,362,086)	(3,836,709)
Environment & Services	(280,368)	(763,564)	(764,948)
	<b>(5,708,154)</b>	<b>(4,125,650)</b>	<b>(4,601,657)</b>
<b>Total of provisions and impairment losses</b>	<b>19,168,089</b>	<b>6,404,923</b>	<b>6,210,612</b>

Reinforcements of net provision at the Engineering & Construction segment, intended primarily to cope with the contingencies of the business closure in some geographies and to face some impairment losses problems detected in some "Accounts Receivable".

## 11. Financial profit / (loss)

The breakdown of financial results for the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
<b>Financial income &amp; gains</b>			
Loans and accounts receivable:			
Interest income	22,583,614	22,956,820	25,406,994
Cash discounts received	736,721	766,179	767,610
Exchange gains	53,676,019	29,849,421	31,952,758
Gains on sales of financial investments	363,288	4,279,578	4,279,578
Other financial assets & liabilities:			
Income of real estate	455,582	-	-
Income from equity investments	14,619	-	-
Other financial income & gains	1,495,145	1,129,320	3,314,510
	<b>79,324,988</b>	<b>58,981,318</b>	<b>65,721,450</b>
<b>Financial costs &amp; losses</b>			
Loans and accounts payable:			
Interest losses	60,319,604	53,253,258	117,102,324
Cash discounts granted	28,671	20,177	44,876
Exchange losses	50,643,030	31,976,335	34,090,104
Impairment losses in Available-for-sale financial assets (Note 21)	-	1,087,535	1,087,535
Losses on investment properties:			
Depreciation of investment in real-estate (Note 1-viii)	125,643	403,969	408,707
Other financial assets & liabilities:			
Other financial costs & losses	19,135,633	20,076,015	28,442,766
	<b>130,252,581</b>	<b>106,817,289</b>	<b>181,176,312</b>
	<b>(50,927,593)</b>	<b>(47,835,971)</b>	<b>(115,454,862)</b>

"Other financial costs & losses" essentially includes costs of bank guarantees, setting up borrowings and sundry commissions and costs debited by financial institutions.

The breakdown of "Interest expense" as at December 31, 2010 & 2009, is as follows:

2010	With recourse	Without recourse	Total
Non-convertible bond loans	4,064,272	-	4,064,272
Amounts owe to credit institutions:			
<i>Bank loans</i>	13,736,385	5,492,026	19,228,411
<i>Overdraft facilities</i>	9,103,262	-	9,103,262
<i>Guaranteed accounts</i>	4,343,722	-	4,343,722
Other loans obtained:			
<i>Commercial paper issues</i>	5,028,332	-	5,028,332
<i>Other</i>	2,745,445	-	2,745,445
	39,021,418	5,492,026	44,513,444
Other interest expense(factoring, leasing and others)	14,902,303	903,857	15,806,160
	53,923,721	6,395,883	60,319,604
2009 restated	With recourse	Without recourse	Total
Non-convertible bond loans	6,901,828	-	6,901,828
Amounts owe to credit institutions:			
<i>Bank loans</i>	11,283,341	4,552,649	15,835,990
<i>Overdraft facilities</i>	7,915,825	-	7,915,825
<i>Guaranteed accounts</i>	2,594,892	-	2,594,892
Other loans obtained:			
<i>Commercial paper issues</i>	7,190,933	-	7,190,933
<i>Other</i>	1,277,398	-	1,277,398
	37,164,217	4,552,649	41,716,866
Other interest expense(factoring, leasing and others)	11,103,284	433,108	11,536,392
	48,267,501	4,985,757	53,253,258
2009	With recourse	Without recourse	Total
Non-convertible bond loans	6,901,828	-	6,901,828
Amounts owe to credit institutions:			
<i>Bank loans</i>	23,904,100	54,761,368	78,665,468
<i>Overdraft facilities</i>	8,057,895	116,342	8,174,237
<i>Guaranteed accounts</i>	2,594,892	232,582	2,827,474
Other loans obtained:			
<i>Commercial paper issues</i>	7,215,890	-	7,215,890
<i>Other</i>	1,523,107	-	1,523,107
	50,197,712	55,110,292	105,308,004
Other interest expense(factoring, leasing and others)	11,361,213	433,107	11,794,320
	61,558,925	55,543,399	117,102,324

The breakdown of financial charges capitalised as at December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
<i>Fixed assets</i>	3,084,656	4,228,573	16,221,815
<i>Inventories</i>	2,484,720	3,522,880	3,569,034
	5,569,376	7,751,453	19,790,849

For the purpose of capitalising financial charges at the acquisition cost of the assets under construction referred to above, as at December 31, 2010 & 2009, average rates of 6.2% and 4.19% respectively were used.

The variation of the average rate of capitalisation of financial charges when compared to December 2009 is essentially the result of the capitalisation of interest at Vista Waste (Angola) at a rate of about 14%.

As at December 31, 2010 & 2009, the Group's sensitivity to interest-rate alterations is as follows:

	Estimated impact		
	2010	2009 restated	2009
Variation of financial profit & loss on a 1 p.p. alteration of the interest rate applied to the entire debt	10,147,492	9,843,937	22,880,712
Fixed-rate hedging	(829,559)	(505,811)	(7,498,693)
Interest-rate derivatives instruments hedging	(3,751,156)	(2,883,714)	(6,183,618)
Sensitivity of financial profit & loss to interest-rate variations:	5,566,777	6,454,412	9,198,401

As at December 31, 2010, the Group's assets and liabilities by currency are as follows:

Currency of register	2010	
	Assets	Liabilities
Euro (EUR)	2,438,374,800	2,225,108,266
Czech Crown (CZK)	19,238,866	18,190,216
Argellian Dinar (DZD)	4,208,761	2,240,213
S. Tomé and Príncipe Dobra (STD)	5,769,988	4,990,104
US Dollar (USD)	590,282,424	409,528,938
Cape Verde Escudo (CVE)	14,134,281	11,566,984
Hungarian Forint (HUF)	18,785,707	17,982,416
Angola Kwanza (AOK)	26,576,216	21,745,882
Mozambique Metical (MZM)	84,966,989	81,010,980
Romania New Leu (RON)	4,802,842	5,836,551
Mexican Peso (MXN)	21,065,078	110,560
South Africa Rand (ZAR)	-	385,538
Brazilian Real (BRL)	43,119,576	22,649,506
Polish Zloty (PLN)	163,595,022	133,613,450
Malawian Kwacha (MWK)	21,245,634	20,476,680
	3,456,166,184	2,975,436,285

As at December 31, 2010, the Group's sensitivity to the North American dollar (USD) and to the New Polish Zloty (PLN) is as follows:

	Net Result	Equity
Estimated impact of the appreciation of 1%:		
of US Dollar (USD) to Euro (EUR)	431,454	1,751,403
of Polish Zloty (PLN) to Euro (EUR)	34,866	229,748



## 12. Gains & losses on associate companies

The breakdown of gains on associates during the years ended December 31, 2010 & 2009, is as follows:

Gains on associate companies	2010	2009 restated	2009
<i>Asinter</i>	212,455	224,243	224,243
<i>Auto Sueco Angola</i>	322,488	7,217,841	7,217,841
<i>Cimertex &amp; C<sup>a</sup></i>	2,657,601	1,431,151	-
<i>Ascendi Group</i>	14,995,201	-	2,209,195
<i>Martifer Group</i>	-	40,389,467	40,389,467
<i>Suma Group</i>	374,826	314,507	314,507
<i>Parquegil</i>	148,527	131,362	-
<i>Probigalp</i>	-	34,207	-
<i>Soltysowska (Pol)</i>	484,285	44,871	284,751
<i>STM (Mozambique)</i>	163,425	157,925	-
<i>Tersado</i>	233,435	-	-
<i>Vortal</i>	486,921	424,388	424,388
<i>Reclassification from other comprehensive income</i>	17,394,209	-	-
<i>Other</i>	37,390	591,470	418,671
	<b>37,510,762</b>	<b>50,961,432</b>	<b>51,483,063</b>

During 2010, in the wake of the concentration process of highway concessions in Ascendi Group, that led to the share equity dilution of this company, Mota-Engil Group reclassified in the income statements the proportional share (40%) of the gains and losses recorded in earlier years as other comprehensive income, mainly from fair-value reserve and currency-translation differences. The effect of this reclassification on the income statement for the year ended December 31, 2010 amounted to €17,394,209.

The breakdown of losses on associates during the years ended December 31, 2010 & 2009, is as follows:

Losses on associate companies	2010	2009 restated	2009
<i>Construções Crespo (SP)</i>	555,154	713,654	-
<i>Grossiman (SP)</i>	4,385,796	1,188,467	-
<i>Ascendi Group</i>	-	3,357,460	-
<i>Geovision Group</i>	578,882	-	-
<i>Martifer Group</i>	20,585,271	-	-
<i>Suma Group</i>	-	24,028	-
<i>Obol Invest Group</i>	232,858	723,405	723,405
<i>SLPP Group</i>	1,012,716	1,663,279	-
<i>Haçor</i>	132,803	2,392	2,392
<i>Hifer</i>	-	810,266	-
<i>HL-Soc. Gestora Edifício,SA</i>	515,434	-	-
<i>Ibercarga (SP)</i>	1,478,033	678,716	-
<i>Probigalp</i>	223,498	-	-
<i>Tersado</i>	-	31,377	31,377
<i>Other</i>	304,131	339,801	157,592
	<b>30,004,575</b>	<b>9,532,845</b>	<b>914,766</b>
Gains / (losses) on associate companies	<b>7,506,187</b>	<b>41,428,587</b>	<b>50,568,297</b>

### 13. Income tax

The breakdown of and movements under Deferred Tax Assets and Liabilities as at December 31, 2010 & 2009, in accordance with the temporary differences giving rise thereto are as follows:

Deferred Tax Assets	2009	2009 restated	Effect in results	Effect in reserves	2010
Provisions not accepted for tax purposes	14,204,281	12,844,822	8,164,920	(4,912,195)	16,097,547
Accrued costs not accepted for tax purposes	6,537,271	3,348,689	1,038,087	-	4,386,776
Tax losses	19,924,136	14,602,642	1,018,810	-	15,621,452
Reduction of depreciation not accepted for tax	2,407,193	238,140	1,309,672	-	1,547,812
Fair value of derivatives (Note 27)	2,921,441	2,407,193	-	1,200,566	3,607,759
Other	4,344,646	7,312,580	(190,153)	(514,508)	6,607,919
	<b>50,338,968</b>	<b>40,754,066</b>	<b>11,341,336</b>	<b>(4,226,137)</b>	<b>47,869,265</b>
Deferred Tax Liabilities	2009	2009 restated	Effect in results	Effect in reserves	2010
Revaluation of fixed assets	7,934,027	7,879,063	155,752	2,534,114	10,568,929
Losses on incorporated joint ventures	1,929,247	1,929,247	-	(1,929,247)	-
Deferred capital gains tax	363,965	363,965	(6,610)	315,502	672,857
Depreciation not accepted for tax purposes	1,974,106	2,031,094	347,674	119,492	2,498,260
Fair value on incorporated joint ventures	8,980,268	8,980,268	(422,989)	-	8,557,279
Untaxed accrued income	5,708,712	3,301,279	(767,756)	-	2,533,523
Other	6,662,531	6,601,320	1,050,736	-	7,652,056
	<b>33,552,856</b>	<b>31,086,236</b>	<b>356,807</b>	<b>1,039,861</b>	<b>32,482,904</b>

As at December 31, 2010 & 2009, the effect on the income statement of the entry of deferred tax assets and liabilities was positive in the sums of €10,984,529 and €6,917,025, the effect on equity amounting to €5,265,998 negative and to €3,225,414 positive, respectively.

As at December 31, 2010, deferred tax assets for tax losses in accordance with the tax returns of the companies that recorded them using for the purpose the exchange rates then ruling, are as follows:

	Tax losses	Deferred tax assets
Year booked:		
up to & including 2006	6,292,918	1,567,162
2007	4,256,782	1,088,343
2008	35,063,310	6,100,578
2009	12,444,600	3,171,763
2010	15,780,325	3,693,606
	<b>73,837,935</b>	<b>15,621,452</b>
	Tax losses	Deferred tax assets
Time limit:		
2011	3,680,462	915,612
2012	2,914,542	713,343
2013	4,985,758	1,270,582
2014	9,194,461	2,084,807
after 2015	53,062,712	10,637,108
	<b>73,837,935</b>	<b>15,621,452</b>

As at December 31, 2010, deferred tax assets to be recognised as a result of tax losses were assessed. In those cases that gave rise to deferred tax assets, they were only recorded to the extent that it was probable that there would be taxable profits in the future that could be used to recoup tax losses or deductible taxable differences. This valuation was based on the business plans of the Group companies, periodically reviewed and updated, and on the tax planning opportunities available and identified.

As at December 31, 2010, there were tax losses brought forward in the sum of €112,527,014, and the respective deferred tax assets have not been recorded for a matter of prudence.

	Tax losses	Deferred tax assets
Year booked:		
up to & including 2006	39,297,816	9,753,620
2007	16,381,957	3,887,382
2008	18,373,381	3,941,072
2009	22,776,141	3,933,756
2010	15,697,719	2,880,686
	<b>112,527,014</b>	<b>24,396,516</b>
	Tax losses	Deferred tax assets
Time limit:		
2011	22,637,774	5,671,688
2012	30,597,882	7,427,951
2013	17,046,184	4,202,557
2014	4,847,075	1,123,003
after 2015	37,398,099	5,971,317
	<b>112,527,014</b>	<b>24,396,516</b>

The breakdown of income tax recognised during the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Current tax	29,952,446	27,272,869	34,476,514
Deferred tax	(10,984,529)	(3,746,042)	(6,917,025)
	<b>18,967,917</b>	<b>23,526,827</b>	<b>27,559,489</b>

Reconciliation of the tax for the period and of current tax is as follows:

	2010	2009 restated	2009
Current tax	29,952,446	27,272,869	34,476,514
Deferred tax			
Net reversion of taxes brought forward	(1,018,810)	(911,313)	(2,792,395)
Deferred taxes related to amortising the fixed-asset revaluation reserves	(877,877)	(627,185)	(627,185)
Reversion of deferred taxes generated by temporary differences	(9,309,812)	(1,034,426)	(1,753,626)
Deferred taxes in respect of changes to the tax rates or of the introduction or abolition of taxes	213,703	446,758	184,853
Other differences not previously recognised as deferred taxes	8,267	(1,619,876)	(1,928,672)
	<b>(10,984,529)</b>	<b>(3,746,042)</b>	<b>(6,917,025)</b>
Tax of the year	<b>18,967,917</b>	<b>23,526,827</b>	<b>27,559,489</b>
Real tax rate	21.5%	22.2%	25.6%

Since January 2010 MOTA-ENGIL is covered by the “special taxation regime for groups of companies”, and therefore the current tax is calculated on the basis of the taxable profits of the companies included in the consolidation and in the special mechanism, in keeping with its rules.

The “special taxation regime for groups of companies” includes all companies in which there is a direct or indirect holding of at least 90% of the equity capital, are resident in Portugal and are taxed under Corporate Income Tax.

For companies not covered by the special taxation mechanism, current tax is calculated in the basis of their taxable profits, in accordance with the tax rules in force at the place of each company's registered office.

As from January 1, 2007, municipalities may determine an annual surcharge up to a maximum of 1.5% of the taxable profit subject to and not exempt from IRC (corporate income tax). This provision means that the tax rate used to calculate deferred tax on possible tax losses that can be carried forward is 25%, while 26.5% was used for other temporary differences generated by recognition of the tax on the year's profit.

Following publication of Act 12-A/2010 of June 30, a state surcharge was introduced, to be paid by all taxpayers that, in 2010, and future years generate a taxable profit subject to and not exempt from IRC of more than €2,000,000. The state surcharge is 2.5% of that part of the taxable profit in excess of the said limit.

This provision means that the tax rate used in 2010 to calculated deferred taxes, with the exception of possible tax losses carried forward, and in recognition of the income tax for the period was 29%.

As at December 31, 2010 & 2009, reconciliation between the nominal and real income tax rates was as follows:

	Rate	Tax base	Tax
Nominal rate & tax on income	26.50%	88,324,605	23,406,020
Results of associates using the equity method	-2.25%	(7,506,187)	(1,989,140)
Tax losses of 2010 for which no deferred tax assets were recognised	6.59%	21,970,146	5,822,089
Reversal of losses carried forward	3.19%	11,270,145	2,817,536
Differentiated tax rates	-8.13%	(17,108,955)	(7,183,873)
Autonomous taxation & other costs (other than provisions), non fiscal & non revertible	3.13%	10,418,013	2,760,773
Other adjustments	-7.55%	(25,070,249)	(6,665,489)
Real rate & tax on income	21.5%	-	18,967,917

In accordance with prevailing legislation, tax returns are subject to revision and correction by the tax authorities during a period of four years (five years for Social Security), except in the event of tax losses, of tax benefits granted, or if inspections, claims or contestations are in progress, in which case, depending on the circumstances, the deadlines are increased or suspended. Therefore, the tax returns for 2007 to 2010 may still be subject to review. The Group's board of directors is of the opinion that any corrections arising from different interpretations of prevailing legislation by the tax authorities will not have a significant effect on the attached consolidated financial statements.

As corroborated by our lawyers and tax consultants, there are no material assets or liabilities associated with probable or possible tax contingencies that ought to be disclosed in the Notes to the consolidated financial statements as at December 31, 2010.

## 14. Dividends

The Individual Management Report contains the following proposal: the Board of Directors of Mota-Engil, SGPS, SA, proposes to the Annual General Meeting the following appropriation of the Net Profit for the year in the sum of €104,429,791:

- to legal reserve 5% or €5,221,489.55.
- for distribution to the Board of Directors under the terms of article 27.3 of the articles of association, the sum of €700,000, or about 0.67%.
- for distribution to equityholders, a total of €22,509,926.45, or €0.11 cents per share, subject to tax.
- to free reserves, the remainder, or €75,998,375.

On April 30, 2010, a start was made to payment of the dividend of €0.11 per share in respect of fiscal 2009, a total of €22,509,926.45 having been paid.

On May 15, 2009, a start was made to payment of the dividend of €0.11 per share in respect of fiscal 2008, a total of €22,509,926.45 having been paid.

## 15. Earnings per share

The Company has issued only ordinary shares, and there are therefore no special dividend or voting rights. There is no situation within the Group that could constitute a reduction of earnings per share caused by options, warrants, convertible bonds or other rights linked to ordinary shares.

There is therefore no dissimilarity between the calculation of basic earnings per share and of diluted earnings per share.

No ordinary shares were issued during 2010 and 2009. The average number of ordinary shares during these years was affected only by the number of treasury shares as detailed in Note 25. Issued capital and reserves.

Determination of earnings per share in 2010 and 2009 was as follows:

		2010	2009 restated	2009
Consolidated net profit/(loss) attributable to the Group	(I)	36,950,674	72,612,478	71,738,092
Total number of ordinary shares	(II)	204,635,695	204,635,695	204,635,695
Number of own shares at the year-end	(III)	11,005,456	10,972,328	10,972,328
Weighted average number of own shares	(IV)	10,990,910	10,963,574	10,963,574
Number of shares outstanding	(II - IV)	193,644,785	193,672,121	193,672,121
Earnings per share:				
basic	(I) / (II - IV)	0.1908	0.3749	0.3704
diluted	(I) / (II - IV)	0.1908	0.3749	0.3704

## 16. Goodwill

The breakdown of goodwill for the years ended December 31, 2010 & 2009, is as follows:

	2010				2009 restated	2009
	Gross goodwill I	Impairments of the year	Alterations to the consolidation	Accumulated impairments	Net goodwill I	Net goodwill I
Aurimove	83,242	-	-	(33,297)	49,945	49,945
Corgimobil	635,615	-	-	-	635,615	635,615
Crespo	-	-	-	-	-	1,343,052
Devonská	-	-	-	-	1,817,149	1,817,149
Fatra	1,035,945	-	-	-	1,035,945	-
Grossiman	-	-	-	-	-	2,146,157
Ascendi Group	-	-	-	-	-	27,558,705
Indaqua Group	5,618,187	-	-	-	5,618,187	5,618,187
Suma Group	15,108,863	-	-	(968,218)	14,140,645	14,103,523
Lokemark	521,418	-	-	-	521,418	521,418
Manvia	1,072,318	-	-	(74,662)	997,656	997,656
MKC	271,708	-	-	-	271,708	271,708
Mota-Engil Betão e Pré-fabricados	1,053,337	-	-	(421,335)	632,002	632,002
Mota-Engil Central Europe Slovakia	818,242	-	-	-	818,242	818,242
Mota-Engil Central Europe Poland	4,307,950	-	-	(928,847)	3,379,103	3,272,491
Mota-Engil Central Europe Czech Republic	1,172,214	-	-	-	1,172,214	1,153,611
Mota-Engil Pavimentações	11,375	-	-	-	11,375	11,375
Mota-Engil S. Tomé	142,752	-	-	-	142,752	142,752
Mota Viso	19,900	-	-	(7,960)	11,940	11,940
Multiterminal	26,455,556	-	-	-	26,455,556	26,455,556
PRD-M Lublin	2,917,516	-	-	-	2,917,516	-
Probigal	-	-	-	-	-	1,343,312
Sadoport	-	-	-	-	-	541,578
Tersado	-	-	-	-	-	229,497
Tertir	74,225,866	-	-	-	74,225,866	74,225,866
Tracevia	1,908,225	-	-	-	1,908,225	1,908,225
Tratofoz	174,405	-	-	-	174,405	174,405
Vibeiras	189,314	-	-	-	189,314	189,314
	137,743,949	-	-	(2,434,319)	135,309,629	133,010,980
						166,173,280

Movements under goodwill during the years ended December 31, 2010 & 2009, is as follows:

	% of acquisition	2010	2009 restated
Goodwill at the beginning of the year		133,010,980	127,455,075
<b>Increases of goodwill</b>			
Suma Group (Ekosrodowisko)	20%	-	15,540
Indagua Group (Indagua)	7%	-	3,084,578
Fatra	70%	1,035,945	-
Lokemark	21%	-	119,557
Mota-Engil Central Europe Slovakia	40%	-	717,980
PRD-M Lublin	93%	2,917,516	-
Suma Group (Sol-S Internacional)	62%	30,472	-
Tertir	2%	-	830,763
Suma Group (Transporlixos)	100%	-	751,927
		<b>3,983,933</b>	<b>5,520,345</b>
<b>Impairment losses</b>			
Suma Group (Ekosrodowisko)		-	(75,109)
		-	<b>(75,109)</b>
<b>Transfers</b>			
Devonská		(1,817,149)	-
		<b>(1,817,149)</b>	-
<b>Alterations of goodwill for perimeter variations</b>			
Indagua Group (Indagua Feira)		-	104,053
		-	<b>104,053</b>
<b>Alterations to goodwill for currency updates</b>			
Devonská		-	27,420
Suma Group (Ekosrodowisko)		6,650	(64,391)
Mota-Engil Central Europe Poland		106,612	38,607
Mota-Engil Central Europe Czech Rep.		18,603	4,980
		<b>131,865</b>	<b>6,616</b>
Goodwill at the end of the year		<b>135,309,629</b>	<b>133,010,980</b>

The acquisitions referred to above were recorded using the purchase method and cash was paid in consideration of their acquisition. The Group did not sell, as a result of these acquisitions, any of the operations undertaken by the companies that were bought.

The Group performs yearly impairment tests on goodwill as determined by Indent i) of the Main valuation criteria in Note 1. Accounting Policies. As at December 31, 2010, the methods and assumptions used to assess the existence or otherwise of impairment in respect of the main figures for goodwill carried in the attached financial statements were as follows:

	Suma Group	Mota-Engil Central Europe Poland	Tertir Group
Net value of goodwill	14,140,645	3,379,103	100,681,422
Method used	Value in use	Value in use	Value in use
Basis used	Forecasts	Forecasts	Business plans
Period used	5 years	5 years	Useful life
Growth rate of cash-flows			
Year n+1	2.00%	5.00%	n.a
Year n+3	2.00%	5.00%	n.a
Growth rate of cash-flows in perpetuity	1.00%	3.00%	n.a
Discount rate used	7.40%	9.60%	6.00%

During the period ended December 31, 2010, the Group records acquisition differences in accordance with the alterations introduced by IFRS 3.

The value in use is equal to the estimated present value of future cash flows, the latter being computed on the basis of budgets and business plans approved by the Group's Board of Directors that, **excepting for concessions projects** encompass, on average, a five year horizon. Cash-Flow projections beyond five years are extrapolated using a fixed growth rate in perpetuity that does not exceed the company's **sector revenues average growth rate**.

The differences between the acquisition price of the financial investments in Group subsidiaries, accrued of the minority interests, and the fair value of assets and liabilities identifiable on the acquisition date of those companies, **when positive, are registered under "Goodwill" heading and when negative, after revaluation of its discharge, are directly booked on income statement.**

The main assumptions used in the computation of the value in use included mainly: (i) the affiliated company's



market share ii) the market's growth prospects where it operates; (iii) the changes in the regulatory framework that might affect the affiliated company's activity; (iv) the required capital expenditure, etc.. The quantification of the above mentioned prospects was based on historical data and in accordance with the Group's Board of Directors experience. Notwithstanding, these assumptions might be affected by political, economic or legal events that are unpredictable as of today.

Acquisitions of share in already controlled companies and disposals of share in companies without losing management control are treated as transactions equityholders will only affect Equity without impact in neither "Goodwill" heading or net profit.

Acquisitions of financial holdings during 2010 consolidated using the full consolidation method did not have a material impact on the Group's Assets, Liabilities, Costs and Income and were not therefore disclosed.

The process of assigning fair value to the assets and liabilities acquired as a result of business combinations occurring in 2010 has not yet been concluded. Therefore, the resultant acquisition differences have been recognised under Goodwill. The Group will conclude this process in 2011.

The Mota-Engil Group didn't acquire materially significant financial holding between December 31, 2010, and the date of approval of these financial statements.

## 17. Intangible assets

The breakdown of the net values of fixed assets under concession per business area in respect of fiscal 2010 and 2009 is as follows:

	Engineering & Construction	Environment & Services	Transport concessions	Other & eliminations	Mota-Engil Group
<b>2010</b>					
Development costs	94,858	1,506,425	-	8,108	1,609,391
Software & other rights	21,286,788	900,926	-	(18,533,408)	3,654,306
Concession Operation Licenses	-	243,779,104	-	(2)	243,779,102
Fixed assets in progress	3,237	14,735,290	-	1,199,494	15,938,021
	<b>21,384,883</b>	<b>260,921,745</b>	<b>-</b>	<b>(17,325,808)</b>	<b>264,980,820</b>
<b>2009 restated</b>					
Development costs	162,815	3,414,204	-	(13,280)	3,563,739
Software & other rights	1,602,946	949,927	-	603,504	3,156,377
Concession Operation Licenses	-	213,953,023	-	-	213,953,023
Fixed assets in progress	237,499	17,166,064	-	1,119,750	18,523,313
	<b>2,003,260</b>	<b>235,483,219</b>	<b>-</b>	<b>1,709,974</b>	<b>239,196,453</b>
<b>2009</b>					
Development costs	613,569	3,414,892	453,984	(13,281)	4,469,164
Software & other rights	1,602,946	1,500,710	33,063	603,500	3,740,219
Concession Operation Licenses	-	40,505,917	53,189,966	-	93,695,883
Fixed assets in progress	237,500	187,983	-	1,119,747	1,545,230
Other intangible fixed assets	-	-	65,061	(1)	65,060
	<b>2,454,015</b>	<b>45,609,502</b>	<b>53,742,074</b>	<b>1,709,965</b>	<b>103,515,556</b>

The breakdown of the gross values of intangible assets for the years ended December 31, 2010 & 2009, is as follows:

	Development costs	Software & other rights	Concession Operation Licenses	Fixed assets in progress	Other intangible fixed assets	Total
<b>2010</b>						
Opening balance	6,235,962	13,805,435	261,106,709	18,523,313	-	299,671,418
Increases	186,007	1,395,385	17,607,201	18,438,567	-	37,627,160
Disposals	(10,793)	(601,846)	-	(36,511)	-	(649,150)
Write-offs	(650,015)	(84,271)	-	-	-	(734,286)
Exchange Differences	87,084	61,743	-	29,734	-	178,561
Variation of perimeter	-	(9,273)	-	-	-	(9,273)
Transfers & other movements	(385,077)	(863,211)	22,425,156	(21,017,082)	-	159,786
	<b>5,463,168</b>	<b>13,703,962</b>	<b>301,139,066</b>	<b>15,938,021</b>	<b>-</b>	<b>336,244,216</b>
<b>2009 restated</b>						
Opening balance	12,473,441	11,123,138	42,031,000	1,897,627	-	67,525,206
Increases	1,245,684	838,275	3,388,474	2,328,380	-	7,800,813
Disposals	(385,259)	(27,714)	-	-	-	(412,973)
Write-offs	(261,719)	(112,871)	-	-	-	(374,590)
Exchange Differences	(13,038)	1,874	-	265	-	(10,899)
Variation of perimeter	1,536,031	(57,078)	-	21,189	-	1,500,142
Transfers & other movements	(8,359,178)	2,039,811	215,687,235	14,275,852	-	223,643,719
	<b>6,235,962</b>	<b>13,805,435</b>	<b>261,106,709</b>	<b>18,523,313</b>	<b>-</b>	<b>299,671,418</b>
<b>2009</b>						
Opening balance	12,473,441	11,123,138	42,031,000	1,897,627	92,920	67,618,126
Increases	1,400,606	1,491,926	56,578,440	2,328,380	61,878	61,861,230
Disposals	(385,259)	(27,714)	-	-	-	(412,973)
Write-offs	(261,719)	(112,871)	-	-	-	(374,590)
Exchange Differences	(5,317)	1,874	-	265	-	(3,178)
Variation of perimeter	3,755,383	(57,078)	-	21,189	-	3,719,494
Transfers & other movements	680,428	2,039,811	-	(2,702,231)	(89,738)	(71,730)
	<b>17,657,563</b>	<b>14,459,086</b>	<b>98,609,440</b>	<b>1,545,230</b>	<b>65,060</b>	<b>132,336,379</b>

As at December 31, the amount carried under increases under Concession operating licences and Assets in progress is essentially the result of the investment made in the Subgroup Indaqua in the enlargement of water-supply and sewerage branch lines.

The breakdown of the values of accumulated depreciation and impairment losses in respect of intangible fixed assets for the periods ended December 31, 2010 & 2009, is as follows:

	Development costs	Software & other rights	Concession Operation Licenses	Fixed assets in progress	Other intangible fixed assets	Total
<b>2010</b>						
Opening balance	(2,672,223)	(10,649,058)	(47,153,685)	-	-	(60,474,966)
Increases	(289,365)	(1,743,193)	(9,933,081)	-	-	(11,965,639)
Disposals	10,793	221,857	-	-	-	232,650
Write-offs	614,323	57,846	-	-	-	672,169
Exchange Differences	1,445	(35,092)	-	-	-	(33,647)
Variation of perimeter	-	9,273	-	-	-	9,273
Transfers & other movements	(1,518,750)	2,088,711	(273,197)	-	-	296,764
	<b>(3,853,777)</b>	<b>(10,049,656)</b>	<b>(57,359,963)</b>	<b>-</b>	<b>-</b>	<b>(71,263,396)</b>
<b>2009 restated</b>						
Opening balance	(9,955,544)	(8,379,856)	(3,182,000)	-	-	(21,517,400)
Increases	(1,281,109)	(2,183,687)	(6,759,788)	-	-	(10,224,584)
Disposals	385,259	27,714	-	-	-	412,973
Write-offs	261,719	96,303	-	-	-	358,022
Exchange Differences	5,551	(1,874)	-	-	-	3,677
Variation of perimeter	(1,057,118)	45,390	-	-	-	(1,011,728)
Transfers & other movements	8,969,019	(253,048)	(37,211,897)	-	-	(28,495,926)
	<b>(2,672,223)</b>	<b>(10,649,058)</b>	<b>(47,153,685)</b>	<b>-</b>	<b>-</b>	<b>(60,474,966)</b>
<b>2009</b>						
Opening balance	(9,955,544)	(8,379,856)	(3,182,000)	-	-	(21,517,400)
Increases	(1,651,014)	(2,193,541)	(1,731,557)	-	-	(5,576,112)
Disposals	385,259	27,714	-	-	-	412,973
Write-offs	261,719	96,303	-	-	-	358,022
Exchange Differences	5,317	(1,874)	-	-	-	3,443
Variation of perimeter	(2,163,549)	(14,565)	-	-	-	(2,178,114)
Transfers & other movements	(70,587)	(253,048)	-	-	-	(323,635)
	<b>(13,188,399)</b>	<b>(10,718,867)</b>	<b>(4,913,557)</b>	<b>-</b>	<b>-</b>	<b>(28,820,823)</b>
<b>Net value</b>						
2010	1,609,391	3,654,306	243,779,102	15,938,021	-	264,980,820
2009 restated	3,563,739	3,156,377	213,953,023	18,523,313	-	239,196,453
2009	4,469,164	3,740,219	93,695,883	1,545,230	65,060	103,515,556

As at December 31, 2010, Concession operating licenses essentially refers to the accounting in accordance with IFRIC 12 of the rights to operate water/sewerage concessions and port concessions.

Changes occurred in this account are also related to the adoption of the IFRIC 12 standard.

The more significant amounts included under Intangible assets in progress refer to the following projects:

Description	Value
Widening works extensions for water supply / sanitation	11,567,241
Construction of the New Water Containers (Peru)	1,982,043
Site Soqrain - NSRF Project	983,555
	<u>13,549,284</u>

Application of this Interpretation has introduced several alterations to the provisions and interpretation of the standards previously in force, whose impact on the financial statements of the Group's concessionaire companies occurred mainly: (i) in the reclassification to intangible fixed assets of a part of the fixed assets under concession in which the Group's concessionaire companies had and have an operating right in respect thereof and in which they assume the risk inherent in the demand of the operation (intangible model): port concessions and water & sewerage concessions.

Owing to the application of this standard the Mota-Engil Group restated in its consolidated accounts the opening balances of assets, liabilities, costs and income.

Concession operating licenses are being written down over the life of the concession in question.

Gauging the existence or otherwise of impairment in respect of the main amounts of assets under concession is performed using the Business Plans of the companies in question, as mentioned in Note 16 Goodwill in respect of impairment tests on goodwill.

The valuation criteria established by the Group for valuation of these intangible fixed assets are detailed in Indent ii) of the Main valuation criteria in Note 1. Accounting Policies.

As at December 31, 2009 & 2010, the amount that would have been recognised had the assets been booked in accordance with the cost model is as follows:

	Cost	Revaluation	Total
<b>2010</b>			
Development costs	1,609,391	-	1,609,391
Software & other rights	3,654,306	-	3,654,306
Concession Operation Licenses	243,779,102	-	243,779,102
Fixed assets in progress	15,938,021	-	15,938,021
	<u>264,980,820</u>	-	<u>264,980,820</u>
<b>2009 reexpresso</b>	-	-	-
Development costs	3,563,739	-	3,563,739
Software & other rights	3,156,377	-	3,156,377
Concession Operation Licenses	213,953,023	-	213,953,023
Fixed assets in progress	18,523,313	-	18,523,313
	<u>239,196,453</u>	-	<u>239,196,453</u>
<b>2009</b>	-	-	-
Despesas de desenvolvimento	4,469,164	-	4,469,164
Software e outros direitos	3,740,219	-	3,740,219
Licenças de exploração de concessões	93,695,883	-	93,695,883
Activos em curso	1,545,230	-	1,545,230
	<u>103,450,496</u>	-	<u>103,450,496</u>

The Group's main water & sewerage and port concessions, their principal characteristics and duration are detailed hereunder:

	Type	Duration without prorogation	Reversible assets
Indagua Group			
Indagua Fafe	Water	2,020	no
Indagua Feira	Water and sewage	2,049	yes
Indagua Matosinhos	Water and sewage	2,032	yes
Indagua Tirsó	Water	2,034	yes
Indagua Vila do Conde	Water	2,047	yes
Tertir Group			
Liscont	Port	2,042	yes
Socarpor Aveiro	Port	2,026	yes
Solagus	Port	2,020	yes
TCL	Port	2,025	yes
TMB	Port	2,020	yes
Other			
Paita	Port	2,039	yes

## 18. Assets under concession

The breakdown of the net values of fixed assets under concession per business area in respect of fiscal 2009 was as follows:

	Engineering & Construction	Environment & Services	Transport concessions	Other & eliminations	Mota-Engil Group
2009					
Land & buildings	-	124,927,306	27,041	1	124,954,348
Equipment	-	41,177,630	1,043,084,028	(2)	1,084,261,656
Tangible fixed assets in progress	-	24,244,803	104,695,341	(1)	128,940,143
Other tangible fixed assets	-	6,534,997	14,734,933	3	21,269,933
	-	196,884,736	1,162,541,343	1	1,359,426,080

The breakdown of the gross values of assets under concession for the period ended December 31, 2009, was as follows:

	Land & buildings	Equipment	Tangible fixed assets in progress	Other fixed assets	Total
2009					
Opening balance	65,455,015	1,145,191,050	95,767,474	38,449,000	1,344,862,539
Increases	18,874,366	7,594,025	158,422,677	16,901,219	201,792,287
Disposals	-	(286,583)	(2,198,008)	(4,963)	(2,489,554)
Write-offs	-	(51,979)	(63,946)	(31)	(115,956)
Exchange Differences	-	168	-	47	215
Variation of perimeter	51,127,498	3,056,068	7,338,152	21,797	61,543,515
Transfers & other movements	10,804,221	120,802,143	(130,326,206)	(1,583,546)	(303,388)
	146,261,100	1,276,304,892	128,940,143	53,783,523	1,605,289,658

The breakdown of accumulated depreciation and impairment losses of the assets under concession the period ended December 31, 2009, is as follows:

	Land & buildings	Equipment	Tangible fixed assets in progress	Other fixed assets	Total
2009					
Opening balance	(10,205,785)	(140,888,624)	-	(30,639,260)	(181,733,669)
Increases	(5,056,854)	(50,378,692)	-	(2,757,308)	(58,192,854)
Disposals	-	203,419	-	-	203,419
Write-offs	-	50,462	-	31	50,493
Exchange Differences	-	(45)	-	(4)	(49)
Variation of perimeter	(6,044,114)	(1,111,526)	-	(4,422)	(7,160,062)
Transfers & other movements	-	81,770	-	887,373	969,143
Net value	(21,306,753)	(192,043,236)	-	(32,513,590)	(245,863,579)
2009	124,954,347	1,084,261,656	128,940,143	21,269,933	1,359,426,080

As at December 31, 2009, the amount that would have been recognised had the assets been booked in accordance with the cost model was as follows:

	Cost	Revaluation	Fixed Assets
2009			
Land & buildings	124,954,348	-	124,954,348
Equipment	1,084,261,656	-	1,084,261,656
Tangible fixed assets in progress	128,940,143	-	128,940,143
Other tangible fixed assets	21,269,933	-	21,269,933
	<b>1,359,426,080</b>	<b>-</b>	<b>1,359,426,080</b>

During 2010, with the application of IFRIC 12, the highway infrastructure concessions are recorded using the financial model, which the port and water/sewerage concessions are recorded using the intangible mode.

## 19. Tangible assets

The breakdown of the net values of fixed assets per business area in respect of fiscal 2010 and 2009 is as follows:

	Engineering & Construction	Environment & Services	Transport concessions	Other & eliminations	Mota-Engil Group
2010					
Land & buildings	185,527,752	21,697,629	-	19,180,242	226,405,623
Equipment	203,321,168	103,971,333	-	2,543,132	309,835,633
Tangible fixed assets in progress	13,786,874	13,446,101	-	799,702	28,032,677
Other tangible fixed assets	1,899,016	2,878,583	-	7,371	4,784,970
	<b>404,534,810</b>	<b>141,993,646</b>	<b>-</b>	<b>22,530,447</b>	<b>569,058,903</b>
2009 restated					
Land & buildings	155,579,741	58,955,739	-	18,868,727	233,404,207
Equipment	192,677,150	93,090,426	-	1,877,805	287,645,381
Tangible fixed assets in progress	24,626,550	16,507,303	-	632,818	41,766,671
Other tangible fixed assets	7,421,761	7,259,634	-	912	14,682,307
	<b>380,305,202</b>	<b>175,813,102</b>	<b>-</b>	<b>21,380,262</b>	<b>577,498,566</b>
2009					
Land & buildings	163,417,200	54,701,937	1	18,876,845	236,995,983
Equipment	201,819,024	73,816,139	27,116	1,903,372	277,565,651
Tangible fixed assets in progress	24,697,860	10,865,362	-	632,819	36,196,041
Other tangible fixed assets	7,502,524	724,637	-	911	8,228,072
	<b>397,436,608</b>	<b>140,108,075</b>	<b>27,117</b>	<b>21,413,947</b>	<b>558,985,747</b>

The breakdown of the gross values of tangible assets for the years ended December 31, 2010 & 2009, is as follows:

	Land & buildings	Equipment	Tangible fixed assets in progress	Other fixed assets	Total
<b>2010</b>					
Opening balance	293,266,363	719,785,586	41,766,671	51,746,933	1,106,565,553
Increases	44,029,254	67,075,715	31,101,449	3,213,958	145,420,376
Disposals	(27,775,931)	(25,369,599)	(8,555,036)	(927,045)	(62,627,611)
Write-offs	(407,902)	(5,081,333)	(397,847)	(117,790)	(6,004,872)
Revaluation	8,451,485	-	-	-	8,451,485
Exchange Differences	916,751	5,617,672	207,097	10,454	6,751,974
Variation of perimeter	5,260,188	690,868	-	441,447	6,392,503
Transfers & other movements	(38,515,666)	56,910,864	(36,089,657)	(42,410,764)	(60,105,223)
	<b>285,224,542</b>	<b>819,629,773</b>	<b>28,032,677</b>	<b>11,957,193</b>	<b>1,144,844,185</b>
<b>2009 restated</b>					
Opening balance	324,515,036	1,715,194,159	160,853,989	48,102,622	2,248,665,806
Increases	23,807,986	94,036,790	77,583,761	846,505	196,275,042
Disposals	(543,352)	(21,960,902)	(7,781,214)	(28,661)	(30,314,129)
Write-offs	(418,947)	(2,936,847)	(63,946)	(8,135)	(3,427,875)
Revaluation	333,017	53,499	-	-	386,516
Exchange Differences	(1,239,244)	(2,553,910)	125,268	23,309	(3,644,577)
Variation of perimeter	(73,255,560)	(1,116,189,806)	(109,086,077)	(948,001)	(1,299,479,444)
Transfers & other movements	20,067,427	54,142,603	(79,865,110)	3,759,294	(1,895,786)
	<b>293,266,363</b>	<b>719,785,586</b>	<b>41,766,671</b>	<b>51,746,933</b>	<b>1,106,565,553</b>
<b>2009</b>					
Opening balance	259,060,021	570,003,109	65,086,515	9,653,622	903,803,267
Increases	4,967,487	91,011,111	54,438,814	(238,737)	150,178,675
Disposals	(543,352)	(21,741,606)	(5,583,206)	(23,698)	(27,891,862)
Write-offs	(421,436)	(2,884,868)	-	(8,104)	(3,314,408)
Revaluation	333,017	53,499	-	-	386,516
Exchange Differences	(1,383,460)	(2,750,117)	31,005	(57,483)	(4,160,055)
Variation of perimeter	10,015,385	4,027,028	2,088,023	27,697	16,158,133
Transfers & other movements	20,067,427	54,142,603	(79,865,110)	3,759,294	(1,895,786)
	<b>292,095,089</b>	<b>691,860,759</b>	<b>36,196,041</b>	<b>13,112,591</b>	<b>1,033,264,480</b>

The breakdown of the values of accumulated depreciation and impairment losses in respect of tangible fixed assets for the periods ended December 31, 2010 & 2009, is as follows:

	Land & buildings	Equipment	Tangible fixed assets in progress	Other fixed assets	Total
<b>2010</b>					
Opening balance	(59,862,156)	(432,140,205)	-	(37,064,626)	(529,066,987)
Increases	(6,592,870)	(66,871,983)	-	(949,297)	(74,414,150)
Disposals	4,060,616	18,877,051	-	298,269	23,235,936
Write-offs	88,297	1,590,855	-	71,231	1,750,383
Revaluation	(89,368)	(3,362,432)	-	1,662	(3,450,138)
Exchange Differences	(840,247)	(11,614)	-	(369,769)	(1,221,630)
Transfers & other movements	4,416,809	(27,875,812)	-	30,840,307	7,381,304
	<b>(58,818,919)</b>	<b>(509,794,140)</b>	<b>-</b>	<b>(7,172,223)</b>	<b>(575,785,282)</b>
<b>2009 restated</b>					
Opening balance	(57,411,364)	(517,245,909)	-	(34,607,376)	(609,264,649)
Increases	(5,401,280)	(57,956,834)	-	(3,787,102)	(67,145,216)
Disposals	361,158	17,541,039	-	1,632	17,903,829
Write-offs	72,331	1,383,017	-	8,104	1,463,452
Revaluation	164,880	1,542,273	-	9,463	1,716,616
Exchange Differences	4,458,072	121,973,968	-	1,242,140	127,674,180
Transfers & other movements	(2,105,953)	622,241	-	68,513	(1,415,199)
	<b>(59,862,156)</b>	<b>(432,140,205)</b>	<b>-</b>	<b>(37,064,626)</b>	<b>(529,066,987)</b>
<b>2009</b>					
Opening balance	(47,205,579)	(376,357,285)	-	(3,968,116)	(427,530,980)
Increases	(5,735,831)	(55,219,478)	-	(1,061,589)	(62,016,898)
Disposals	361,158	17,386,922	-	1,632	17,749,712
Write-offs	72,507	1,332,555	-	8,073	1,413,135
Revaluation	256,118	1,683,348	-	69,420	2,008,886
Exchange Differences	(741,526)	(3,743,411)	-	(2,452)	(4,487,389)
Transfers & other movements	(2,105,953)	622,241	-	68,513	(1,415,199)
	<b>(55,099,106)</b>	<b>(414,295,108)</b>	<b>-</b>	<b>(4,884,519)</b>	<b>(474,278,733)</b>
<b>Net value</b>					
2010	<b>226,405,623</b>	<b>309,835,633</b>	<b>28,032,677</b>	<b>4,784,970</b>	<b>569,058,903</b>
2009 restated	<b>233,404,207</b>	<b>287,645,381</b>	<b>41,766,671</b>	<b>14,682,307</b>	<b>577,498,566</b>
2009	<b>236,995,983</b>	<b>277,565,651</b>	<b>36,196,041</b>	<b>8,228,072</b>	<b>558,985,747</b>

As at December 31, 2010, the amount carried as revaluations under Land & buildings is essentially warranted by the revaluation to fair value of the land assigned to quarrying operations.



The amount carried under change in perimeter relates almost exclusively to Bergamon that as of December 31, 2010, is accounted for using the full consolidation method.

As at December 31, 2010, the amount carried under “Transfers and other movements” is essentially in respect of transfers of tangible assets either to Investment properties or to Available-for-sale non-current assets.

The more significant amounts included under Tangible assets in progress refer to the following projects:

Description	Value
Acquisition of fixed assets (Mota-Engil Engenharia)	3,103,440
Facilities of Vilar de Andorinho -Plot and works in progress (Suma)	1,665,939
Works to improve the rail infrastructure (Takargo)	917,456
Major repairs (Mota-Engil Engenharia)	595,714
Other requalification works (Others)	507,281
	<u>6,789,830</u>

The valuation criteria adopted, the depreciation rates used and the residual values determined are detailed in Indents iii), iv) and v) of the Main valuation criteria in Note 1. Accounting Policies.

As at December 31, 2010, the sum of €51,294,089, net of depreciation, carried under “Land & buildings” is in respect of quarry operations. To obtain the fair value of the quarries several factors are taken into account, such as the area under license, the operating capacity, the costs of landscape recovery and the residual value of the land after the quarry is shut down. Additional information on the exploitation of the Group's mineral resources can be found in Note 34. Exploitation of mineral resources.

As at December 31, 2010 & 2009, the following tangible fixed assets, net of depreciation and of accumulated impairment losses, owned by Mota-Engil Engenharia, were located at branches abroad:

	2010	2009 restated	2009
Angola	30,049,536	89,139,795	89,139,795
Benim	-	5	5
Cape Verde	66,739	76,885	76,885
Chad	-	3,604	3,604
Ireland	4,842,568	5,738,982	5,738,982
Malawi	17,478,315	19,145,040	19,145,040
Mozambique	8,080,081	6,205,519	6,205,519
Poland	622,627	620,516	620,516
Romenia	68,719	270,088	270,088
S. Tomé and Príncipe	153,983	198,080	198,080
	<u>61,362,568</u>	<u>121,398,514</u>	<u>121,398,514</u>

Land and buildings are carried at their market value. The valuation method used by the real-estate valuers (Luso-Roux) to determine the fair value of the Group's properties is the depreciated replacement cost method, the valuations having been performed in keeping with international valuation standards.

The fair value of the properties does not include any tax or costs that must be incurred by the buyer with the purchase of the property and it was determined, as far as land is concerned, taking into account the market price for similar assets and, in the case of buildings, their actual construction cost. The location, accesses, size and form of the properties were also taken into account in the determination of their fair value.

The amount that would have been recognised had the assets been booked in accordance with the cost model is as follows:

	Cost	Revaluation	Fixed Assets
2010			
Land & buildings	191,707,155	34,698,468	226,405,623
Equipment	309,546,602	289,031	309,835,633
Tangible fixed assets in progress	28,032,677	-	28,032,677
Other tangible fixed assets	4,782,259	2,711	4,784,970
	<b>534,068,693</b>	<b>34,990,210</b>	<b>569,058,903</b>
2009 restated			
Land & buildings	215,465,990	17,938,217	233,404,207
Equipment	279,129,808	8,515,573	287,645,381
Tangible fixed assets in progress	41,766,672	-	41,766,671
Other tangible fixed assets	14,597,371	84,935	14,682,307
	<b>550,959,841</b>	<b>26,538,725</b>	<b>577,498,566</b>
2009			
Land & buildings	219,057,766	17,938,217	236,995,983
Equipment	269,050,078	8,515,573	277,565,651
Tangible fixed assets in progress	36,196,041	-	36,196,041
Other tangible fixed assets	8,143,137	84,935	8,228,072
	<b>532,447,022</b>	<b>26,538,725</b>	<b>558,985,747</b>

During 2010 the Group did not update the valuations of its properties.

As at December 31, 2010 & 2009, except for assets acquired under finance leases, for fixed assets allocated to concessions and for the pledged assets referred to in Note 31. Commitments - no other tangible fixed assets are pledged or mortgaged to financial institutions to secure borrowings.

Gauging the existence or otherwise of impairment in respect of the main amounts of assets under concession is performed using the Business Plans of the companies in question, as mentioned in Note 16 Goodwill in respect of impairment tests on goodwill.

## 20. Financial investments under the equity method

As at December 31, 2010 & 2009, the breakdown of the figures for financial investments under the equity method is as follows:

	2010	2009 restated	2009
Engineering & Construction			
Auto Sueco Angola	9,085,418	12,102,738	12,102,738
Bergamon	-	8,211,228	-
Berd	1,170,619	1,198,623	1,198,623
Cimertex Angola	1,362,358	500,793	-
Cimertex & Companhia	10,059,923	8,002,948	-
Crespo	1,761,885	1,600,736	-
Grossiman	-	2,948,623	-
Obolinvest Group	26,551,107	32,622,218	32,622,218
Hifer	-	311,462	-
Mamaia	2,270,894	2,413,358	2,413,358
Probigalp	1,680,375	1,938,080	-
Soltysowska	542,403	44,955	284,835
Outros	627,784	543,741	577,562
Environment & Services			
Geo Vision Group	40,798,809	-	-
Suma Group subsidiaries	2,286,127	2,190,326	2,077,147
SLPP Group	1,217,338	-	-
Parquegil	453,630	305,110	-
STM	177,684	104,566	-
Tersado	1,195,170	1,086,332	856,835
Vortal	2,068,818	2,867,587	2,867,587
Outros	20,283	27,976	-
Ascendi Group	116,744,862	100,609,676	129,202,282
Martifer Group	116,843,043	146,029,302	146,029,302
Other	2,106	-	-
	<b>336,920,636</b>	<b>325,660,378</b>	<b>330,232,487</b>

During 2010, movement under the value of financial investments under the equity method was as follows:

	Opening balance	Effect on profit & loss	Effect on reserves	Transfers and variation of perimeter	Acquisitions/ Disposals	Closing balance
Engineering & Construction						
Auto Sueco Angola	12,102,738	322,488	(3,339,808)	-	-	9,085,418
Bergamon	8,211,228	-	-	(8,211,228)	-	-
Berd	1,198,623	33,924	(61,928)	-	-	1,170,619
Cimertex Angola	500,793	36,547	825,018	-	-	1,362,358
Cimertex & Companhia	8,002,948	2,657,601	(600,626)	-	-	10,059,923
Crespo	1,600,736	(555,154)	716,303	-	-	1,761,885
Grossiman	2,948,623	(4,385,796)	-	1,437,173	-	-
Obolinvest Group	32,622,218	(232,858)	(5,838,253)	-	-	26,551,107
Hifer	311,462	-	-	(311,462)	-	-
Mamala	2,413,358	370	(142,834)	-	-	2,270,894
Probigalp	1,938,080	(223,498)	(34,207)	-	-	1,680,375
Soltysowska	44,955	484,285	13,163	-	-	542,403
Outros	543,741	52,420	-	31,623	-	627,784
Environment & Services	-	-	-	-	-	-
Geo Vision Group	-	(578,882)	-	-	41,377,691	40,798,809
Suma Group subsidiaries	2,190,326	374,826	42,315	(321,340)	-	2,286,127
SLPP Group	-	(1,012,716)	-	2,230,054	-	1,217,338
Parquegil	305,110	148,527	-	(7)	-	453,630
STM	104,566	163,425	-	(90,307)	-	177,684
Tersado	1,086,332	233,435	-	(124,597)	-	1,195,170
Vortal	2,867,587	486,921	-	(1,285,690)	-	2,068,818
Outros	27,976	(2,303,030)	29,788	2,265,549	-	20,283
Ascendi Group	100,609,676	14,995,201	(3,547,347)	4,687,332	-	116,744,862
Martifer Group	146,029,302	(20,585,271)	(8,600,988)	-	-	116,843,043
Reclassification of other comprehensive result and others	-	17,393,422	-	(17,391,316)	-	2,106
	325,660,378	7,506,187	(20,539,405)	(17,084,216)	41,377,691	336,920,636

(1) Essentially includes currency variations and fair-value variations of derivative financial instruments.

As at December 31, 2010, the financial investment in the Obol Invest Group includes €22,861,133 of consolidation differences allocated to identifiable assets (inventories).

As at December 31, 2010, the financial investment in the Geovision Group includes €33,404,103 of “goodwill”.

As at December 31, 2010, the financial investment in the Ascendi Group includes €19,830,852 of “goodwill”, €99,992,688 of consolidation differences allocated to identifiable assets (receivables) and €47,913,795 of supplementary capital contributions.

As at December 31, 2010, the market value of Martifer in accordance with its quoted market price on that date (€1.45 per share) was approximately €54,375,000. However, on the basis of the existing “business plans” and of the book value of the Martifer Group, the board of directors of the Group is of the conviction that this investment is not impaired.

As at December 31, 2010, the main financial information on the more relevant financial investments under the equity method is as follows:

	share	Assets	Equity	Sales and services rendered	Net profit
<b>Engineering &amp; Construction</b>					
Asinter	30%	2,326,661	1,326,312	3,398,156	708,184
Auto Sueco Angola	26%	93,358,459	37,315,402	72,287,221	1,264,659
Bay 6.3 (Obol Invest Group)	30%	1,725,400	161,105	-	(27,034)
Bay Office ( Obol Invest Group)	30%	941,443	531,840	-	(23,544)
Bay Park ( Obol Invest Group)	30%	14,807,656	8,434,305	197,781	(319,825)
Bay Tower ( Obol Invest Group)	30%	140,878	66,267	-	(9,587)
Bay Wellness ( Obol Invest Group)	30%	325,850	192,412	-	(17,327)
Berd	25%	7,980,635	4,725,725	4,016,744	136,844
Cimertex Angola	50%	30,873,383	2,724,716	11,054,259	73,094
Cimertex & Companhia	50%	34,907,806	20,119,845	16,715,093	5,315,201
Crespo	50%	9,439,449	843,535	9,114,651	(1,110,307)
Engber (Obol Invest Group)	30%	29,340	8,336	-	(5,772)
Grossiman	50%	14,731,559	(2,305,168)	7,903,184	(4,479,277)
Icer	50%	4,734,696	120,239	1,079,318	(141,270)
Mamaia	24%	45,774,692	2,727,908	-	1,540
Mierova	50%	22,798,370	(256,729)	389,612	(17,313)
Nador Obol	30%	3,773,546	1,530,657	-	(44,368)
Novicer	40%	25,373,231	(58,903)	1,163,180	(228,251)
Obol Invest	30%	45,755,056	16,272,293	125,364	(265,497)
Obol XI	30%	36,819,956	4,166,903	155,023	(211,484)
Probigalp	40%	12,526,239	842,657	16,448,046	(558,744)
Sampaio	30%	3,972,607	622,378	195,293	143,085
Soltysowska	34%	19,285,951	1,898,507	11,310,680	1,424,368
Trnavska	50%	1,606	1,606	-	(59)
Turalgo	51%	604,708	441,338	-	(12,874)
<b>Environment &amp; Services</b>					
Ambilital ( Suma Group)	30%	17,986,082	6,503,334	3,436,236	665,745
Citrupe ( Suma Group)	18%	1,170,766	800,285	1,807,275	633,853
Ecoleziria ( Suma Group)	15%	4,079,017	571,677	2,362,052	381,187
Geo Vision Group	31%	29,189,550	21,129,698	35,241,928	(1,882,544)
Haçor	40%	37,321,935	(4,134,228)	17,965,737	(332,008)
Ibercargo	50%	7,942,728	(2,077,332)	11,396,840	(2,979,508)
Logz	35%	46,524,705	(234,473)	-	(272,051)
Sadoport	49%	12,464,470	(4,629,386)	7,096,989	(1,910,511)
SLPP	49%	14,715,136	3,095,769	-	(141,473)
Parquegil	50%	13,361,506	907,259	1,687,485	297,053
STM	49%	1,277,186	373,313	1,026,131	330,565
Tersado	25%	10,606,800	3,906,601	12,354,849	944,353
Vista SA	50%	401,655	349,226	354,364	(642,680)
Vortal	25%	11,878,895	6,996,220	9,852,985	1,949,484
Ascendi Group	60%	3,577,957,415	160,144,312	129,090,340	23,888,631
Martifer Group	38%	1,126,051,346	309,259,817	587,225,838	(54,894,057)
Other	n.a.	5,508	4,526	-	(1,747)

Gauging the existence or otherwise of impairment in respect of the main amounts of Financial investments under the equity method is performed using the Business Plans of the companies in question.

During 2010, some measures agreed upon at the Business Cooperation Agreement as of 2006 between Mota-Engil Group and Espírito Santo Group for a joint venture for the Concessions Transportation activity was implemented.

Although the partnership included the incorporation of a new company, financial stakes of the aforementioned groups ended up being integrated in Mota-Engil Concessões de Transportes, SGPS, S.A. (currently denominated Ascendi Group, SGPS).

The transfer of the above mentioned stakes took place in August 24th, 2010 through a share capital increase of Ascendi Group,SGPS, fully subscribed by Grupo Espírito Santo Group through the incorporation of the latter's stakes in Norte, Costa de Prata, Beiras Litoral e Alta and Grande Porto's concessions.

The transfer of the remaining financial stakes should occur during 2011. In light of the mentioned Business Cooperation Agreement and, in accordance with agreed equity holders agreement these concessionaires are jointly managed. As a result, although owning 60% of Ascendi Group SGPS, Mota-Engil Group treats it as a joint arrangement. As mentioned in Note 1, financial interests owned by the group in joint arrangements are equity consolidated.

## 21. Available-for-sale financial investments

As at December 31, 2010 & 2009, the breakdown of available-for-sale financial investments is as follows:

	2010	2009 restated	2009
Investments in equity instruments			
<i>Águas de S. João</i>	3,951,396	3,940,100	3,940,100
<i>Cerâmica de Boialvo</i>	319,343	-	-
<i>Cosamo</i>	152,049	-	-
<i>Ecodebra</i>	1,153,202	1,153,202	1,153,202
<i>Ersuc</i>	554,381	554,381	554,381
<i>Iberfibran</i>	375,000	-	-
<i>Pfeiffer Manvia</i>	245,092	-	-
<i>MTS</i>	-	-	904,400
<i>Glantt</i>	-	369,660	369,660
<i>Tirlife</i>	900,600	900,600	900,600
<i>TMB</i>	939,360	939,360	939,360
<i>Other</i>	1,036,202	331,370	142,441
	<b>9,626,625</b>	<b>8,188,673</b>	<b>8,904,144</b>
	2010	2009 restated	2009
Securities & Other placements			
<i>Other</i>	63,545	928,265	939,398
	<b>63,545</b>	<b>928,265</b>	<b>939,398</b>
	2010	2009 restated	2009
Advances & other investment			
<i>Ascendi Group</i>	-	-	42,311,909
<i>Idinsa</i>	10,418,931	-	-
<i>Parque Ambiental Nortinho</i>	545,186	545,186	545,186
<i>Plataforma Logística Guarda</i>	6,565	5,000	5,000
<i>Other</i>	18,000	3,430	3,430
	<b>10,988,682</b>	<b>553,616</b>	<b>42,865,525</b>
<i>Financial investments available for sale</i>	<b>20,678,852</b>	<b>9,670,554</b>	<b>52,709,067</b>

During the year ended December 31, 2010, in the wake its compliance with the strategic internationalisation plan, the Group made an advance payment of €10,418,931 for the acquisition of a financial holding in the equity capital of the Mexican construction (Idinsa).

During the years ended December 31, 2010 & 2009, movement under Available-for-sale financial investments was as follows:

	2010	2009 restated	2009
Opening balance	9,670,554	75,148,566	75,148,566
Acquisitions and advances	10,418,931	3,943,530	36,255,439
Disposals	(369,660)	(1,201,632)	(1,201,632)
Transfers	959,027	(67,132,375)	(56,405,771)
Impairment losses (Note 11)	-	(1,087,535)	(1,087,535)
	<b>20,678,852</b>	<b>9,670,554</b>	<b>52,709,067</b>

Given the nature of the greater part of the financial investments referred to above (advances) and given the difficulties in determining their fair value reliably, the Group recorded these investments at their acquisition cost, less, where necessary, the respective impairment losses that were identified.

## 22. Investment properties

Information on the Group's investment properties as at December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Opening balance	30,652,729	41,344,627	41,344,627
Increases	25,927,442	4,926,802	4,922,064
Variation of fair value	1,276,971	3,066,672	3,066,672
Disposals	-	(726,973)	(726,973)
Exchange differences (properties located in Angola & Central Europe)	926,626	(486,191)	(526,022)
Variation of perimeter	-	-	-
Transfers	29,831,029	(17,472,208)	(17,243,077)
Closing balance	<b>88,614,797</b>	<b>30,652,729</b>	<b>30,837,291</b>

The valuation criteria established by the Group for valuation of these investment properties are detailed in Indent vii) of the Main valuation criteria in Note 1. Accounting Policies.

Investment properties located in Portugal, Poland and the Czech Republic are carried at their market value in keeping with independent valuations, on the basis of recent market transactions involving similar properties.

Investment properties located in Portugal are for rent, while those located in Poland and Czech Republic are intended to obtain capital gains in the medium to long term.

In 2010, "Transfers" mainly include the value of a building located in Portugal transferred from Inventories (see Note 5), of which the Group signed with a third party a provisional contract to rent it. The figures included in "Increases" and "Changes in fair value" are also related to that building. The Building has not generated rents yet in 2010 since it is still at the final construction stage.

However, it is important to mention that the referred building did not generated yet rents in 2010, since it is still on construction phase.

In 2009 the properties located in Angola that had been rented out and were therefore carried under Investment properties came to be used for the business of the Branch and, for this reason, were transferred to Tangible fixed assets.

The variations to the perimeter in 2009 are justified by the acquisition of subsidiary Kilinskigo and by the assignment of fair value of the identifiable assets and liabilities to this heading.

As at December 31, 2009, the investment properties held by the Group were as follows: i) the Jeremiasova Land/property (Czech Republic); ii) the Kilinskigo Land/property (Poland); and iii) the Modadomus commercial condominium (Portugal).



The gains obtained by the Group in respect of the rents on its investment properties amounted, in 2010, to €415,945 (2009: €26,600).

The valuations were performed taking into account the following valuation methods: (i) comparative market method (land/properties in the Czech Republic and Poland), in which the market values of the land/ properties were determined by comparison with other similar ones the market prices of which are known; and (ii) the Income method (Modadomus commercial condominium and Báltico Building), using for the purpose the method of capitalisation of expected future rents. In the valuations the following international and European standards were followed, issued by the IVSC (International Valuation Standards Committee) and by TEGoVA in the Approved European Property Valuation Standards.

## 23. Inventories

The breakdown of inventories for the years ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Book value:			
Raw & subsidiary materials and consumables	47,947,573	50,069,303	52,524,857
Products & work in progress	72,760,360	90,547,431	105,793,544
Sub-products, waste, residues & scrap	-	12,181	12,181
Finished products	42,712,410	38,202,977	38,313,219
Goods	38,286,426	52,628,190	54,081,697
Advances on account of purchases	8,474,342	9,763,948	9,775,077
	<u>210,181,111</u>	<u>241,224,029</u>	<u>260,500,575</u>
Accumulated impairment losses			
Raw & subsidiary materials and consumables	(657,797)	(765,209)	(2,998,429)
Products & work in progress	(111,742)	-	-
Finished products	(6,136,791)	(4,519,183)	(4,520,210)
Goods	(251,015)	(2,854,973)	(3,057,587)
	<u>(7,157,345)</u>	<u>(8,139,365)</u>	<u>(10,576,226)</u>
	<u>203,023,766</u>	<u>233,084,664</u>	<u>249,924,349</u>

Movement under accumulated impairment losses on inventories for the periods ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
Opening balance	8,139,365	9,376,719	9,376,719
Increase (Note 10)	222,803	1,350,981	1,352,677
Reduction	(445,465)	(159,266)	(159,266)
Usage	-	-	-
Transfers & variation of perimeter	(759,358)	(2,429,069)	6,096
Closing balance	<u>7,157,345</u>	<u>8,139,365</u>	<u>10,576,226</u>

## 24. Other assets

### a) Loans and receivables

The breakdown of Loans and Receivable for the years ended December 31, 2010 & 2009, is as follows:

	Non-current			Current		
	2010	2009 restated	2009	2010	2009 restated	2009
Customers:						
Trade accounts receivable						
Gross value:						
Engineering & Construction	9,857,563	9,253,228	11,039,640	892,215,835	701,506,889	731,298,854
Environment & Services	669,799	28,132	418,572	170,059,849	147,925,936	148,293,851
Transport concessions	-	-	-	-	-	3,532,382
Others, eliminations & intra-Group	-	-	-	(11,879,646)	(5,427,998)	(8,660,720)
	10,527,362	9,281,360	11,458,212	1,050,396,038	844,004,827	874,464,367
Accumulated impairment losses	(123,629)	(1,548)	(247,587)	(45,201,525)	(40,130,569)	(41,064,699)
	10,403,733	9,279,812	11,210,625	1,005,194,513	803,874,258	833,399,668
<b>TRADE ACCOUNTS – BILLS RECEIVABLE</b>	126	475,655	475,655	3,025,973	2,854,355	4,715,068
	10,403,859	9,755,467	11,686,280	1,008,220,486	806,728,613	838,114,736

The breakdown of Loans to and Receivables from Other Debtors for the years ended December 31, 2010 & 2009, is as follows:

	Non-current			Current		
	2010	2009 restated	2009	2010	2009 restated	2009
Other debtors:						
Associate and related companies						
Gross value	68,811,021	53,074,350	81,071,624	2,624,707	24,193,954	31,050,999
Accumulated impairment losses	(2,211,180)	(16,511,445)	(16,511,445)	-	-	-
	66,599,841	36,562,905	64,560,179	2,624,707	24,193,954	31,050,999
Advances to suppliers	-	-	-	14,288,756	11,613,370	13,266,292
State & other public entities	-	-	-	28,191,894	28,366,626	34,138,791
Other	-	-	-	-	-	-
Gross value	4,505,086	13,684,136	13,691,644	278,344,318	143,035,372	135,553,119
Accumulated impairment losses	(827,847)	-	-	(19,467,610)	(18,045,503)	(18,158,942)
	3,677,239	13,684,136	13,691,644	258,876,708	124,989,869	117,394,177
	70,277,080	50,247,041	78,251,823	303,982,065	189,163,819	195,850,259

The Group's exposure to credit risk is largely on account of receivables in respect of its operating activity. Accumulated impairment losses have been estimated by the Group in accordance with its experience and on the basis of its evaluation of the economy and of the economic surroundings.

The board of directors is of the conviction that the value at which these assets are carried in the balance sheet approaches their fair value.

The Group charges no interest as long as the established payment periods are being met. Following the payment deadlines, interest is charged as defined in the contracts and in accordance with the law, as applicable to each particular case.

As at December 31, 2010 & 2009, the age of commercial balances relating to financial assets that were not impaired is as follows:

Age in the balance sheet 2010	Trade accounts received	Trade accounts bills receivable	Other
Overdue amounts			
] 0 : 1 ] month	103,952,305	39,920	46,212,742
] 1 : 3 ] month	154,398,961	16,276	94,317,472
] 3 : 12 ] month	139,701,907	2,134,769	26,230,438
] 1 : 3 ] years	156,492,944	47,574	43,286,655
Over 3 years	85,997,943	4,927	11,899,621
	640,544,060	2,243,466	221,946,928
Not overdue amounts	375,054,186	782,633	40,607,019
Total	1,015,598,246	3,026,099	262,553,947
Age in the balance sheet 2009 restated		Trade accounts received	Trade accounts bills receivable
Overdue amounts			
] 0 : 1 ] month		252,957,830	285,073
] 1 : 3 ] month		163,255,735	112,667
] 3 : 12 ] month		102,472,735	77,143
] 1 : 3 ] years		60,300,722	46,504
Over 3 years		25,854,585	4,927
		604,841,607	526,314
Not overdue amounts		208,312,463	2,803,696
Total		813,154,070	3,330,010
Age in the balance sheet 2009		Trade accounts received	Trade accounts bills receivable
Overdue amounts			
] 0 : 1 ] month		253,306,457	493,836
] 1 : 3 ] month		170,682,476	793,440
] 3 : 12 ] month		122,735,135	127,143
] 1 : 3 ] years		63,569,525	146,504
Over 3 years		26,004,237	4,927
		636,297,830	1,565,850
Not overdue amounts		208,312,463	3,624,873
Total		844,610,293	5,190,723

As at December 31, 2010, the Group's net exposure to accumulated impairment losses to balances having an age of more than 1 year is essentially the result of confirmed debts of public entities (local government, regional government, etc.), of amounts withheld by customers by way of warranty and of customer balances covered by debt-settlement agreements, the understanding of the Group's board of directors being that these receivables are not impaired.

Impairment loss adjustments to receivables are recorded where there are objective indicators that the Group will not receive all the sums to which it was entitled in keeping with the original terms of the contracts entered into. The adjustments are calculated considering the analysis of the age of the receivables, the debtor's risk profile and their financial conditions.

As at December 31, 2010 & 2009, the breakdown of the balances of the "State & other public entities" is as follows:

	2010	2009 restated	2009
Corporate Income tax	1,065,570	3,328,130	3,877,459
Value added tax	12,388,772	11,265,100	14,921,280
Social Security	9,541	-	2,431
Personal income tax	10,720	97,043	97,044
Other taxes	15,581	25,437	25,437
Taxes in other countries	14,701,710	13,650,916	15,215,140
	28,191,894	28,366,626	34,138,791

Movement under impairment losses on loans and receivables is as follows:

	2010	2009 restated	2009
Trade accounts receivable:			
Opening balance	40,132,117	38,438,609	38,438,609
Increase	7,210,372	3,918,221	4,062,930
Reduction	(2,917,743)	(1,858,839)	(2,058,839)
Usage	(1,650,899)	(521,600)	(521,600)
Transfers & perimeter variation	2,551,307	155,726	1,391,186
Closing balance	45,325,154	40,132,117	41,312,286
Other debtors			
Opening balance	34,556,948	34,889,130	34,889,130
Increase	3,299,983	673,875	705,537
Reduction	(16,586,663)	(295,946)	(295,946)
Usage	(748)	(372,384)	(372,384)
Transfers & perimeter variation	1,237,117	(337,727)	(255,950)
Closing balance	22,506,637	34,556,948	34,670,387

As at December 31, 2010, the change under Accumulated impairment losses is essentially the result of the use of the provision set aside for the Intercon, ACE, in that it was wound up and liquidated during the year.

With the exception of the debt-settlement agreement established with the Angolan government, there were no materially relevant renegotiations in respect of loans and receivables that, for this reason, could be past-due or impaired.

## b) Other current assets

The breakdown of "Other current assets" is as follows:

	2010	2009 restated	2009
Accrued income			
Production not invoiced	84,797,387	59,145,079	100,986,971
Indemnities receivable	-	-	126,488,111
Interest receivable	16,598,418	13,594,037	13,689,923
Other accrued income	16,944,942	10,643,516	17,167,126
	118,340,747	83,382,632	258,332,132
Deferred costs			
Insurance	2,819,465	2,611,501	3,237,503
MLFF	-	-	24,950,855
Other deferred costs	6,767,618	15,221,615	27,204,974
	9,587,083	17,833,116	55,393,332
	127,927,830	101,215,748	313,725,464

"Other accrued costs" fundamentally includes maintenance contract costs concluded and other advanced payments.

Information on construction contracts in progress is as follows:

	2010	2009 restated	2009
Construction costs incurred to date	4,658,125,724	3,246,704,606	3,284,621,949
Construction costs incurred during the year	1,175,952,481	702,027,674	719,142,200
Income recognized to date	4,814,268,940	3,543,964,890	3,578,312,596
Income recognized during the year	1,248,153,703	824,063,742	840,510,718
Customers prepayments	92,357,354	20,290,592	25,693,222
Sums withheld by customers	23,781,788	5,395,509	5,504,666
Guarantees given by customers	334,691,445	252,790,500	252,790,500
Accrued income - excess of production over billing	71,070,390	20,160,005	23,180,399
Deferred income - shortfall of production over billing	96,202,589	42,549,873	43,556,169

There were no materially relevant renegotiations in respect of other current receivables that, for this reason, could be past-due or impaired.

## c) Cash & cash equivalents

The breakdown of cash & cash equivalents is as follows:

	Non recourse			With recourse		
	2010	2009 restated	2009	2010	2009 restated	2009
Term deposits & others	-	3,000,000	15,992,865	1,547,764	2,699,608	2,699,608
Bank deposits & cash in hand						
Sight deposits	8,599,925	15,665,016	104,359,441	187,176,425	102,767,619	118,020,423
Cash in hand	36,176	52,225	88,423	3,265,812	4,030,202	4,155,059
	8,636,101	18,717,241	120,440,729	191,990,001	109,497,429	124,875,090

Cash & cash equivalents includes cash held by the Group and short-term bank deposits having initial maturities equal to or less than 3 months, for which the risk of alteration of value is not significant. The value at which this set of assets is carried is close to their fair value.

As at December 31, 2009, there were no restrictions to the use of the balances recorded under "Cash & cash equivalents with recourse".

As at December 31, 2010, the sum of €2,037,707 was carried under cash & cash equivalents not available in the short term, as a result of given guarantees.

The figures under "Cash & cash equivalents without recourse" have to do with the whole of the amounts recorded under "Cash & cash equivalents" by the port concession companies, most of which is allocated to debt-servicing in 2011.

## 25. Issued capital and reserves

The Mota-Engil SGPS issued capital as at December 31, 2010 & 2009, amounts to €204,635,695 represented by €204,635,695 bearer share each of a par value of €1.

As at December 31, 2010, the Group holds 11,005,456 treasury shares.

During 2010, alterations to the number of treasury shares were as follows:

	Quantity	Average cost	Amount
Opening balance	10,972,328	2.06	22,558,792
Increase			
June	33,128	2.04	67,729
	33,128	2.04	67,729
Closing balance	11,005,456	2.06	22,626,521

Acquisitions of treasury shares during 2010 were carried out by the Group's board of directors which, in the belief that the capital market was undervaluing the Mota-Engil SGPS shares on those dates, decided to increase the treasury share portfolio that the Company already held, signaling to the capital market, by this means, too, the board of directors' confidence in the future of the Group.

These acquisitions had due regard at all times for the legal limits and they were also communicated to the market to the extent required by the regulations and in keeping with the deadlines established by the capital market regulator (CMVM).

Reserves:

Issue premiums

Share issue premiums correspond to the premiums obtained via equity capital issues or increases. In accordance with the Portuguese Companies Code, the amounts included under this must follow the requirements established for the

"Legal reserve", that is, the amounts cannot be distributed, except in winding-up procedures, though they may be used to absorb losses, after all other reserves have been exhausted, and may be incorporated into the issued capital.

Legal reserve

Portuguese company law stipulates that at least 5% of the net profit for the year has to be assigned to increasing the legal reserve until such time as it equals at least 20% of the issued capital. This reserve cannot be distributed except in case of winding up, though it may be used to cover losses after all other reserves have been exhausted, and to be incorporated into the issued capital.

Fair value reserve – derivatives

Fair-value reserve – derivatives reflects the variations of the fair value of cash-flow hedges that are considered effective (Note 27 Derivative financial instruments) and it cannot be distributed or used to cover losses.

Fair value reserve – Available-for-sale investments

The Fair value reserve – Available-for-sale investments reflects variations to the fair value of held-for-sale financial instruments and cannot be distributed or used to absorb losses.

Currency translation reserve

Currency-translation reserves reflect currency fluctuations in transposing the financial statements of affiliates expressed in currencies other than the euro and cannot be distributed or used to absorb losses.

Revaluation reserves

Revaluation reserves cannot be distributed to equityholders, unless the revalued assets have been fully written down or sold.

Under Portuguese legislation, the amount of reserves that can be distributed is determined in accordance with the individual financial statements of the Company, presented in accordance with the Accounting Standardisation System (SNC). There were no reserves that could be distributed as at December 31, 2010.



## 26. Debt

Movement under debt with recourse for the periods ended December 31, 2010 & 2009, is as follows:

	1 year	2 years	3 to 5 years	over 5 years	Total
2010					
Non-convertible bond loans	7,278,633	50,000,000	25,000,000	-	82,278,633
Amounts owed to credit institutions					
Bank loans	120,568,883	63,649,981	88,036,032	20,148,099	292,402,995
Overdraft facilities	218,012,464	-	-	-	218,012,464
Guaranteed accounts	127,010,928	-	-	-	127,010,928
Other loans obtained					
Commercial paper issues	38,084,235	55,373,716	219,182,062	60,050,000	372,690,013
Other loans	3,997,121	529,878	1,677,886	387,012	6,591,897
	514,952,264	169,553,575	333,895,980	80,585,111	1,098,986,930
2009 restated					
Non-convertible bond loans	31,000,000	57,500,000	25,000,000	-	113,500,000
Amounts owed to credit institutions					
Bank loans	111,483,778	77,270,679	59,563,731	5,933,817	254,252,005
Overdraft facilities	167,543,444	-	-	-	167,543,444
Guaranteed accounts	85,369,158	177,102	-	-	85,546,260
Other loans obtained					
Commercial paper issues	120,785,710	51,143,924	113,038,520	61,350,000	346,318,154
Other loans	33,164,906	4,901,389	7,856,948	4,833,558	50,756,801
	549,346,996	190,993,094	205,459,199	72,117,375	1,017,916,664
2009					
Non-convertible bond loans	31,000,000	57,500,000	25,000,000	-	113,500,000
Amounts owed to credit institutions					
Bank loans	122,136,557	133,488,006	198,541,495	84,390,096	538,556,154
Overdraft facilities	168,868,069	-	-	-	168,868,069
Guaranteed accounts	86,515,547	177,102	-	-	86,692,649
Other loans obtained					
Commercial paper issues	120,785,710	51,143,924	113,038,520	61,350,000	346,318,154
Other loans	33,986,083	4,901,389	8,377,564	4,833,558	52,098,594
	563,291,966	247,210,421	344,957,579	150,573,654	1,306,033,620

Although commercial paper issues fall due at one year, because they are covered by medium and long-term programmes that allow their renovation the Group's board of directors has recorded these debts as medium & long term in that it intends to continue to use them.

The amounts in respect of debt without recourse for the periods ended December 31, 2010 & 2009, is as follows:

	1 year	2 years	3 to 5 years	over 5 years	Total
2010					
Amounts owed to credit institutions:					
Bank loans	3,413,463	4,333,346	12,677,458	95,964,149	116,388,416
	3,413,463	4,333,346	12,677,458	95,964,149	116,388,416
2009 restated					
Amounts owed to credit institutions:					
Bank loans	3,099,065	4,111,015	8,178,912	79,302,757	94,691,749
	3,099,065	4,111,015	8,178,912	79,302,757	94,691,749
2009					
Amounts owed to credit institutions:					
Bank loans	132,073,353	71,271,143	82,301,578	938,007,336	1,223,653,410
Guaranteed accounts	3,700,000	-	-	-	3,700,000
	135,773,353	71,271,143	82,301,578	938,007,336	1,227,353,410

As at December 31, 2010 & 2009, the sums in respect of debt are expressed in the following currencies:

	Bonds	Credit institutions	Commercial paper	Other loans	Total
<b>2010</b>					
Czech Crowns	-	9,356,945	-	-	9,356,945
US Dollars	-	14,156,058	-	-	14,156,058
Algerian Dinar	-	292,196	-	-	292,196
Euros	82,278,633	714,402,206	372,690,013	6,591,897	1,175,962,749
Hungarian Forints	-	1,809,311	-	-	1,809,311
New Family Meticals (Mozambique)	-	401,708	-	-	401,708
S. Tomé Dobras	-	47,514	-	-	47,514
Polish Zlotys	-	13,348,865	-	-	13,348,865
	<b>82,278,633</b>	<b>753,814,803</b>	<b>372,690,013</b>	<b>6,591,897</b>	<b>1,215,375,346</b>
<b>2009 restated</b>					
Czech Crowns	-	9,800,742	-	-	9,800,742
US Dollars	-	10,895,215	-	832,875	11,728,090
Algerian Dinar	-	268,772	-	-	268,772
Euros	113,500,000	569,838,740	346,318,154	49,923,823	1,079,580,717
Hungarian Forints	-	1,743,547	-	-	1,743,547
New Family Meticals (Mozambique)	-	68,680	-	103	68,783
Polish Zlotys	-	9,417,761	-	-	9,417,762
	<b>113,500,000</b>	<b>602,033,458</b>	<b>346,318,154</b>	<b>50,756,801</b>	<b>1,112,608,413</b>
<b>2009</b>					
Czech Crowns	-	9,800,742	-	-	9,800,742
US Dollars	-	12,995,946	-	1,353,491	14,349,438
Algerian Dinar	-	268,772	-	-	268,772
Euros	113,500,000	1,936,353,027	346,318,154	50,745,000	2,446,916,181
Hungarian Forints	-	1,743,547	-	-	1,743,547
New Family Meticals (Mozambique)	-	68,680	-	103	68,783
Mexican Pesos	-	50,821,808	-	-	50,821,808
Polish Zlotys	-	9,417,759	-	-	9,417,759
	<b>113,500,000</b>	<b>2,021,470,282</b>	<b>346,318,154</b>	<b>52,098,594</b>	<b>2,533,387,030</b>

The average interest rates in respect of the main headings of debt during 2010 and 2009 are as follows:

	2010		2009 restated		2009	
	Average rates (%)	Rates interval (%)	Average rates (%)	Rates interval (%)	Average rates (%)	Rates interval (%)
Non-convertible bond loans	3.93	[ 2.43 ; 5.49 ]	3.71	[ 3.30 ; 4.36 ]	3.71	[ 3.30 ; 4.36 ]
Amounts owed to credit institutions			-	-		
Bank loans	3.33	[ 1.71 ; 6.61 ]	3.89	[ 1.67 ; 6.00 ]	4.64	[ 1.67 ; 6.00 ]
Overdraft facilities	4.09	[ 2.21 ; 19.5 ]	3.86	[ 1.72 ; 4.29 ]	3.92	[ 1.72 ; 4.29 ]
Guaranteed accounts	3.28	[ 2.07 ; 19.5 ]	2.78	[ 0.70 ; 7.00 ]	2.88	[ 0.70 ; 7.00 ]
Other loans obtained	4.68	[ 1.52 ; 5.25 ]	-	-	-	-
Commercial paper issues	1.63	[ 0.81 ; 2.47 ]	1.87	[ 1.26 ; 3.24 ]	1.87	[ 1.26 ; 3.50 ]

The main bond loans and commercial paper programmes obtained by the Group are as follows:

Type of issue / Issuer	Date of emission	Indexation	Reimbursement condition	Amount
Bond loans:				
Mota-Engil SGPS	29-Dez-04	Euribor 6 months + 1.5%	i)	7,500,000
Mota-Engil SGPS	23-Abr-08	Euribor 6 months + 2.8%	ii)	25,000,000
Mota-Engil SGPS	18-Nov-09	Mid Swap 3Y + 3.35%	iii)	50,000,000
Commercial paper programmes:				
Mota-Engil SGPS	17-Nov-08	Euribor + 0.5%		3,200,000
Mota-Engil SGPS	21-Nov-08	Euribor + 0.85%		50,000,000
Mota-Engil SGPS	28-Out-10	Euribor + 3.0%		15,000,000
Mota-Engil SGPS e Mota-Engil Engenharia	13-Nov-06	Euribor + 1.875%		15,000,000
Mota-Engil SGPS e Mota-Engil Engenharia	03-Dez-08	Euribor + 3.0%		15,000,000
Mota-Engil SGPS e Mota-Engil Ambiente e Serviços	15-Jan-07	Euribor + 1.5%		77,000,000
Mota-Engil Engenharia	30-Mar-06	Euribor + 0.5%		7,500,000
Mota-Engil Engenharia	26-Jun-07	Euribor + 0.4%		30,000,000
Mota-Engil Engenharia	23-Nov-07	Euribor + 0.4%		25,000,000
Mota-Engil Engenharia	30-Set-10	Euribor + 1.5%		10,000,000
Mota-Engil Engenharia	28-Out-10	Euribor + 3.0%		50,000,000
Mota-Engil Engenharia	16-Dez-10	Euribor + 2.5%		50,000,000
Tertir	03-Jul-07	Euribor + 2.0%		25,000,000

i) Interest paid in 14 half-yearly installments as from June 29, 2005. Repayment in 4 half-yearly installments as from the 11th coupon. Possibility of reimbursement

ii) Interest paid in ten half-yearly installments as from October 23, 2008. Single repayment on maturity of the contract.

iii) Interest paid in six half-yearly installments as from May 18, 2010, with single repayment on maturity of the contract.

The total amount of debt contracted through other loan contracts of over €10,000,000 is as follows:

Issuer	Type of issue	Amount of the loan	Amount in debt
Other transactions:			
Holding			
Mota-Engil, SGPS	Overdraft facilities	78,500,000	76,607,771
Mota-Engil, SGPS	Medium & long term loan	70,000,000	47,642,857
Mota-Engil, SGPS	Guarantee accounts	18,000,000	17,817,000
Engineering & Construction			
Mota-Engil Engenharia	Overdraft facilities	103,325,000	69,436,728
Mota-Engil Engenharia	Medium & long term loan	68,972,685	45,494,995
Mota-Engil Engenharia	Guarantee accounts	33,697,114	25,360,000
Mota-Engil Engenharia	Short term loan	20,000,000	20,000,000
Planinova	Medium & long term loan	26,000,000	26,000,000
Environment & Services			
Indaqua	Medium & long term loan	17,500,000	13,600,000
Indaqua Feira	Medium & long term loan	63,000,000	50,542,161
Indaqua Santo Tirso	Medium & long term loan	17,500,000	14,397,747
Indaqua Vila do Conde	Medium & long term loan	76,500,000	21,263,297
Indaqua Matosinhos	Medium & long term loan	48,500,000	22,092,546
Sotagus	Medium & long term loan	11,222,953	4,316,521
Suma	Medium & long term loan	25,550,000	25,550,000
Tertir	Medium & long term loan	60,000,000	52,500,000
Tertir	Overdraft facilities	10,000,000	7,928,799

The amounts considered under "Other borrowings" mainly have to do with borrowings from the Portuguese Agency for Investment (AICEP) and from the Small and Medium Enterprise and Investment Institute (IAPMEI) by way of support to investment. These borrowings earn no interest.

## 27. Derivative financial instruments

The Group makes use of interest-rate derivatives instruments to manage its exposure the movements of current interest rates in its financing contracts, fixing variable interest rates.

As at December 31, 2010 & 2009, the Group had contracted the following derivative financial instruments:

Subsidiary	Type	Counterpart	Start	Notional	Contracted rates	Maturity	Fair value		
							2010	2009 restated	2009
Ascendi BLA	Interest Rate Swap	Banco Espírito Santo	Apr-01	180,267,201	Receives Euribor 6M and pays fixed rate (5.62%)	Jun-11	-	-	(200,604)
Ascendi CP	Collar	Millennium BCP	Aug-00	89,197,000	Receives Euribor 6M and pays fixed rate (4.5%)	Jun-10	-	-	93,457
Ascendi GL	Interest Rate Swap	Espírito Santo Investment	Jan-07	159,869,501	Receives Euribor 6M and pays fixed rate (4.27%)	Jun-33	-	-	382,574
Ascendi GP	Interest Rate Swap	Espírito Santo Investment	Sep-02	120,760,018	Receives Euribor 6M and pays fixed rate (5.0%)	Jun-12	-	-	(1,326,580)
Ascendi Group	Interest Rate Swap	Millennium BCP	Dec-07	50,000,000	Receives Euribor 6M and pays fixed rate (4.2%)	Dec-10	-	-	(1,493,930)
Indaqua Feira	Interest Rate Swap	Millennium BCP	Sep-07	17,633,525	Receives Euribor 6M and pays fixed rate (4.526%)	Sep-29	(2,165,069)	(1,628,016)	(1,628,016)
Indaqua Feira	Interest Rate Swap	Santander	Sep-07	17,633,525	Receives Euribor 6M and pays fixed rate (4.526%)	Sep-29	(2,165,069)	(1,628,016)	(1,628,016)
Indaqua Matosinhos	Interest Rate Swap	CGD	Jun-08	34,905,040	Receives Euribor 6M and pays fixed rate (4.485%)	Jun-28	(3,897,662)	(2,780,020)	(2,780,020)
Indaqua St. Tirso	Interest Rate Swap	Caixa BI	Mar-08	15,477,000	Receives Euribor 6M and pays fixed rate (4.85%)	Mar-14	(1,210,748)	(1,525,482)	(1,525,482)
Mota-Engil SGPS	Semi Knock-out Swap	Millennium BCP	Nov-05	20,000,000	Receives Euribor 6M and pays fixed rate with Knock-out	Nov-10	-	(409,443)	(409,443)
Mota-Engil SGPS	Interest Rate Swap	Millennium BCP	Nov-05	30,000,000	Receives Euribor 6M and pays fixed rate (3.24%)	Nov-10	-	(624,834)	(624,834)
Mota-Engil SGPS	Interest Rate Swap	Millennium BCP	Dec-05	20,000,000	Receives Euribor 6M and pays fixed rate (3.23%)	Jun-10	-	(229,330)	(229,330)
Mota-Engil SGPS	Interest Rate Swap	Millennium BCP	Jan-08	37,000,000	Receives Euribor 6M and pays fixed rate (4.18%)	Jan-11	(56,234)	(1,644,049)	(1,644,049)
Mota-Engil Ambiente e Serviços	Interest Rate Swap	Millennium BCP	Jan-08	40,000,000	Receives Euribor 6M and pays fixed rate (4.2%)	Jan-11	(61,189)	(1,789,715)	(1,789,715)
Mota-Engil Engenharia	Interest Rate Swap	BNP Paribas Fortis	Dec-05	5,000,000	Receives Euribor 6M and pays fixed rate (4.6%)	Dec-10	-	(25,503)	(25,503)
Mota-Engil Engenharia	Cap	BNP Paribas Fortis	Jun-07	30,000,000	Receives Euribor 6M and pays fixed rate (4.6%)	Jun-15	2,922	7,885	7,885
Mota-Engil Engenharia	Collar	BNP Paribas Fortis	Jun-07	30,000,000	Receives Euribor 6M and pays fixed rate (4.6%)	Jun-15	(1,998,047)	(2,394,000)	(2,394,000)
Suma	Interest Rate Swap	Banco Espírito Santo	Jul-10	20,400,000	Receives Euribor 6M and pays fixed rate (3.31%)	Jul-17	(1,177,387)	-	-
other potentially favorable	Other	Various	Jan-00	-	-	Jan-00	461,676	-	-
other potentially unfavorable	Other	Various	Jan-00	-	-	Jan-00	(953,345)	781,560	781,560
							(13,220,152)	(13,888,963)	(16,434,046)

The criteria governing the classification and valuation of these instruments are set out in indent ix) (f) of the Main valuation criteria in Note 1. Accounting Policies

Determination of the fair value of the derivatives contracted by the Group was undertaken by the respective counterparties considered to be upstanding, independent financial entities of recognized merit. The valuation models used are based on the discounted cash-flow method: using the Swaps par Rates quoted on the interbank market, available on the Reuters and Bloomberg pages, for the relevant maturities. The respective forward rates and discount factors are calculated that are used to discount the fixed-leg and floating-leg cash flows. The sum of the two legs determines the NPV (Net Present Value).

## 28. Trade liabilities & other liabilities payable

The breakdown of commercial liabilities and other payables for the years ended December 31, 2010 & 2009, is as follows:

	Non-currents			Currents		
	2010	2009 restated	2009	2010	2009 restated	2009
Suppliers						
Engineering & Construction	4,117,640.00	6,954,666.00	7,143,131.00	428,973,733.00	406,934,223.00	414,552,031.00
Environment & Services	-	3,432,044	-	96,372,125	75,536,821	78,119,650
Transport Concessions	-	-	-	-	-	6,363,649
Others, eliminations & intra-Group	-	-	-	(43,176,293)	(31,112,139)	(34,764,039)
	4,117,640	10,386,710	7,143,131	482,169,565	451,358,905	464,271,291
Suppliers of fixed assets	141,929,430	123,346,911	125,658,661	58,343,909	63,850,717	81,921,592
Group companies, associates & other shareholders	537,269	405,992	559,051	490,825	110,495	198,587
Customer prepayments on account of sales	42,589,768	48,327,366	69,699,344	87,857,323	55,860,791	80,515,411
State & other public entities	-	-	-	42,967,832	26,435,990	28,253,519
Other creditors	42,124,063	44,554,339	96,406,783	251,351,272	207,712,792	218,889,041
	227,180,530	216,634,608	292,323,839	441,011,161	353,970,785	409,778,150
	231,298,170	227,021,318	299,466,970	923,180,726	805,329,690	874,049,441

These sums mainly concern debts originating in subcontracting in respect of works in progress adjudicated to the Group.

The board of directors is of the conviction that the value at which these liabilities are carried in the statement of financial position approaches their fair value.

As at December 31, 2010 & 2009, the remaining contractual maturity of the balances carried under "Suppliers" is as follows:

	2010	2009 restated	2009
Outstanding contractual maturity:			
] 0 : 1 ] month	302,549,548	221,579,006	231,265,487
] 1 : 3 ] months	118,489,916	132,565,212	136,067,555
] 3 : 12 ] months	56,344,081	86,686,735	87,197,851
] 1 : 3 ] years	2,452,555	12,886,019	12,262,105
Over 3 years	6,451,105	8,028,643	4,621,424
	486,287,205	461,745,615	471,414,422

As at December 31, 2010 & 2009, the remaining contractual maturity of the balances carried under "Other creditors" is as follows:

	2010
Outstanding contractual maturity:	
] 0 : 1 ] month	71,686,993
] 1 : 3 ] months	8,240,712
] 3 : 12 ] months	2,907,286
] 1 : 3 ] years	2,203,741
Over 3 years	53,721,892
Factoring	154,714,711
	293,475,335

As at December 31, 2010 & 2009, "Other creditors" includes sums in respect of factoring with recourse and of bills discounted in the sums of €155,599,381 and €167,550,237 respectively, which have no defined maturity.

As at December 31, 2010 & 2009, the Group had liabilities towards lessors, carried under "Suppliers of fixed assets" in respect of outstanding rents on finance lease contracts in the sum of €209,011,398 and €192,197,000 respectively, with the following maturities:

	Outstanding rents on lease contracts			Current value of lease contracts		
	2010	2009 restated	2009	2010	2009 restated	2009
1 year	48,691,759	46,281,473	73,078,365	45,780,948	42,627,098	46,103,001
2 years	39,277,590	33,629,056	37,152,907	37,144,798	30,638,596	33,720,630
3 years	30,955,345	26,459,017	30,020,843	28,856,528	24,177,761	27,337,130
4 or more years	90,086,704	89,827,465	112,330,502	69,730,604	68,409,337	90,172,025
	<b>209,011,398</b>	<b>196,197,011</b>	<b>252,582,617</b>	<b>181,512,878</b>	<b>165,852,792</b>	<b>197,332,786</b>
Interest included in the rents	(27,498,520)	(30,344,219)	(55,249,831)			
Current value of lease contract rents	<b>181,512,878</b>	<b>165,852,792</b>	<b>197,332,786</b>	<b>181,512,878</b>	<b>165,852,792</b>	<b>197,332,786</b>

As at December 31, 2010, the more significant finance lease contracts are as follows:

Contracting party	Amount	Asset	Lease life	Purchase option
CPTP	4,897,960	Port Equipment	8 years	141,098
Ferrovias	2,360,169	Sundry Equipment	5 years	118,008
Liscont	2,100,000	Port Equipment	5 years	42,000
Mota-Engil Engenharia	56,612,438	Sundry Equipment	4 years	1,086,078
Mota-Engil Engenharia	8,773,546	Sundry Equipment	5 years	156,838
Mota-Engil Kruszwia	1,288,518	Sundry Equipment	5 years	-
Mota-Engil Central Europe Poland	1,629,812	Sundry Equipment	6 years	81,491
Mota-Engil Central Europe Poland	1,155,652	Sundry Equipment	10 years	728,061
Mota-Engil Central Europe Poland	1,377,597	Sundry Equipment	5 years	15,130
Mota-Engil Central Europe Poland	1,588,925	Sundry Equipment	7 years	15,889
ME-Pavimentações	1,038,600	Sundry Equipment	4 years	-
PTT	2,647,989	Land & construction	11 years	-
Rentaco	1,116,134	Sundry Equipment	4 years	-
Rentaco	3,100,000	Sundry Equipment	5 years	-
Socarpor Aveiro	1,976,000	Crane	8 years	39,520
Socarpor Aveiro	3,300,000	Crane	12 years	66,000
Socarpor Aveiro	13,057,915	Sograin Terminal	12 years	261,158
Sotagus	4,000,000	Port Gantry	7 years	80,000
Sotagus	7,400,000	Port Gantry	5 years	148,000
Suma	3,835,050	Sundry Equipment	5 years	-
Takargo	24,140,200	Railway Locomotives	25 years	3,017,525
Takargo	11,943,750	Railway Wagons	25 years	1,492,969
Correia & Correia	1,008,306	Sundry Equipment	20 years	-

As at December 31, 2010, the breakdown of the net book value of assets acquired under finance lease contracts is as follows:

	2010
Land & buildings	8,415,165
Basic equipment	121,172,953
Transport equipment	29,176,161
Administrative equipment	51,303
Other fixed assets	1,815,678
Intangible fixed assets	19,653,807
	<b>180,285,067</b>

As at December 31, 2010 & 2009, the breakdown of the balances of the State & other public entities is as follows:

	2010	2009 restated	2009
Income tax	1,948,310	4,895,189	5,990,990
Value added tax	3,263,778	2,820,098	3,602,309
Social security	3,313,048	3,327,661	3,415,170
Personal income tax	1,581,008	1,551,452	1,681,676
Other taxes	1,268,626	410,257	427,746
Taxes in other countries	31,593,062	13,431,333	13,135,628
	<b>42,967,832</b>	<b>26,435,990</b>	<b>28,253,519</b>



## 29. Provisions

The breakdown of provisions for the periods ended December 31, 2010 & 2009, is as follows:

	2010	2009 restated	2009
<i>Pensions (Note 32. Retirement plan benefits)</i>	9,351,392	10,674,497	10,674,497
<i>Indemnities for termination of fixed-term employment contracts</i>	70,935	1,188,714	1,188,714
<i>Sealing &amp; monitoring a landfill</i>	6,135,408	4,722,111	4,722,111
<i>Provisions for investments valued using the equity method</i>	15,186,062	7,871,183	2,058,770
<i>Legal proceedings</i>	7,430,131	6,772,769	6,772,769
<i>Quality warranties</i>	12,592	12,943	12,943
<i>Other contingencies/ estimated cost of closing operations</i>	33,587,943	25,401,258	4,138,031
	<b>71,774,463</b>	<b>56,643,475</b>	<b>29,567,835</b>

Provisions for indemnities for rescission of employment contracts and for landfill sealing and monitoring essentially refer to the Suma Subgroup.

Provisions for legal proceedings and other contingencies essentially refer to the Tertir Sub Group.

The change under Other contingencies during the year ended December 2009, restated, is the result of the adoption of IFRIC 12 on concessionaires.

During the year ended December 31, 2010, the GROUP assumed the cost of operations being shut down, particularly in Ireland and Spain.

Information on the movement of provisions during 2010 is as follows:

	Opening balance	Increase	Reduction	Usage	Transfers & perimeter variation	Closing balance
<i>Pensions (Note 32. Retirement plan benefits)</i>	10,674,497	107,989	(1,319,444)	-	(111,650)	9,351,392
<i>Indemnities for termination of fixed-term employment contracts</i>	1,188,714	47,842	(1,165,621)	-	-	70,935
<i>Sealing &amp; monitoring a landfill</i>	4,722,111	1,415,627	-	-	(2,330)	6,135,408
<i>Provisions for investments valued using the equity method</i>	7,871,183	800,605	-	-	6,514,274	15,186,062
<i>Legal proceedings</i>	6,772,769	731,614	(17,532)	-	(56,720)	7,430,131
<i>Quality warranties</i>	12,943	-	-	-	(351)	12,592
<i>Other contingencies/ estimated cost of closing operations</i>	25,401,258	11,039,408	(796,175)	(1,932,752)	(123,796)	33,587,943
	<b>56,643,475</b>	<b>14,143,085</b>	<b>(3,298,772)</b>	<b>(1,932,752)</b>	<b>6,219,427</b>	<b>71,774,463</b>

As at December 31, 2010 & 2009, the valuation of investments using the equity method, for which provisions were set aside, as follows:

	2010	2009 restated	2009
<i>Construtora Perote-xalapa</i>	-	1,170,508	-
<i>Fabritubo</i>	-	1,879,566	1,879,566
<i>Grossiman</i>	1,152,584	-	-
<i>Luma e NGA (Geovision Group)</i>	1,282,903	-	-
<i>SLPP Group</i>	5,470,778	3,912,215	-
<i>Haçor</i>	1,653,691	-	-
<i>HL-Soc. Gestora Edifício,SA</i>	2,794,490	-	-
<i>Iberocargo</i>	1,021,839	648,912	-
<i>Vista, SA</i>	666,128	68,490	-
<i>Other</i>	1,143,649	191,492	179,204
	<b>15,186,062</b>	<b>7,871,183</b>	<b>2,058,770</b>

With the exception of the provisions set aside for the sealing and monitoring of landfills and for subsidiary TCL, the date of use of the others cannot be estimated, and for this reason these provisions have not been subject to financial updating.

## 30. Other current & non-current liabilities

2010		Recognition of income			
Beneficiary company	Amount of the asset	Amount of the subsidy	Deferred income	Recognition of income in 2010	Recognition of income in 2009
Ferrovias	15,318,483	1,207,736	797,506	284,568	660,721
Indaqua Feira	12,500,000	12,500,000	12,500,000	-	-
Mota-Engil Engenharia	23,785,439	6,697,366	2,113,533	2,130,732	632,618
RTA	7,619,971	3,108,194	1,671,330	107,941	107,941
SGA	3,956,914	1,377,415	222,283	82,302	82,302
			<b>17,304,652</b>	<b>2,605,543</b>	<b>1,483,582</b>

2009 restated		Recognition of income			
Beneficiary company	Amount of the asset	Amount of the subsidy	Deferred income	Recognition of income in 2009	Recognition of income in 2008
Ferrovias	15,318,483	1,207,736	1,082,074	660,721	58,654
Mota-Engil Engenharia	11,587,677	3,956,078	1,562,301	632,618	444,541
RTA	7,619,971	3,108,194	1,779,271	107,941	107,941
SGA	3,956,914	1,377,415	304,585	82,302	82,302
			<b>4,728,231</b>	<b>1,483,582</b>	<b>693,438</b>

2009		Recognition of income			
Beneficiary company	Amount of the asset	Amount of the subsidy	Deferred income	Recognition of income in 2009	Recognition of income in 2008
Aenor	348,752,476	59,543,500	53,282,790	2,010,909	1,593,161
Ferrovias	15,318,483	1,207,736	1,082,074	660,721	58,654
Mota-Engil Engenharia	11,587,677	3,956,078	1,562,301	632,618	444,541
RTA	7,619,971	3,108,194	1,779,271	107,941	107,941
SGA	3,956,914	1,377,415	304,585	82,302	82,302
			<b>58,011,021</b>	<b>3,494,491</b>	<b>2,286,599</b>

Of total deferred income within the scope of investment subsidies received, the sums of €375,565 and €818,677 for 2010 & 2009 respectively are recorded under "Other current liabilities", as detailed hereunder.

The amounts in respect of current liabilities for the periods ended December 31, 2010 & 2009, are as follows:

	2010	2009 restated	2009
Accrued costs			
Cost of holiday pay & bonus	31,088,568	27,444,207	28,109,001
Interest payable	7,765,659	5,511,595	27,189,547
Work in progress by suppliers not billed	44,672,485	41,521,906	41,921,930
Indemnities payable under the motorway concessions	-	-	40,442,588
Other costs to be invoiced in motorway concessions	-	-	8,593,885
Other accrued costs	256,428,143	27,102,688	33,684,230
	<b>339,954,855</b>	<b>101,580,396</b>	<b>179,941,181</b>
Deferred income			
Invoicing in advance	97,845,016	145,756,552	146,099,573
Investment subsidies	375,565	818,677	2,829,586
Rents on own properties	24,092	317,770	317,770
Income to be recognised in the motorway concessions	-	-	49,327,013
Other deferred income	32,511,311	12,125,638	17,884,850
	<b>130,755,984</b>	<b>159,018,637</b>	<b>216,458,792</b>
	<b>470,710,839</b>	<b>260,599,033</b>	<b>396,399,973</b>

## 31. Commitments

### Guarantees Provided

As at December 31, 2010 & 2009, the guarantees provided by the Group to third parties in respect of bank guarantees and fidelity insurance provided to employers that have contracted work to the various Group companies are broken down by currency as follows:

	2010	2009 restated	2009
Czech Crowns	4,147,559	3,738,316	3,738,316
New Romanian Leu	-	1,098,700	1,098,700
Algerians dinars	5,935,342	1,088,539	1,088,539
US Dollars	133,239,890	165,819,538	165,819,538
Cape Verde Escudos	4,020,970	1,020,362	1,428,470
Euros	682,281,094	667,728,151	716,041,353
Hungarian Forints	25,390,052	31,678,720	31,678,720
Malawi Kwashas	19,199,687	35,359,589	35,359,589
Mozambican Meticals	34,125,240	2,341,410	10,425,318
Peruvian New Soles	35,189,848	2,393,072	2,393,072
Mexican Pesos	-	-	16,075,571
South African Rands	-	825,624	825,624
Polish Zlotys	58,169,015	47,636,294	47,636,294
	<b>1,001,698,697</b>	<b>960,728,315</b>	<b>1,033,609,104</b>

The breakdown by Group companies is as follows:

	2010	2009 restated	2009
Áreagolfe	1,181,949	963,680	963,680
Construtora Perote Xalapa	-	-	8,083,908
CPTP	22,007,422	16,106,352	16,106,352
Emocil	2,416,369	-	-
EMSA	129,602	98,444	98,444
Ferrovias	20,363,790	21,045,069	21,045,069
Grossiman	-	-	48,865
Ascendi Group	-	-	63,243,033
Indaqua Group	76,385,355	76,726,696	76,726,696
Suma Group	25,292,320	29,005,264	29,005,264
Tertir Group	81,010,152	82,822,005	82,845,817
Hifer	-	-	52,812
Manvia	1,563,060	964,410	964,410
Mota-Engil Serviços Partilhados	504,933	504,933	504,933
MKC	-	203,982	203,982
Mota-Engil Ambiente e Serviços	15,627,500	17,123,295	17,123,295
Mota-Engil Central Europe Poland	58,576,891	46,996,031	46,996,031
Mota-Engil Engenharia	617,042,898	631,047,170	631,047,170
Mota-Engil Central Europe Hungary	5,347,174	7,425,653	7,425,653
Mota-Engil Pavimentações	7,564,274	4,657,494	4,657,494
Mota-Engil Peru	46,294,874	4,821,988	4,821,988
Mota-Engil SGPS	250,000	-	-
Parquegil	-	-	3,281
Planinova	283,014	275,178	275,178
Mota-Engil Betão e Pré-Fabricados	5,275,079	5,380,438	5,380,438
RTA	384,369	423,173	423,173
Sadoport	-	-	1,425,078
Sedengil	30,956	54,857	54,857
Tecnocarril	15,000	15,000	15,000
Tracevia	6,126,734	6,355,615	6,355,615
Vibrelas	8,024,982	7,711,588	7,711,588
	<b>1,001,698,697</b>	<b>960,728,315</b>	<b>1,033,609,104</b>

As at December 31, 2010 & 2009, the shares held in and the supplementary capital contributions paid to subsidiaries Ascendi CP, Ascendi GP, Ascendi BLA, Lusoponte and Ascendi Norte, had been given as collateral by the Group to secure the loans made by financial entities to these subsidiaries, a mechanism that is included in the legal and financial framework typical to a Project Finance structure.

## 32. Retirement Plan Benefits

The Group has assumed defined-benefit retirement plan liabilities for several former and some present employees. The accounting policies in respect of these plans adopted by the Group are described in Indent xx) of the Main valuation criteria in Note 1. Accounting Policies

As at December 31, 2010 & 2009, the liabilities for pensioners and those for personnel in service are almost all related with Mota-Engil Engenharia e Construção, SA, (€8,936,770 and €10,256,214 respectively), the sums of €414,622 and €418,283 respectively being in respect of other companies.

As at December 31, 2010 & 2009, liabilities towards pensioners and towards staff in service at Mota-Engil

Engenharia, and their respective cover, are as follows:

	2010	2009 restated	2009
<i>Liabilities to pensioners</i>	1,458,253	1,698,852	1,698,852
<i>Liabilities to personnel in service</i>	7,478,245	8,557,363	8,557,363
<i>Provisions set aside (Note 29. Provisions)</i>	8,936,770	10,256,214	10,256,214
% of cover	100%	100%	100%

The change during the year is underpinned by an actuarial report that was ordered for the purpose and was essentially due to the following alterations of assumptions: (i) the fund's rate of return increased from 4% to 4.5% in that at this time the rates of return expected in the long term used by the pension funds market, and also the recommendations of the international accounting standards, stand at around 5%; (ii) the same applies to the pension-update rate, though the increase here was from 3% to 4% (since there is no financing vehicle for these liabilities, the recommendation is that it remain at 4%); (iii) the wage growth rate has fallen from 3% to 2% in that the wage history used for the actuarial valuation has grown by less than 3%.

Liabilities for defined-benefit pension plans are calculated in accordance with the "Projected Unit Credit Method" using the actuarial and financial assumptions best suited to the plan in question.

The latest actuarial study available, referred to December 31, 2010, based on the following assumptions:

<i>Retirement age</i>	65
<i>Expected wage increase rate</i>	2%
<i>Discount rate</i>	4%
<i>Mortality tables</i>	TV 88_90
<i>Pension growth rate</i>	4%
<i>Number of payments of the benefit</i>	14

## 33. Transactions with related parties

### a) Commercial transactions

There are relations between the Group's subsidiaries that are qualified as transactions with related parties. All these transactions are carried out at market value.

These transactions are eliminated in the consolidation procedures since the consolidated financial statements present information on the parent company and its subsidiaries as through they concerned just a single company.

Balances and transactions between subsidiaries during the year ended December 31, 2010, are as follows:

	Accounts receivable	Accounts payable	Loans granted	Loans obtained
<b>Holding Company &amp; related activities</b>				
Mota-Engil SGPS	30,297,596	3,202,268	102,828,402	13,394,700
Other	6,215,895	1,563,599	16,000	2,501,672
<b>Engineering &amp; Construction</b>				
Mota-Engil Engenharia	121,639,560	116,755,615	95,864,150	1,170,000
Aurimove	9,404	1,685,980	1,173,013	7,153,930
Jeremiasova	-	8,918,398	-	-
M-Invest	250,578	6,590	8,271,283	110,391
Mota-Engil Angola	42,834,295	65,969,721	-	-
Mota-Engil Central Europe Poland	2,848,248	3,942,792	6,582,486	348,714
Mota-Engil Central Europe SGPS	13,552,828	17,745,216	50,503,837	68,024,706
Mota-Engil Magyarország	223,947	319,960	7,202,198	8,171,639
Mota-Engil Real Estate Management	3,117,713	3,508,277	7,127,674	9,342,687
Mota-Engil Real Estate Portugal	1,147,435	779,122	22,370,830	17,241,000
Mota-Engil S. Tomé	5,408,989	1,080,817	-	5,094,147
Mota Internacional	22,002,292	346,158	4,384,802	-
Planinova	500	16,403,124	-	6,325,500
Rentaco Angola	9,169,133	6,381,180	-	903,308
Tabella	-	-	-	18,888,995
Wilanow	-	1,064,097	-	7,115,588
Other	37,004,831	18,155,680	4,580,025	41,454,805
<b>Environment &amp; Services</b>				
Mota-Engil Ambiente e Serviços	8,130,313	30,127,333	50,157,226	101,650,870
Indaqua	1,222,907	88,173	30,938,414	12,140,215
Indaqua Feira	727	247,551	-	18,450,311
Indaqua Matosinhos	194,363	275,663	-	5,369,187
Suma	27,608,810	2,664,662	5,232,654	18,057,913
Suma Matosinhos	118,309	5,738,529	-	-
Tertir	2,052,114	7,913,944	3,053,284	19,066,319
Vista Waste (Angola)	57,541	13,452,324	-	65,861
Other	27,997,873	34,769,428	6,349,567	24,593,387
	Interest gains	Interest costs	Other Income	Other costs
<b>Holding Company &amp; related activities</b>				
Mota-Engil SGPS	5,250,645	-	12,470,798	-
Mota-Engil Serviços Partilhados	-	47,256	11,233,568	-
Other	-	40,690	2,230,105	7,810
<b>Engineering &amp; Construction</b>				
Mota-Engil Engenharia	2,835,474	844,467	93,460,859	196,066,233
Capsfil	-	-	4,636,795	226,539
Ferrovias	48,667	50,589	542,643	5,962,228
Mota-Engil Angola	-	-	136,623,463	93,285,636
Mota-Engil Betão e Pré-Fabricados	-	-	11,144,411	1,782,003
Mota-Engil Central Europe Slovakia	22	15,874	3,935,617	-
Mota-Engil Central Europe Poland	413,131	-	3,765,083	4,396,985
Mota-Engil Pavimentações	-	-	4,322,632	6,901,014
Planinova	-	-	-	17,499,861
Rentaco	-	-	5,408,642	3,735
Rentaco Angola	-	-	5,111,755	183,696
Other	2,245,306	5,416,394	24,197,574	6,643,530
<b>Environment &amp; Services</b>				
Mota-Engil Ambiente e Serviços	1,633,209	4,369,543	-	-
Suma	580,300	436,149	11,682,724	749,967
Other	1,307,502	3,093,294	18,247,927	15,305,359

Transactions with associate companies booked using the equity method are not eliminated, and their amounts are as follows:

	2010	2009 restated	2009
Accounts receivable	85,882,003	17,251,992	15,432,657
Accounts payable	24,368,211	23,125,511	30,738,865
Loans granted	56,620,017	n.d.	n.d.
Loans obtained	590,681	n.d.	n.d.
Sales & services rendered	34,694,720	15,391,884	12,615,358
Cost of merchandise sold	18,638,094	19,362,458	16,994,697
Interest gains	2,999,482	n.d.	n.d.
Interest costs	172,797	n.d.	n.d.

Balances and transactions with Group equityholders having qualified holdings or with other companies held by them are as follows:

	2010
Accounts receivable	1,344,288
Accounts payable	8,359
Loans granted	1,467,149
Sales & services rendered	739,859
Cost of merchandise sold	18,027

The balances and transactions were in respect of the following equityholders of the Group:

Algosi - Gestão de Participações Sociais, SGPS, SA  
 António de Lago Cerqueira, SA  
 Cerâmica de Bolalvo, Lda  
 Cogera - Sociedade de Produção de Energia por Cogeração, Lda  
 Covelas - Energia, Lda  
 F.M. - Sociedade de Controlo, SGPS, SA  
 Mota Gestão e Participações, SGPS, SA  
 Sunviauto - Indústria de Componentes de Automóveis, SA

Shareholders with qualified stakes in Group's share capital are as follows:

António Manuel Queirós Vasconcelos da Mota  
 Maria Manuela Queirós Vasconcelos Mota dos Santos  
 Maria Teresa Queirós Vasconcelos Mota Neves da Costa  
 Maria Paula Queirós Vasconcelos Mota de Meireles  
 Maria Inês Fonseca Vasconcelos Mota Sá  
 Algosi - Gestão de Participações Sociais, SGPS, S.A.  
 F.M. - Sociedade de Controlo, SGPS, S.A.  
 Mota Gestão e Participações, SGPS, S.A.  
 Privado Holding SGPS, S.A.  
 QMC Development Capital Fund, Plc

Due to impossibility of determination, this list does not include other companies in which QMC Development Capital Fund, Plc, and Privado Holding, SGPS, SA, are also equityholders.

Directors of the Group holding and of each sub-holding are the following:

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

António Manuel Queirós Vasconcelos da Mota  
 Jorge Paulo Sacadura de Almeida Coelho  
 Arnaldo José Nunes da Costa Figueiredo  
 Gonçalo Nuno Gomes de Andrade Moura Martins  
 Maria Manuela Queirós Vasconcelos Mota dos Santos  
 Maria Teresa Queirós Vasconcelos Mota Neves da Costa  
 Maria Paula Queirós Vasconcelos Mota de Meireles  
 Ismael Antunes Hernandez Gaspar  
 Luis Manuel Ferreira Parreira Gonçalves  
 Luis Filipe Cardoso da Silva  
 Maria Isabel da Silva Ferreira Rodrigues Peres  
 José Luis Catela Rangel de Lima  
 Professor Doutor Luis Valente de Oliveira  
 António Bernardo Aranha da Gama Lobo Xavier  
 António Manuel da Silva Vila Cova

#### **MOTA-ENGIL, ENGENHARIA E CONSTRUÇÃO, S.A.**

Ismael Antunes Hernandez Gaspar  
 António Martinho Ferreira de Oliveira  
 Pedro Manuel Teixeira Rocha Antelo  
 Fernando Alberto Fiel e Barbosa  
 Carlos António Vasconcelos Mota dos Santos  
 Mário Jorge de Melo Faria de Barros  
 Gilberto Silveira Rodrigues  
 Pedro Rodrigues Martins da Costa

#### **MOTA-ENGIL AMBIENTE E SERVIÇOS, S.A.**

Gonçalo Nuno Gomes de Andrade Moura Martins  
 Jorge Agostinho Fernandes Rodrigues  
 Paulo Jorge Silva da Costa Nunes  
 Eduardo João Frade Sobral Pimentel  
 Pedro José Avelar Montalvão de Santos e Silva

The Group's subsidiaries and associate companies are listed in Appendix A of these Notes to the consolidated financial statements.

## **b) Remuneration of the board and of the Statutory Auditor**

The remuneration of the members of the board during the years ended December 31, 2010 & 2009, amounts to €4,807,163 (of which €3,565,500 as fixed remuneration, €1,132,163 as of variable remuneration and €109,500 as of attendance fee for the non-executive directors) and €4,906,152 (of which €3,555,000 as fixed remuneration, €1,257,652 as of variable remuneration and €93,500 as of attendance fee for non-executive directors), respectively.

This remuneration is determined by the remuneration committee, taking into account the individual performance and



the evolution if this type of employment market.

This remuneration is determined by the remuneration committee, taking into account the individual performance and the evolution if this type of employment market.

In each of these years the remuneration of the statutory auditor amounted to €45,845 and €45,848 respectively. Some directors have defined-benefit pensions. Information on these plans is provided in Note 32 Retirement Plan Benefits.

## 34. Exploration of mineral resources

As at December 31, 2010 & 2009, the main assets and liabilities assigned to exploitation of the Group's mineral resources are as follows:

	2010	2009 restated	2009
<i>Fixed:</i>			
Land under exploration	51,294,089	28,347,907	28,347,907
Buildings assigned to operations	1,743,584	491,091	491,091
Equipment assigned to operations	10,040,015	8,359,574	8,359,574
<i>Inventories:</i>			
Mineral stock	6,084,541	5,698,236	5,698,236
Balances receivable	22,372,729	12,261,634	12,261,634
Balances payable	41,574,995	19,696,111	19,696,111

The accounting of the land assigned to the exploration of mineral resources is undertaken in accordance with the criteria described in indent iv) of the Main valuation criteria set out in Note 1. Accounting Policies.

During 2010 & 2009 the Group's operating income and costs related with the exploitation of mineral resources are as described hereunder:

	2010	2009 restated	2009
Operating income	47,872,952	27,466,703	27,466,703
Operating costs	39,385,624	25,225,574	25,225,574
EBITDA	8,487,328	2,241,129	2,241,129
EBITDA margin	17.7%	8.2%	8.2%

During 2010 & 2009 the cash flows generated by the exploitation of mineral resources are as follows:

	2010	2009 restated	2009
Cash receipts from customers	42,386,222	26,856,225	26,856,225
Cash paid to suppliers	(30,208,234)	(16,756,942)	(16,756,942)
Operating cash-flow	12,177,988	10,099,283	10,099,283
Acquisition of fixed assets	(2,685,444)	(2,290,649)	(2,290,649)
Sale of fixed assets	561,286	144,559	144,559
Investment cash-flow	(2,124,158)	(2,146,090)	(2,146,090)

## 35. Contribution of the companies consolidated using the proportional consolidation method

During the year ended December 31, 2010, so as to transmit an more faithful and appropriate image of the financial situation of the Mota-Engil Group, as well as of the results of its operations, the Group altered the method of consolidation of its financial interests in Joint Arrangements (from the proportional consolidation method to the equity method), no companies having been consolidated using the proportional method during the period ended December 31, 2010.

## 36. Perimeter alterations

During the period ended December 31, 2010, there were no materially relevant alterations to the perimeter and for this reason no effects on the main headings of the statement of financial position and income statement are presented.

During 2010, the alterations to the consolidation perimeter in terms of inclusions and exclusions were as follows:

### Acquisition of companies

Aquisition by Indaqua SA of 5% of Indaqua Feira - Indústria de Águas de Santa Maria da Feira, S.A., holding 50.06% of the company share capital.
Aquisition by Indaqua SA of 0,01% of Indaqua Santo Tirso - Gestão de Águas de Santo Tirso, S.A., holding 50.06% of the company share capital.
Aquisition by Indaqua SA of 0,14% of Indaqua Fafe - Gestão de Águas de Fafe, S.A., holding 50.06% of the company share capital.
Aquisition of 99,9% of Przedsiębiorstwo Robot Drogowo - Mostowych w Lublinie Sp z o.o.
Aquisition of 5,11% of TCL - Terminal de Contentores de Leixões, S.A. by own shares, holding 54,50% of the company share capital.
Aquisition of 50% of Bergamon, A.S., holding 100% of the company share capital.
Aquisition of Geo Vision Group, by the aquisition of 50% of the share capital of Geo Vision, Soluções Ambientais e Energia, S.A.
Aquisition of 0,01% of Tratofoz - Sociedade de Tratamento de Resíduos, S.A., holding 99,62% of the share capital of the company.
Aquisition of 20% of Wilanow Project Development SP. z o.o., holding 80% of the company share capital.
Aquisition of 70% of Fatra - Fábrica de Trefilaria de Angola, S.A.

### Companies consolidated for the first time

<b>Company Mother of the Group and Connected Activities</b>
MESP Central Europe Sp. z o. o. ("MESP Central Europe")
Pentele-Alisca Autópálya - Uzemleto Kft. ("Pentele-Alisca")
<b>Business Area - Engineering &amp; Construction</b>
Fibreglass Sundlete (Moc), Lda. ("Fibreglass")
Mota-Engil Brand Management B.V. ("Mota-Engil Brand Management")
Mota-Engil, Brands Development Limited ("Mota-Engil Brands Development")
Mota-Engil Central Europe Magyarország Kft. ("Mota-Engil Central Europe Magyarország")
Mota-Engil Central Europe Romania S.R.L. ("Mota-Engil Central Europe România")
Novicer-Cerâmicas de Angola, Lda. ("Novicer")
<b>Business Area - Environment &amp; Services</b>
HL - Sociedade Gestora do Edifício, S.A. ("HL - Sociedade Gestora do Edifício")
Sol-S Internacional, Tecnologias de Informação, S.A. ("Sol-S Internacional")
Transitex México, S.A. de C.V. ("Transitex México")

### Incorporation of companies:

<b>Company Mother of the Group and Connected Activities</b>
Mota-Engil Energia, S.A. ("Mota-Engil Energia")
Mota-Engil Indústria e Inovação, SGPS, S.A. ("Mota-Engil Indústria e Inovação")
<b>Business Area - Engineering &amp; Construction</b>
Mota-Engil África, SGPS, S.A. ("Mota-Engil África")
Mota-Engil Angola, S.A. ("Mota-Engil Angola")
Mota-Engil Lublin Sp. z o. o. ("Mota-Engil Lublin")
<b>Business Area - Environment &amp; Services</b>
Serurb Brasil Participações Ltda. ("Serurb Brasil")
Suma Brasil Participações Ltda. ("Suma Brasil")
Tergep, SGPS, S.A. ("Tergep")
Transitex do Brasil Serviços e Logística, Ltda. ("Transitex Brasil")

### Merger of companies:

Merger of the companies Norcargas - Cargas e Descargas, Lda., Operport - Sociedade Portuguesa de Operadores Portuários, Lda. e Tertir - Tráfego e Estiva, SGPS, Lda. in Tertir SGPS.
Corporate reorganization in Ascendi Group, passing the Group owing 60% share in Ascendi Group, SGPS, S.A.
Merger of Transportlixos - Transportes de Lixos, S.A. in Triu.

### Departure of companies:

Disposal of 50% share capital of Relevante Função - Gestão e Valorização de Resíduos, Lda.  
 Removal of Moravské Pozemní stavby, s.r.o. from the perimeter because started the process of dissolution  
 Disposal of 60% of share capital of Kozielska Sp. z o.o.  
 Removal of Conxalapa from the perimeter, because it's a Joint-Venture  
 Removal of Hifer Construcción Conservación y Servicios, S.A. from the perimeter because it's considered asset available for sale  
 Extinction of Lisprojecto - Consultoria e Soluções Informáticas, S.A.

### Alteration of the consolidation method:

#### Change in consolidation method of full consolidation method for equity method of the following companies In Ascendi Group:

Ascendi Group, SGPS, S.A. ("Ascendi Group SGPS")  
 Ascendi - Concessões de Transportes, SGPS, S.A. ("Ascendi SGPS")  
 Ascendi-Serv. Assessoria Gestão Operação, S.A. ("Ascendi SA")  
 Ascendi O&M, S.A. ("Ascendi O&M")

#### Change in consolidation method of proportional consolidation method for equity method of the following companies In the Business area of Engineering & Construction:

Cimertex & Companhia- Comércio Equip. e Ser. Técnicos, Lda. ("Cimertex & Companhia")  
 Cimertex Angola – Sociedade de Máquinas e Equipamentos, Lda. ("Cimertex Angola")  
 Construcciones Crespo, SA ("Crespo")  
 Constructora Autopista Perote Xalapa, S.A. de C.V. ("Constructora Perote Xapala")  
 Grossiman, S.L. ("Grossiman")  
 Hifer Construcción Conservación y Servicios, S.A. ("Hifer")  
 Icer – Indústria de Cerâmica, Lda. ("Icer")  
 M-Invest Slovakia Mierova , s.r.o. ("Mierova")  
 M-Invest Slovakia Trnavska, s.r.o. ("Trnavska")  
 Probigalp Ligantes Betuminosos, S.A. ("Probigalp")

#### Change in consolidation method of proportional consolidation method for equity method of the following companies In the Business area of Environment & Services:

Ambigere, S.A. ("Ambigere")  
 Chinalog - Serviços Logísticos e Consultoria, Lda. ("Chinalog")  
 Ibercargo Rail, S.A. ("Ibercargo")  
 Parquegil - Planeamento e Gestão de Estacionamento, S.A. ("Parquegil")  
 Sadoport - Terminal Marítimo do Sado, S.A. ("Sadoport")  
 SLPP - Serviços Logísticos de Portos Portugueses, S.A. ("SLPP")  
 Sociedade de Terminais de Moçambique, Lda ("STM")  
 TTRM, Transferência e Triagem de Resíduos da Madeira ACE ("TTRM")  
 Vista Energy Environment & Services ("Vista SA")

#### Change in consolidation method of proportional integration method for equity method of the following companies In Ascendi Group:

Ascendi Beiras Litoral e Alta - Auto-Estradas das Beiras Litoral e Alta, S.A. ("Ascendi Beiras Litoral e Alta")  
 Ascendi Costa de Prata – Auto-Estradas da Costa de Prata, S.A. ("Ascendi Costa de Prata")  
 Ascendi Douro - Estradas do Douro Interior, S.A. ("Ascendi Douro")  
 Ascendi Grande Lisboa - Auto-Estradas da Grande Lisboa, S.A. ("Ascendi Grande Lisboa")  
 Ascendi Grande Porto – Auto-Estradas do Grande Porto, S.A. ("Ascendi Grande Porto")  
 Ascendi Norte – Auto-Estradas do Norte, S.A. ("Ascendi Norte")  
 Ascendi Operadora BLA – Operação e Manutenção Rodoviária, S.A. ("Ascendi Operadora BLA")  
 Ascendi Operadora CP – Operação e Manutenção Rodoviária, S.A. ("Ascendi Operadora CP")  
 Ascendi Operadora DI - Operação e Manutenção Rodoviária, S.A. ("Ascendi Operadora DI")  
 Ascendi Operadora GL - Operação e Manutenção Rodoviária, S.A. ("Ascendi Operadora GL")  
 Ascendi Operadora GP – Operação e Manutenção Rodoviária, S.A. ("Ascendi Operadora GP")  
 Ascendi Operadora NT – Operação e Manutenção Rodoviária, S.A. ("Ascendi Operadora NT")  
 Concessionária Autopista Perote Xalapa, S.A. DE C.V. ("Concessionária Perote Xalapa")

#### Change in consolidation method of equity method for full consolidation method of the following companies In the Business area of Engineering & Construction:

Bergamon, A.S. ("Bergamon")

#### Change in consolidation method of equity method for full consolidation method of the following companies In the Business area of Environment & Services:

Vista Water, Lda. ("Vista Water")

## 37. Financial statements for the past 5 years

The main headings of the Group's consolidated financial statements for the past 5 years are as follows:

	2010	2009 restated	2008	2007	2006
<i>Sales and services rendered</i>	2,004,550,902	1,978,732,739	1,868,731,191	1,401,899,756	1,308,233,076
<i>EBITDA</i>	237,293,889	196,268,213	311,336,139	248,495,314	141,738,046
<i>EBIT</i>	131,746,011	112,493,490	192,740,342	148,186,387	84,193,679
<i>Financial profit / (loss)</i>	(50,927,593)	(47,835,971)	(129,759,258)	(107,453,070)	(36,156,993)
<i>Consolidated net profit / (loss) attributable to the group</i>					
to Non-Controlling interests	32,406,014	9,946,801	9,204,245	10,206,823	5,429,156
to the Group	36,950,674	72,612,478	30,565,438	97,538,375	32,205,403
	2010	2009 restated	2008	2007 reexpresso	2006
<i>Assets</i>					
<i>Non-current</i>	1,544,113,841	1,416,446,234	2,253,100,986	2,114,522,603	758,741,749
<i>Non-current available for sale</i>	67,807,496	29,043,672	29,043,672	-	-
<i>Current</i>	1,844,244,847	1,458,407,514	1,427,506,596	1,249,847,829	976,249,835
	3,456,166,184	2,903,897,420	3,709,651,254	3,364,370,432	1,734,991,584
<i>Liabilities</i>					
<i>Non-current</i>	1,049,494,243	878,822,935	1,934,379,034	1,906,922,121	609,415,337
<i>Current</i>	1,925,942,042	1,632,263,747	1,433,955,137	1,095,720,799	821,781,450
	2,975,436,285	2,511,086,682	3,368,334,171	3,002,642,920	1,431,196,787
<i>Equity capital</i>					
<i>Attributable to the Group</i>	411,707,342	342,609,114	289,021,913	315,347,369	282,946,007
<i>Attributable to Non-Controlling interests</i>	69,022,557	50,201,624	52,295,170	46,380,143	20,848,790
	480,729,899	392,810,738	341,317,083	361,727,512	303,794,797
	3,456,166,184	2,903,897,420	3,709,651,254	3,364,370,432	1,734,991,584

## 38. Notes to the Consolidated Cash-flow Statement

During the years ended December 31, 2010 & 2009, the breakdown of amounts paid in respect of the acquisition of financial investments is as follows:

	2010	2009 restated	2009
<i>Águas de S. João</i>	-	2,940,100	2,940,100
<i>Granting of supplementary capital</i>	-	-	8,093,501
<i>Capsfil</i>	-	8,267,000	8,267,000
<i>Ascendi Group</i>	-	-	32,311,909
<i>Geo Vision Group</i>	21,509,000	-	-
<i>Idinsa</i>	10,418,931	-	-
<i>Lusoponte</i>	-	-	85,793,160
<i>MK Contractors, LLC</i>	-	294,920	294,920
<i>Mota-Engil Central Europe Slovakia</i>	-	383,958	383,958
<i>Tertir</i>	-	1,902,817	1,902,817
<i>Transportlixos</i>	-	800,000	800,000
<i>Other</i>	1,515,241	1,658,082	1,658,082
	33,443,172	16,246,877	142,445,447

During the years ended December 31, 2010 & 2009, the breakdown of amounts received associated with the sale of financial investments is as follows:

	2010	2009 restated	2009
<i>Return of supplementary capital</i>	-	5,474,841	5,474,841
<i>Glantt</i>	370,000	3,310,370	3,310,370
<i>Hidrocontrato</i>	-	1,402,652	1,402,652
<i>Land &amp; buildings</i>	-	1,123,133	1,123,133
<i>Jász-Vasút</i>	1,159,000	-	-
<i>Other</i>	492,692	8,700	8,700
	2,021,692	11,319,695	11,319,695

### 39. Non-current assets held for sale

On December 31, 2010, the Group decided to classify under this heading a non-operational plot of land (belonging to the Environment & Services segment) the value of which will be recouped through its sale and not through ongoing use thereof.

Though it has not proved possible, in 2010, to undertake the disposal, the parties (buyer and seller) still intend to carry out the transaction, which is merely awaiting some legal and administrative procedures.

Additionally, given that the fair value of the land less the expected costs to be incurred with the sale is greater than its acquisition cost, the property is carried at cost.

### 40. Subsequent events

The main subsequent events occurring in 2010 up to the date of approval of the consolidated financial statements are summarised in Chapter 10 of the Management report ("Relevant facts after the end of the fiscal year"), which had no effect on the attached financial statements.

### 41. Approval of the financial statements

These financial statements were approved by the board of directors of the Group on March 14, 2011. However, they are still pending approval by the Annual General Meeting, although the Group's board of directors is of the conviction that they will be approved without alteration.





## Appendix A. Consolidated companies

Investments in subsidiaries included in consolidated financial statements

Investments in subsidiaries included in consolidated financial statements using the full consolidation method, their registered offices, the percentage of share capital held, their business, their constitution date, are as follows:

Company	Registered office	% owned	Activity	Establishment date	Acquisition date
<b>Company Mother of the Group and Connected Activities</b>					
Mota-Engil, SGPS, S.A., Sociedade Aberta ("Mota-Engil SGPS")	Portugal (Amarante)	-	Holding Company	Aug-90	-
Largo do Paço – Investimentos Turísticos e Imobiliários, Lda. ("Largo do Paço")	Portugal (Amarante)	100.00	Real-Estate	-	Oct-01
Through Mota-Engil SGPS		100.00			
MESP Central Europe Sp. z o. o. ("MESP Central Europe")	Poland (Kraków)	100.00	Administrative services	Dec-09	-
Through Mota-Engil Serviços Partilhados		100.00			
MESP - Mota Engil, Serviços Partilhados, Administrativos e de Gestão, S.A. ("Mota-Engil Serviços Partilhados")	Portugal (Amarante)	100.00	Administrative services	Dec-02	-
Through Mota-Engil SGPS		100.00			
Mota-Engil Brasil Participações, Ltda. ("Mota-Engil Brasil")	Brazil (São Paulo)	100.00	Holding Company	Feb-09	-
Through Mota-Engil SGPS		100.00			
Mota-Engil Energia, S.A. ("Mota-Engil Energia")	Portugal (Linda-a-Velha)	100.00	Production of electricity from hydro power	Jun-10	-
Through Mota-Engil SGPS		100.00			
Mota-Engil Indústria e Inovação, SGPS, S.A. ("Mota-Engil Indústria e Inovação")	Portugal (Linda-a-Velha)	100.00	Holding Company	Nov-10	-
Through Mota-Engil SGPS		100.00			
RTA - Rio Tâmega, Turismo e Recreio, S.A. ("RTA")	Portugal (Amarante)	100.00	Real-Estate and tourism	-	May-00
Through Mota-Engil SGPS		100.00			
SGA – Sociedade de Golfe de Amarante, S.A. ("SGA")	Portugal (Amarante)	97.17	Golf and related activities	Dec-00	-
Through RTA		96.89			
Through Mota-Engil Engenharia		0.28			
<b>Business Area - Engineering &amp; Construction</b>					
Mota-Engil Engenharia e Construção, S.A. ("Mota-Engil Engenharia")	Portugal (Amarante)	100.00	Civil construction and purchase and sale of properties	-	Dec-00
Through Mota-Engil SGPS		100.00			
Aurimove – Sociedade Imobiliária, S.A. ("Aurimove")	Portugal (Porto)	100.00	Real-Estate	Dec-93	-
Through Mota-Engil Real Estate Portugal		100.00			
Bergamon, A.S. ("Bergamon")	Slovakia (Bratislava)	100.00	Real-Estate	May-04	-
Through Mota-Engil Central Europe, SGPS		100.00			
Bicske Plaza Kft. ("Bicske Plaza")	Hungary (Budapest)	100.00	Real-Estate	Jan-08	-
Through Mota-Engil Central Europe, SGPS		100.00			
Bohdalecká Project Development s.r.o. ("Bohdalecká")	Czech Rep. (Prague)	100.00	Real-Estate	-	Sep-07
Through Mota-Engil Central Europe, SGPS		100.00			
Calçadas do Douro - Sociedade Imobiliária, Lda. ("Calçadas do Douro")	Portugal (Porto)	100.00	Real-Estate	-	Sep-00
Through Mota-Engil Real Estate Portugal		100.00			
Carlos Augusto Pinto dos Santos & Filhos S.A. ("Capsfil")	Portugal (Vila Flor)	100.00	Quarrying	Mar-77	Oct-09
Through Mota-Engil Engenharia		100.00			
Companhia Portuguesa de Trabalhos Portuários e Construções, S.A.	Portugal (Lisbon)	100.00	Port construction & works	-	Jul-02
Through Mota-Engil Engenharia		100.00			
Corgimobil - Empresa Imobiliária das Corgas, Lda. ("Corgimobil")	Portugal (Cascais)	97.25	Construction, studies and real-estates	-	Nov-00
Through Mota-Engil Engenharia		71.79			
Through Mota-Engil Real Estate Portugal		25.46			
Devonská Project Development A.S. ("Devonská")	Czech Rep. (Prague)	100.00	Real-Estate	Dec-06	-
Through Mota-Engil Central Europe, SGPS		100.00			
Dmowskiego Project Development ("Dmowskiego")	Poland (Kraków)	100.00	Real-Estate	Aug-07	-
Through Mota-Engil Central Europe, SGPS		100.00			
Edifício Mota Viso – Soc. Imobiliária, Lda. ("Mota Viso")	Portugal (Porto)	100.00	Real-Estate	Jun-94	-
Through Mota-Engil Real Estate Portugal		100.00			
Edipainel – Utilidades, Equipamentos e Investimentos Imobiliários, Lda. ("Edipainel")	Portugal (Porto)	100.00	Real-Estate	Mar-02	-
Through Mota-Engil Real Estate Portugal		70.00			
Through Mota-Engil Engenharia		30.00			
Emocil – Empresa Moçambicana de Construção Imobiliária ("Emocil")	Mozambique (Maputo)	75.00	Real-Estate	Jul-94	-
Through Mota-Engil Engenharia		50.00			
Through Indimo		25.00			
Fatra - Fábrica de Treflaria de Angola, S.A. ("Fatra")	Angola (Luanda)	70.00	Production of steel products	-	Nov-10
Through Mota Internacional		70.00			
Ferrovias e Construções, S.A. ("Ferrovias")	Portugal (Linda-a-Velha)	100.00	Railway construction and maintenance	Apr-88	Sep-94
Through Mota-Engil Engenharia		100.00			
Fibreglass Sundlete (Moç), Lda. ("Fibreglass")	Mozambique (Maputo)	100.00	Fiberglass production	Aug-62	Mar-99
Through Mota-Engil Engenharia		100.00			
Hungária Hotel Kft. Achat ("Hotel Achat Hungria")	Hungary (Budapest)	100.00	Promoção Imobiliária	Jun-08	-
Through Mota-Engil Central Europe, SGPS		100.00			
Jeremiasova Project Development, s.r.o. ("Jeremiasova")	Czech Rep. (Prague)	100.00	Real-Estate	Jun-08	Oct-09
Through Mota-Engil Central Europe, SGPS		99.00			
Through Mota-Engil Central Europe Czech Republic		1.00			
Kilaskiego Project Development Sp. z o.o. ("Kilín")	Poland (Kraków)	100.00	Real-Estate	Aug-07	-
Through Mota-Engil Central Europe, SGPS		100.00			
Kordylewskiego Project Development Sp. z o.o. ("Kord")	Poland (Kraków)	100.00	Real-Estate	Feb-05	-
Through Mota-Engil Central Europe, SGPS		100.00			
Metroepszolg, Zrt ("Metroepszolg")	Hungary (Budapest)	99.99	Civil constructions	Dec-00	-
Through Mota-Engil Magyarország		99.99			

Company	Registered office	% owned	Activity	Establishment date	Acquisition date
<b>Mil e Sessenta – Sociedade Imobiliária, Lda. ("Mil e Sessenta")</b>	Portugal (Porto)	100.00 100.00	Real-Estate	-	Jul-01
Through Mota-Engil Real Estate Portugal					
<b>M-Invest Bohdalec, A.S., v Ilkvidaci ("M-Invest Bohdalec")</b>	Czech Rep. (Prague)	100.00 100.00	Real-Estate	Sep-03	-
Through Mota-Engil Central Europe, SGPS					
<b>M-Invest Devonska, s.r.o. ("M-Invest Devonska")</b>	Czech Rep. (Prague)	100.00 100.00	Real-Estate	Nov-06	-
Through Mota-Engil Central Europe, SGPS					
<b>M-Invest Slovakia, s.r.o. ("M-Invest Slovakia")</b>	Slovakia (Bratislava)	100.00 100.00	Real-Estate	Jun-06	-
Through Mota-Engil Central Europe, SGPS					
<b>M-Invest, sro ("M-Invest")</b>	Rep. Checa (Praga)	100.00 100.00	Real-Estate	Mar-98	Dec-00
Through Mota-Engil Central Europe, SGPS					
<b>MK Contractors, LLC ("MKC")</b>	USA (Miami)	100.00 100.00	Real-Estate	Mar-02	-
Through Mota-Engil Engenharia					
<b>Mota Internacional – Comércio e Consultadoria Económica, Lda. ("Mota Internacional")</b>	Portugal (Funchal)	100.00	Trading and management of international investments	Sep-97	Dec-98
Through Mota-Engil África		100.00			
<b>Motadômus - Sociedade Imobiliária, Lda. ("Motadômus")</b>	Portugal (Porto)	100.00 95.00 5.00	Civil constructions	Jan-97	Jan-01
Through Aurimove					
Through Mota-Engil Real Estate Portugal					
<b>Mota-Engil África, SGPS, S.A. ("Mota-Engil África")</b>	Portugal (Porto)	100.00 100.00	Holding company	May-10	-
Through Mota-Engil Engenharia					
<b>Mota-Engil Angola, S.A. ("Mota-Engil Angola")</b>	Angola (Luanda)	51.00 51.00	Civil constructions	May-10	-
Through Mota-Engil Internacional					
<b>Mota-Engil Betão e Pré-Fabricados, Sociedade Unipessoal, Lda. ("Mota-Engil Betão e Pré-Fabricados")</b>	Portugal (Porto Alto)	100.00	Manufacture and marketing of concrete, cement and bituminous	Jul-96	-
Through Mota-Engil Engenharia		100.00			
<b>Mota-Engil Brand Management B.V. ("Mota-Engil Brand Management")</b>	Holand (Amsterdam)	100.00 100.00	Brand management and other intellectual property	Dec-09	-
Through Mota-Engil Central Europe, SGPS					
<b>Mota-Engil, Brands Development Limited ("Mota-Engil Brands")</b>	Ireland (Dublin)	100.00 100.00	Brand management and other intellectual property	Dec-09	-
Through Mota-Engil Central Europe, SGPS					
<b>Mota-Engil Central Europe, SGPS, S.A. ("Mota-Engil Central Europe")</b>	Portugal (Porto)	100.00 100.00	Holding company	Dec-02	-
Through Mota-Engil Engenharia					
<b>Mota-Engil Central Europe, S.A. ("Mota-Engil Central Europe Polónia")</b>	Poland (Kraków)	100.00 49.60 40.21 10.19	Civil constructions	Feb-53	Mar-99
Through Mota-Engil Central Europe, SGPS					
Through Tabella					
Through Mota-Engil Real Estate Management					
<b>Mota-Engil Central Europe Ceska Republika ("Mota-Engil Central Europe Republika Checa")</b>	Czech Rep. (Prague)	100.00 100.00	Civil constructions	Jan-97	-
Through Mota-Engil Central Europe Poland					
<b>Mota-Engil Central Europe Magyarország Kft. ("Mota-Engil Central Europe Magyarország")</b>	Hungary (Budapest)	100.00 100.00	Civil constructions	Feb-08	-
Through Mota-Engil Central Europe Poland					
<b>Mota-Engil Central Europe Romania S.R.L. ("Mota-Engil Central Europe România")</b>	Romania (Bucarest)	100.00 100.00	Road construction	Jul-09	-
Through Mota-Engil Central Europe Poland					
<b>Mota-Engil Central Europe Slovenská Republika ("Mota-Engil Central Europe Slovenská")</b>	Slovakia (Bratislava)	100.00 100.00	Civil constructions	Aug-04	-
Through Mota-Engil Central Europe Poland					
<b>Mota-Engil Lublin Sp. z o. o. ("Mota-Engil Lublin")</b>	Poland (Kraków)	100.00 100.00	Road construction	Jan-10	-
Through Mota-Engil Central Europe Poland					
<b>Mota-Engil Magyarország Zrt. ("Mota-Engil Magyarország")</b>	Hungary (Budapest)	100.00 100.00	Civil constructions	Jan-96	-
Through Mota-Engil Engenharia					
<b>Mota-Engil Investiții AV s.r.l. ("Mota-Engil Investiții")</b>	Romania (Bucarest)	100.00 100.00	Real-Estate	-	Sep-07
Through Mota-Engil Central Europe, SGPS					
<b>Mota-Engil Ireland Construction Limited ("Mota-Engil Irlanda")</b>	Ireland (Ballinasloe)	60.00 60.00	Civil constructions	Oct-07	-
Through Mota-Engil Engenharia					
<b>Mota-Engil Kruszwia S.A. ("Mota-Engil Kruszwia")</b>	Poland (Kraków)	100.00 100.00	Real-Estate	Apr-08	-
Through Mota-Engil Central Europe Poland					
<b>Mota-Engil Pavimentações, S.A. ("Mota-Engil Pavimentações")</b>	Portugal (Amarante)	100.00 100.00	Civil constructions	Jan-86	-
Through Mota-Engil Engenharia					
<b>Mota-Engil Peru, S.A. ("Mota-Engil Peru")</b>	Peru (Lima)	100.00 99.90 0.10	Construction industry and complementary activities	Sep-86	Jun-98
Through Mota-Engil Internacional					
Through Mota-Engil Engenharia					
<b>Mota-Engil Project 1 Kft. ("GOD")</b>	Hungary (Budapest)	100.00 100.00	Civil construction	Oct-05	-
Through Mota-Engil Real Estate Hungary					
<b>Mota-Engil Property Investments Sp. z o.o. ("Mota-Engil Property")</b>	Poland (Kraków)	100.00 100.00	Real-Estate	-	Sep-07
Through Mota-Engil Central Europe, SGPS					
<b>Mota-Engil Real Estate Hungary Kft ("Mota-Engil Real Estate Hungary")</b>	Hungary (Budapest)	100.00 100.00	Real-Estate	Jul-05	-
Through Mota-Engil Central Europe, SGPS					
<b>Mota-Engil Real Estate Management ("Mota-Engil Real Estate")</b>	Poland (Kraków)	100.00 100.00	Real-Estate	Jun-05	-
Through Mota-Engil Central Europe, SGPS					
<b>Mota-Engil Real Estate Portugal, S.A. ("Mota-Engil Real Estate Portugal")</b>	Portugal (Porto)	100.00 100.00	Real-Estate	Sep-01	-
Through Mota-Engil Engenharia					
<b>Mota-Engil S.Tomé e Príncipe ("Mota-Engil S.Tomé")</b>	S. Tomé and Príncipe (S. Tomé)	100.00 95.00 5.00	Civil construction	Dec-04	-
Through Mota-Engil Internacional					
Through Mota-Engil Engenharia					
<b>Nortedômus, Lda. ("Nortedômus")</b>	Portugal (Lisbon)	100.00 100.00	Real-Estate	-	Oct-01
Through Mota-Engil Engenharia					
<b>Piastowska Project Development Sp. z o.o. ("Piastowska")</b>	Poland (Kraków)	100.00 100.00	Civil construction	Apr-06	-
Through Mota-Engil Central Europe, SGPS					
<b>Planinova – Sociedade Imobiliária, S.A. ("Planinova")</b>	Portugal (Porto)	100.00 100.00	Real-Estate	Dec-00	-
Through Mota-Engil Real Estate Portugal					
<b>Prefal – Préfabricados de Luanda, Lda. ("Prefal")</b>	Angola (Luanda)	90.00 70.00 20.00	Pre-stressed concrete manufacture	Dec-93	-
Through Mota-Engil Betão e Pré-Fabricados					
<b>Przedsiębiorstwo Robót Drogowo - Mostowych w Lublinie Sp z o.o. ("PRD-M Lublin")</b>	Poland (Lublin)	99.90 99.90	Road construction	Apr-99	Jun-10
Through Mota-Engil Lublin					

Company	Registered office	% owned	Activity	Establishment date	Acquisition date
<b>Realmota, sro ("Realmota")</b> Through Mota-Engil Central Europe, SGPS	Czech Rep. (Prague)	<b>100.00</b> 100.00	Real-Estate	Jun-98	Dec-00
<b>Rentaco - Equipamentos de Construção, Transportes, Combustíveis e Serviços, Sociedade Unipessoal, Lda. ("Rentaco")</b> Through Mota-Engil Engenharia	Portugal (Porto Alto)	<b>100.00</b> 100.00	Hiring out construction equipment	Sep-89	Jul-96
<b>Rentaco Angola ("Rentaco Angola")</b> Through Mota Internacional Through Emasa	Angola (Luanda)	<b>99.99</b> 97.50 2.49	Hiring out construction equipment	Jan-08	-
<b>Sedengil – Sociedade Imobiliária, Lda. ("Sedengil")</b> Through Mota-Engil Engenharia	Portugal (Matosinhos)	<b>100.00</b> 100.00	Real-Estate	Oct-82	Mai-95 / Mai-97
<b>Steinerova Project Development A.S. ("Steinerova")</b> Through Mota-Engil Central Europe, SGPS	Czech Rep. (Prague)	<b>100.00</b> 100.00	Real-Estate	Feb-04	-
<b>Tabella Holding, BV ("Tabella")</b> Through Mota-Engil Central Europe, SGPS	Holand (Amsterdam)	<b>100.00</b> 100.00	Holding Company	Nov-98	-
<b>Tecnocarril – Sociedade de Serviços Industriais e Ferroviários, Lda. ("Tecnocarril")</b> Through Ferrovias Through Mota-Engil Engenharia	Portugal (Entroncamento)	<b>100.00</b> 85.00 15.00	Treatment of timber for railway use	Jan-94	Sep-94
<b>Tetenyl Project Development Kft ("Tetenyl")</b> Through Mota-Engil Central Europe, SGPS	Hungary (Budapest)	<b>100.00</b> 100.00	Real-Estate	Jan-05	-
<b>Tracevia – Sinalização, Segurança e Gestão de Tráfego, Lda. ("Tracevia")</b> Through Mota-Engil Engenharia	Portugal (Sintra)	<b>100.00</b> 100.00	Highway marking and traffic management	Jun-80	Oct-84
<b>Tracevia Angola - Sinalização, Segurança e Gestão de Tráfego, Lda. ("Tracevia Angola")</b> Through Mota Internacional	Angola (Luanda)	<b>80.00</b> 80.00	Highway marking	-	Sep-07
<b>Traversofer - Industrie et Services Ferroviaires SARL ("Traversofer")</b> Through Ferrovias	Argélia (Argel)	<b>50.00</b> 50.00	Railway construction and maintenance	Dec-07	-
<b>Wilanow Project Development SP. z.o.o. ("Wilanow")</b> Through Mota-Engil Central Europe, SGPS	Poland (Kraków)	<b>80.00</b> 80.00	Real-Estate	Jun-07	-
<b>Wilenska Project Development Sp. z.o.o. ("Wilenska")</b> Through Mota-Engil Central Europe, SGPS	Poland (Kraków)	<b>100.00</b> 100.00	Real-Estate	Jan-05	-
<b>Zöld-Project 2 Kft. ("GOD 2")</b> Through Mota-Engil Central Europe, SGPS	Hungary (Budapest)	<b>100.00</b> 100.00	Civil construction	Jun-08	-
<b>Zsombor Utcai Kft. ("Zsombor")</b> Through Mota-Engil Central Europe, SGPS	Hungary (Budapest)	<b>100.00</b> 100.00	Real-Estate	Jun-07	-
<b>Business Area - Environment &amp; Services</b>					
<b>Mota-Engil, Ambiente e Serviços, SGPS, S.A. ("Mota-Engil Ambiente e Serviços")</b> Through Mota-Engil SGPS	Portugal (Porto)	<b>100.00</b> 100.00	Holding company	Jun-97	-
<b>Áreagolfe - Gestão, Construção e Manutenção de Campos de Golf, S.A. ("Áreagolfe")</b> Through Vibeliras	Portugal (Torres Novas)	<b>52.21</b> 52.21	Golf courses	-	Jul-07
<b>Aqualevel - Gestão de Sistemas de Informação, Soc. Unipessoal, Lda. ("Aqualevel")</b> Through Indaqua	Portugal (Covilhã)	<b>50.06</b> 50.06	Operation and management of water systems and sanitation	-	May-09
<b>Belratir - Terminais da Covilhã, Lda. ("Belratir")</b> Through Tertir	Portugal (Covilhã)	<b>98.88</b> 98.88	Terminal exploitation	Dec-87	Oct-06
<b>Citrave - Centro Integrado de Resíduos de Aveiro, S.A. ("Citrave")</b> Through Suma Through Novaflex	Portugal	<b>46.13</b> 44.90 0.62	Collection of non-hazardous waste	Dec-87	Oct-06
<b>Correia &amp; Correia, Lda. ("Correia &amp; Correia")</b> Through Enviroll	(Lisbon) Portugal (Serta)	<b>45.45</b> 45.45	Marketing and collection of used oil	Sep-88	Feb-00
<b>E.A. Moreira - Agentes de Navegação, S.A. ("E.A. Moreira")</b> Through Tertir	Portugal (Matosinhos)	<b>98.88</b> 98.88	Navigation agents	Oct-45	Oct-06
<b>Ekosrodowisko Spółka z.o.o. ("Ekosrodowisko")</b> Through MES	Poland (Bytom)	<b>61.50</b> 61.50	Refuse treatment	Feb-05	Dec-05
<b>EMSA – Empreendimentos e Exploração de Estacionamento, S.A.</b> Through Mota-Engil Ambiente e Serviços	Portugal (Cascais)	<b>100.00</b> 100.00	Car parking exploration	Dec-00	-
<b>Enviroll – Resíduos e Energia, Lda. ("Enviroll")</b> Through Suma	Portugal (Torres Novas)	<b>45.45</b> 45.45	Refuse treatment of non-metallic items	Nov-97	-
<b>Glan Agua, Ltd ("Glanagua")</b> Through MEIS	Ireland (Ballinasloe)	<b>70.00</b> 70.00	Refuse treatment, management and exploration of water and sanitation	Jan-08	-
<b>GT - Investimentos Internacionais SGPS, SA ("GT SGPS")</b> Through Tertir SGPS	Portugal (Porto)	<b>98.88</b> 98.88	Holding company	Oct-06	-
<b>Indaqua – Indústria e Gestão de Águas, S.A. ("Indaqua")</b> Through Mota-Engil Ambiente e Serviços Through MEAS II	Portugal (Matosinhos)	<b>50.06</b> 50.05 0.01	Management and exploration of water and sanitation systems	Jun-94	-
<b>Indaqua Fafe – Gestão de Águas de Fafe, S.A. ("Indaqua Fafe")</b> Through Indaqua	Portugal (Fafe)	<b>50.06</b> 50.06	Management and exploration of water and sanitation systems	Dec-95	-
<b>Indaqua Feira - Indústria de Águas de Santa Maria da Feira, S.A. ("Indaqua Feira")</b> Through Indaqua Through Mota-Engil Engenharia	Portugal (Sta. Maria da Feira)	<b>50.06</b> 49.06 1.00	Management and exploration of water and sanitation systems	Mar-99	-
<b>Indaqua Matosinhos - Gestão de Águas de Matosinhos, S.A. ("Indaqua Matosinhos")</b> Through Indaqua Through Mota-Engil Engenharia	Portugal (Matosinhos)	<b>49.81</b> 48.81 1.00	Management and exploration of water and sanitation systems	Jun-07	-
<b>Indaqua Santo Tirso – Gestão de Águas de Santo Tirso, S.A. ("Indaqua Sto. Tirso")</b> Through Indaqua	Portugal (Santo Tirso)	<b>50.06</b> 50.06	Management and exploration of water and sanitation systems	Dec-98	-
<b>Indaqua Vila do Conde - Gestão de Águas de Vila do Conde, S.A. ("Indaqua Conde")</b> Through Indaqua Through Mota-Engil Engenharia	Portugal (Vila do Conde)	<b>49.92</b> 49.06 0.86	Water distribution	Dec-07	-

Company	Registered office	% owned	Activity	Establishment date	Acquisition date
<b>InvestAmbiente - Recolha de Resíduos e Gestão de Sistemas de Saneamento Básico, S.A. ("InvestAmbiente")</b> Through Novaflex	Portugal (Lisbon)	<b>31.98</b> 31.98	Collection of non-dangerous waste	Feb-00	Dec-07
<b>Liscont - Operadores de Contentores, S.A. ("Liscont")</b> Through Tertir SGPS Through Multiterminal	Portugal (Lisbon)	<b>82.01</b> 51.11 30.90	Container operators	Nov-83	Oct-06
<b>Lokemark - Soluções de Marketing ("Lokemark")</b> Through Mota-Engil Ambiente e Serviços	Portugal (Setúbal)	<b>70.00</b> 70.00	Other Activities in Support and Services	Jun-03	Sep-07
<b>Manvia - Manutenção e Exploração de Instalações e Construção, S.A. ("Manvia")</b> Through Mota-Engil Ambiente e Serviços	Portugal (Lisbon)	<b>90.00</b> 90.00	Installation maintenance and operations	Jul-94	Jun-98
<b>Mota-Engil II, Gestão, Ambiente, Energia e Concessões de Serviços, S.A. ("MEAS II")</b> Through Mota-Engil Ambiente e Serviços	Portugal (Porto)	<b>100.00</b> 100.00	Project management	Dec-03	-
<b>Mota-Engil Ireland Services Ltd. ("MEIS")</b> Through Mota-Engil Ambiente e Serviços	Ireland (Ballinasloe)	<b>70.00</b> 70.00	Refuse treatment, management and exploration of water	Jan-08	-
<b>Mota-Engil Srodowski, Sp. z o.o. ("MES")</b> Through Suma	Poland (Kraków)	<b>61.50</b> 61.50	Collection of Municipal Solid Waste	Dec-05	-
<b>Multiterminal - Soc. De Estiva e Tráfego, S.A. ("Multiterminal")</b> Through Tertir	Portugal (Lisbon)	<b>98.88</b> 98.88	Terminal exploitation	May-79	Oct-06
<b>Nova Belra - Gestão de Resíduos, S.A. ("Nova Belra")</b> Through Novaflex Through Investambiente	Portugal (Lisbon)	<b>30.85</b> 20.30 10.55	Industrial refuse treatment and disposal	-	Dec-07
<b>Novaflex - Técnicas do Ambiente, S.A. ("Novaflex")</b> Through Suma	Portugal (Lisboa)	<b>61.50</b> 61.50	Collection of other non-dangerous waste	-	Dec-07
<b>Proempar - Promoção e Gestão de Parques Empresariais e Tecnológicos, S.A. ("Proempar")</b> Through Mota-Engil Ambiente e Serviços Through Mota-Engil Engenharia	Portugal (Porto)	<b>52.00</b> 26.00 26.00	Management of technological parks	Oct-06	-
<b>PTT - Parque Tecnológico do Tâmega ("PTT")</b> Through Proempar Through Mota-Engil Ambiente e Serviços Through Mota-Engil Engenharia	Portugal (Felgueiras)	<b>51.20</b> 31.20 10.00 10.00	Management of technological parks	Dec-06	-
<b>Real Verde - Técnicas de Ambiente, S.A. ("Real Verde")</b> Through Novaflex	Portugal (Vila Real)	<b>58.43</b> 58.43	Industrial refuse treatment and disposal	Dec-07	-
<b>Resiges - Gestão de Resíduos Hospitalares, Lda. ("Resiges")</b> Through Novaflex	Portugal (Setúbal)	<b>30.75</b> 30.75	Collection of dangerous waste	May-98	Dec-07
<b>Resilei - Tratamento de Resíduos Industriais, Lda ("Resilei")</b> Through Suma	Portugal (Leiria)	<b>30.75</b> 30.75	Industrial refuse treatment and disposal	-	Jun-03
<b>Rima - Resíduos Industriais e Meio Ambiente, S.A. ("Rima")</b> Through Suma	Portugal (Silvares)	<b>59.12</b> 59.12	Industrial refuse treatment and disposal	Aug-01	-
<b>Sadomar - Ag. de Naveg. e Trânsitos, S.A. ("Sadomar")</b> Through Tertir	Portugal (Lisbon)	<b>98.88</b> 98.88	Navigation agents	-	Oct-06
<b>Sealline - Navegação e Afretamentos ("Sealline")</b> Through Socarpor SGPS Through Socarpor Aveiro	Portugal (Aveiro)	<b>60.14</b> 50.54 9.60	Navigation agents	-	Oct-06
<b>Serurb Brasil Participações Ltda. ("Serurb Brasil")</b> Through Sol-S Internacional	Brazil (São Paulo)	<b>61.50</b> 61.50	Holding company	Jun-10	-
<b>SIGA - Serviço Integrado Gestão Ambiental ("Sigla")</b> Through Suma	Portugal (S. Roque)	<b>43.05</b> 43.05	Industrial refuse treatment and disposal	Oct-08	-
<b>Socarpor - Soc. Cargas Port. (Aveiro), S.A. ("Socarpor Aveiro")</b> Through Socarpor SGPS Through Tertir SGPS	Portugal (Aveiro)	<b>63.98</b> 52.37 11.61	Port services	-	Oct-06
<b>Socarpor - Soc. Gestora de Participações Sociais (Douro e Leixões), S.A. ("Socarpor SGPS")</b> Through Tertir SGPS	Portugal (Matosinhos)	<b>59.46</b> 59.46	Holding company	-	Oct-06
<b>Sol-S Internacional, Tecnologias de Informação, S.A. ("Sol-S")</b> Through Suma	Portugal (Funchal)	<b>61.50</b> 61.50	IT services	Jun-00	-
<b>Sonauta - Sociedade de Navegação, Lda. ("Sonauta")</b> Through Mota Internacional	Angola (Luanda)	<b>100.00</b> 100.00	Sea Transportation	Nov-94	-
<b>Sotagus - Terminal de Contentores de Santa Apolónia, S.A. ("Sotagus")</b> Through Tertir SGPS	Portugal (Lisbon)	<b>98.88</b> 98.88	Containers terminal	-	Oct-06
<b>SRI - Gestão de Resíduos, Lda ("SRI")</b> Through Correia & Correia	Portugal (Sertão)	<b>45.45</b> 45.45	Collection of dangerous waste	Jul-08	-
<b>Suma Brasil Participações Ltda. ("Suma Brasil")</b> Through Suma	Brazil (São Paulo)	<b>61.50</b> 61.50	Holding company	Feb-10	-
<b>Suma (Douro) - Serviços Urbanos e Meio Ambiente, Lda. ("Suma Douro")</b> Through Suma	Portugal (Murça)	<b>61.50</b> 61.50	Collection of Municipal Solid Waste	Jul-00	-
<b>Suma (Espesinde) - Serviços Urbanos e Meio Ambiente, Lda. ("Suma Espesinde")</b> Through Suma	Portugal (Espesinde)	<b>61.50</b> 61.50	Collection of Municipal Solid Waste	Dec-99	-
<b>Suma (Matosinhos) - Serviços Urbanos e Meio Ambiente, S.A. ("Suma Matosinhos")</b> Through Suma	Portugal (Matosinhos)	<b>61.50</b> 61.50	Collection of Municipal Solid Waste	Dec-00	-
<b>Suma (Porto) - Serviços Urbanos e Meio Ambiente, S.A. ("Suma Porto")</b> Through Suma	Portugal (Porto)	<b>61.50</b> 61.50	Collection of Municipal Solid Waste	Nov-08	-
<b>Suma - Serviços Urbanos e Meio Ambiente, S.A. ("Suma")</b> Through Mota-Engil Ambiente e Serviços	Portugal (Lisbon)	<b>61.50</b> 61.50	Collection of Municipal Solid Waste	Jun-94	-
<b>Takargo-Transporte de Mercadorias, S.A. ("Takargo")</b> Through Tertir SGPS Through Ferrovias	Portugal (Linda-a-Velha)	<b>99.21</b> 69.21 30.00	Rail transport of goods	Sep-06	-
<b>TCL - Terminal de Contentores de Leixões, S.A. ("TCL")</b> Through Tertir SGPS Through Socarpor SGPS	Portugal (Matosinhos)	<b>54.50</b> 30.85 23.65	Port services	Jan-96	-
<b>Tergep, SGPS, S.A. ("Tergep")</b> Through Mota-Engil Ambiente e Serviços	Portugal (Linda-a-Velha)	<b>100.00</b> 100.00	Holding company	Aug-10	-
<b>Terminais Portuários Euroandinos ("TPE Palta")</b> Through Tertir Through Mota-Engil Peru	Peru (Paíta)	<b>49.55</b> 39.55 10.00	Port services	-	-

Company	Registered office	% owned	Activity	Establishment date	Acquisition date
<b>Temor - Sociedade de Exploração de Terminais, S.A. ("Temor")</b> Through Mota-Engil Ambiente e Serviços Through Tertir	Portugal (Matosinhos)	<b>98.00</b> 94.16 3.84	Terminal exploitation	Feb-74	Oct-06
<b>Tertir - Concessões Portuárias, SGPS, S.A. ("Tertir SGPS")</b> Through Tertir Through Sadomar Through Multiterminal Through E.A. Moreira	Portugal (Lisboa)  (Lisbon)	<b>98.88</b> 49.37 26.67 17.34 5.50	Holding company	Oct-07	-
<b>Tertir - Terminais de Portugal, S.A. ("Tertir")</b> Through Mota-Engil Ambiente e Serviços Through Temor Through Liscont	Portugal  (Lisbon)	<b>98.88</b> 64.67 32.07 2.14	Terminal exploitation	-	Oct-06
<b>Transitex do Brasil Serviços e Logística, Ltda. ("Transitex Brasil")</b> Through Transitex Spain Through Transitex Portugal	Brazil  (São Paulo)	<b>84.04</b> 83.20 0.84	Freight operator	May-10	-
<b>Transitex México, S.A. de C.V. ("Transitex México")</b> Through Transitex Spain	Mexico (Mexico DF)	<b>84.04</b> 84.04	Freight operator	Feb-09	-
<b>Transitex Moçambique, Lda ("Transitex Moçambique")</b> Through Transitex Portugal Through GT SGPS	Mozambique  (Maputo)	<b>84.04</b> 79.84 4.20	Container operators	Nov-08	-
<b>Transitex - Trânsitos de Extremadura, S.A. ("Transitex Portugal")</b> Through Transitex Spain	Portugal (Lisbon)	<b>84.04</b> 84.04	Freight operator	May-08	-
<b>Transitex - Trânsitos de Extremadura, S.L. ("Transitex Espanha")</b> Through Tertir SGPS	Spain (Badajoz)	<b>84.04</b> 84.04	Container operators	Nov-02	-
<b>Transitos de Extremadura S.L. Transitex Lietuvos filialas ("Transitex Lietuânia")</b> Through Transitex Spain	Spain (Badajoz)	<b>84.04</b> 84.04	Container operators	Apr-08	-
<b>Tratofoz - Sociedade de Tratamento de Resíduos, S.A. ("Tratofoz")</b> Through Mota-Engil Ambiente e Serviços Through Suma	Portugal  (Madeira)	<b>99.62</b> 99.00 0.62	Collection of Municipal Solid Waste	Oct-02	-
<b>Trlu - Técnicas de Resíduos Industriais e Urbanos, S.A. ("Trlu")</b> Through Suma	Portugal (Prior Velho)	<b>61.50</b> 61.50	Collection of non-hazardous waste	Apr-91	Sep-08
<b>VBT - Projectos e Obras de Arquitectura Paisagística, Lda ("VBT")</b> Through Mota-Engil Ambiente e Serviços Through Vibeiras	Angola  (Luanda)	<b>43.34</b> 10.00 33.34	Activities Planting and Garden Maintenance	Sep-08	-
<b>Vibeiras - Sociedade Comercial de Plantas, S.A. ("Vibeiras")</b> Through Mota-Engil Ambiente e Serviços	Portugal (Torres Novas)	<b>66.67</b> 66.67	Activities Planting and Garden Maintenance	Jul-88	Oct-98
<b>Vista Waste Management, Lda ("Vista Waste")</b> Through Suma Through Vista SA	Angola  (Luanda)	<b>50.64</b> 30.14 20.50	Collection of Solid Waste	Dec-09	-
<b>Vista Water, Lda. ("Vista Water")</b> Through Indaqua Through Vista SA	Angola  (Luanda)	<b>43.78</b> 22.53 21.25	Management and exploration of water and sanitation systems	May-09	-

## Investments in associates using equity method

Group and associate companies included in the consolidation using the equity method, their registered offices and proportion of share capital held as at December 21, 2010, are as follows:

Company	Registered office	% owned
<b>Company Mother of the Group and Connected Activities</b>		
Pentele-Alisca Autópálya - Üzemeltető Kft. ("Pentele-Alisca")	Hungary	45.00
<b>Business Area - Engineering &amp; Construction</b>		
Asinter - Comércio Internacional, Lda. ("Asinter")	Portugal	30.00
Auto Sueco Angola, S.A. ("Auto Sueco Angola")	Angola	25.50
Bay 6.3 Kft. ("Bay 6.3")	Hungary	29.70
Bay Office Kft. ("Bay Office")	Hungary	29.70
Bay Park Kft. ("Bay Park")	Hungary	29.70
Bay Tower Kft. ("Bay Tower")	Hungary	29.70
Bay Wellness Kft. ("Bay Wellness")	Hungary	29.70
Berd - Projecto Investigação e Engenharia de Pontes, SA ("Berd")	Portugal	24.79
Cimertex & Companhia- Comércio Equip. e Ser. Técnicos, Lda. ("Cimertex & Companhia")	Portugal	50.00
Cimertex Angola - Sociedade de Máquinas e Equipamentos, Lda. ("Cimertex Angola")	Angola	50.00
Construcciones Crespo, SA ("Crespo")	Spain	50.00
Engber Kft. ("Engber")	Hungary	29.70
Grossiman, S.L. ("Grossiman")	Spain	50.00
Icer - Indústria de Cerâmica, Lda. ("Icer")	Angola	50.00
Mamaia Investments, SRL ("Mamaia")	Romania	24.00
M-Invest Slovakia Mierova, s.r.o. ("Mierova")	Slovakia	50.00
M-Invest Slovakia Trnavska, s.r.o. ("Trnavska")	Slovakia	50.00
Nádor Obol Kft. ("Nádor Obol")	Hungary	29.70
Novicer-Cerâmicas de Angola, Lda. ("Novicer")	Angola	40.00
Obol Invest Kft. ("Obol Invest")	Hungary	30.00
Obol XI Kft. ("Obol XI")	Hungary	29.70



Company	Registered office	% owned
Probigalp Ligantes Betuminosos, S.A. ("Probigalp")	Portugal	40.00
Sampaio Kft. ("Sampaio")	Hungary	29.70
Sołtysowska Project Development Sp. z o.o. ("Sołtysowska")	Poland	34.00
Turalgo-Sociedade de Promoção Imobiliária e Turística do Algarve, S.A. ("Turalgo")	Portugal	51.00
<b>Business Area - Environment &amp; Services</b>		
Ambigere, S.A. ("Ambigere")	Portugal	30.75
Ambilital - Investimentos Ambientais no Alentejo, EIM. ("Ambilital")	Portugal	30.14
CGR Catanduva - Centro de Gerenciamento de Resíduos, Ltda. ("CGR Catanduva")	Brazil	15.38
CGR Guataparã - Centro de Gerenciamento de Resíduos, Ltda. ("CGR Guataparã")	Brazil	15.38
CGR Jardinópolis - Centro de Gerenciamento de Resíduos, Ltda. ("CGR Jardinópolis")	Brazil	15.38
CGR Participações S.A. ("CGR Participações")	Brazil	30.44
Chinalog - Serviços Logísticos e Consultadoria, Lda. ("Chinalog")	Portugal	49.44
Citrup - Centro Integrado de Resíduos, Lda. ("Citrup")	Portugal	18.45
Ecoleziría - Empresa Intermunicipal para o Tratamento de Resíduos Sólidos, E. I. M. ("Ecoleziría")	Portugal	15.07
Geo Vision, Soluções Ambientais e Energia, S.A. ("Geo Vision")	Brazil	30.75
Haçor, Conc. Edifício do hospital da ilha terceira, SA ("Haçor")	Portugal	40.00
HL - Sociedade Gestora do Edifício, S.A. ("HL - Sociedade Gestora do Edifício")	Portugal	50.00
Ibercarga Rail, S.A. ("Ibercarga")	Spain	49.61
Leão Ambiental, S.A. ("Leão Ambiental")	Brazil	30.44
Logz - Atlantic Hub, S.A. ("Logz")	Portugal	34.61
Luma - Limpeza Urbana e Meio Ambiente, Ltda. ("Luma")	Brazil	30.44
NGA Jardinópolis - Núcleo de Gerenciamento Ambiental, Ltda. ("NGA Jardinópolis")	Brazil	30.45
NGA - Núcleo de Gerenciamento Ambiental, Ltda. ("NGA")	Brazil	30.44
NGA Ribeirão Preto - Núcleo de Gerenciamento Ambiental, Ltda. ("NGA Ribeirão Preto")	Brazil	30.45
Parquegil - Planeamento e Gestão de Estacionamento, S.A. ("Parquegil")	Portugal	50.00
Sadoport - Terminal Marítimo do Sado, S.A. ("Sadoport")	Portugal	49.44
SLPP - Serviços Logísticos de Portos Portugueses, S.A. ("SLPP")	Portugal	49.44
Sociedade de Terminais de Moçambique, Lda ("STM")	Mozambique	49.44
Tersado - Terminais Portuários do Sado, S.A. ("Tersado")	Portugal	24.72
TTRM, Transferência e Triagem de Resíduos da Madeira ACE ("TTRM")	Portugal	15.38
Vista Energy Environment & Services ("Vista SA")	Angola	50.00
Vortal - Comércio Electrónico, Consultadoria e Multimédia, S.A. ("Vortal")	Portugal	24.98
<b>Ascendi Group</b>	<b>Portugal</b>	<b>60.00</b>
<b>Martifer Group</b>	<b>Portugal</b>	<b>37.50</b>



CONSOLIDATED  
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2010

### 3. REPORT ON CORPORATE GOVERNANCE PRACTICES





## 0. Statement of Compliance

**0.1** This report complies with the draft set out in the annex of CMVM Regulation 1/2010, and has as its reference the 2010 Code of Corporate Governance published by the CMVM at its site [www.cmvm.pt](http://www.cmvm.pt).

**0.2** Detailed indication of the recommendations included in the CMVM Code of Corporate Governance adopted and not adopted by Mota-Engil, SGPS, SA:

Recommendation/ Chapter	Compliance	Report
<b>I. GENERAL MEETING</b>		
<b>I.1 BOARD OF THE GENERAL MEETING</b>		
<b>I.1.1</b> The chairman of the board of the general meeting shall be provided with the human and logistic support resources appropriate to its needs, taking the company's economic situation into account.	Complied	I.1
<b>I.1.2</b> The remuneration of the chairman of the board of the general meeting shall be disclosed in the company's annual corporate governance report.	Complied	I.3
<b>I.2 PARTICIPATION IN THE MEETING</b>		
<b>I.2.1</b> The period imposed for reception, by the board, of the declarations of deposit or blockage of shares to take part in general meetings must be no greater than five days.	Not applicable	I.4
<b>I.2.2</b> In the event of suspension of the general meeting the company shall not impose blockage during the whole period till the meeting is resumed, the ordinary period required ahead of the first session being sufficient.	Not applicable	I.5
<b>I.3 VOTE AND EXERCISE OF VOTING RIGHTS</b>		
<b>I.3.1</b> Companies shall not impose any statutory restriction on postal balloting and, where adopted and admissible, on electronic mail balloting.	Complied	I.9 and I.12
<b>I.3.2</b> The statutory period in advance of the meeting for the reception of postal ballots shall be no more than 3 working days.	Complied	I.10
<b>I.3.3</b> Companies shall ensure proportionality between voting rights and equityholder participation, preferably through a statutory requirement of one vote corresponding to each share. Companies does not comply with proportionality that, in particular: have shares that do not grant voting rights; ii) establish that voting rights above a certain number are not counted when cast by a singly equityholder or by one related with that equityholder.	Complied	I.6
<b>I.4 QUORUM FOR RESOLUTIONS</b>		
<b>I.4.1</b> Companies shall not fix a quorum for resolutions greater than provided for by law.	Not complied	0.4 and I.8
<b>I.5 MINUTES OF MEETINGS AND INFORMATION ON RESOLUTIONS ADOPTED</b>		
<b>I.5.1</b> Excerpts of minutes of the general meeting or documents of equivalent content shall be provided to equityholders via the company's Internet site within five days, even if they do not constitute privileged information. The information divulged shall cover the resolutions adopted, the equity capital represented and the results of the vote. This information shall be kept on the company's Internet site during at least three years.	Complied	I.13 and I.14
<b>I.6 MEASURES RELATING TO COMPANY CONTROL</b>		
<b>I.6.1</b> Measures adopted with a view to preventing the success of take-over bids shall have regard for the interests of the company and of its equityholders. The articles of association of companies that, having due regard for this principle, stipulate a limitation of the number of votes that may be held or exercised by a single equityholder, severally or in concert with other equityholders, shall also stipulate that, at least every five years, the continuation or otherwise of such a statutory provision shall be submitted to resolution by the general meeting – with no requirement for a quorum greater than that stipulated by law – and that in such a resolution all votes cast shall be counted without subjection to such limitation.	Not applicable	I.19
<b>I.6.2</b> Defensive measures shall not be adopted the effect of which is to provoke automatically a serious erosion of the company's assets in the event of transition of control or alterations to the composition of the management body, therefore hindering the free transmissibility of shares and the free appraisal by equityholders of the performance of the members of the management body.	Complied	I.20

## II. MANAGEMENT AND SUPERVISORY BODIES

Recommendation/ Chapter	Compliance	Report
<b>II.1.1 GENERAL MATTERS – STRUCTURE AND COMPETENCE</b>		
<b>II.1.1.1</b> In its governance report the management body shall assess the model adopted, identifying any constraints to its working and proposing measures that, in its judgment, will be appropriate in overcoming them.	Complied	II.3
<b>II.1.1.2</b> Companies shall create internal control and risk management systems to safeguard their value and in benefit of the transparency of their corporate governance, which will allow the risk to be determined and managed. These systems shall include at least the following components: i) fixing the company's strategic objectives in the matter of risk-assumption; ii) determination of the main risks linked to the specific business carried on and of events capable of originating risks; iii) analysis and measurement of the impact and probability of occurrence of each potential risk; management of the risk with a view to alignment of the risks actually incurred with the company's strategic option as to risk-assumption; v) mechanisms to control the execution of the risk-management measures adopted and their efficacy; vi) adoption of in-house information and communication mechanisms on the diverse components of the system and on risk warnings; vii) periodic assessment of the system implemented and adoption of those measures seen to be necessary.	Complied	II.5, II.6 and II.9
<b>II.1.1.3</b> The management body shall ensure the creation and working of the internal-control and risk-management systems, the supervisory body being charged with assessment of the working of these systems and proposing their adjustment to the company's needs.	Complied	II.6
<b>II.1.1.4</b> In their annual corporate governance reports companies shall: i) determine the main economic, financial and legal risks to which the company is exposed in carrying on its business; ii) describe the working and efficacy of the risk-management system.	Complied	II.5 and II.9
<b>II.1.1.5</b> Management and supervisory bodies shall have working regulations that shall be divulged via the company's Internet site.	Complied	0.4 and II.7
<b>II.1.2 GENERAL MATTERS – INCOMPATIBILITIES AND INDEPENDENCE</b>		
<b>II.1.2.1</b> The board of directors shall include a number of non-executive members to ensure effective supervisory, inspection and activity-evaluation capabilities in respect of the executive members.	Complied	II.14
<b>II.1.2.2</b> The non-executive directors shall include an adequate number of independent directors, taking into account the size of the company and its equityholder structure, though not less than one quarter of the total number of directors.	Not complied	0.4 and II.14
<b>II.1.2.3</b> Assessment of the independence of its non-executive members performed by the management body shall take into account the legal rules and regulations in force on the requirements of independence and the incompatibilities mechanism applicable to the members of other corporate offices, ensuring systematic coherence in the application over time of the criteria of independence to the entire company. A director that cannot be considered independent who, in another corporate office cannot be so considered by virtue of the applicable rules.	Complied	II.15
<b>II.1.3 GENERAL MATTERS – ELIGIBILITY AND APPOINTMENT</b>		
<b>II.1.3.1</b> Depending on the applicable mode, the chairman of the board of auditors, of the audit committee or of the financial affairs committee shall be independent and shall have the competences required for the exercise of the respective duties.	Complied	II.22
<b>II.1.3.2</b> The process of selection of candidates to non-executive directorship shall be so conceived as to prevent interference by the executive directors.	Not complied	0.4 and II.16
<b>II.1.4 GENERAL MATTERS – IRREGULARITIES COMMUNICATION POLICY</b>		
<b>II.1.4.1</b> The company shall adopt a policy of communication of irregularities allegedly occurring within the company, with the following elements: i) indication of the means whereby communication of irregular practices may be undertaken internally, including the persons entitled to receive such communications; ii) indication of the treatment to be given to the communications, including confidential treatment if so required by the declarer.	Complied	II.35
<b>II.1.4.2</b> The general lines of this policy shall be divulged in the report on corporate governance.	Complied	II.35
<b>II.1.5 GENERAL MATTERS – REMUNERATION</b>		
<b>II.1.5.1</b> Remuneration of the members of the management body shall be so structured as to allow the alignment of their interests with the long-term interests of the company shall be based on performance assessment and shall discourage excessive assumption of risks. For the purpose remuneration shall be structured, in particular in the following manner:  (i) remuneration of directors performing executive duties shall include a variable component determined on the basis of an evaluation of performance by the company's proper bodies, in accordance with measurable, pre-determined criteria that take into account the company's real growth and the wealth actually created for the equityholders, its long-term sustainability and compliance with the rules applicable to the company's	Not complied	0.4, II.31, II.32 and II.33

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<p>business.</p> <p>(ii) the variable component of the remuneration shall be generally reasonable in relation to the fixed component of the remuneration and maximum limits shall be fixed for all components.</p> <p>(iii) a significant part of the variable remuneration shall be deferred for a period of no less than three years and its payment shall depend on the continuity of the good performance of the company over that period.</p> <p>(iv) members of the management body shall not close contracts either with the company or with third parties, the effect of which is to mitigate the risk inherent in the variability of the remuneration fixed for them by the company.</p> <p>(v) until the end of their tenure executive directors shall maintain any shares that they have accessed by virtue of variable-remuneration schemes, up to a limit of twice their total annual remuneration, with the exception of those that need to be sold to pay taxes resulting from the benefit of these same shares.</p> <p>(vi) where the variable remuneration includes the attribution of options, the start of the exercise period shall be deferred for a period no less than three years.</p> <p>(vii) adequate legal instruments shall be established so that the compensation determined for any form of dismissal without due causes of a director is not paid if the dismissal or termination by agreement is due to the inadequate performance of such a director.</p> <p>(viii) the remuneration of the non-executive members of the management body shall include no component the amount of which is dependent on the performance or value of the company.</p>		
<b>II.1.5.2</b> The declaration on the policy of remuneration if the management and supervisory bodies, to which Article 2 of Act 28/2009 of June 19 refers, shall, besides the content referred to therein, contain sufficient information: i) about which groups of companies whose remuneration policy and practices were used as an element of comparison in fixing remuneration; ii) on payments relating to dismissal or termination by agreement of directors' duties.	Complied	II.30
<b>II.1.5.3</b> The declaration on remuneration policy to which Article 2 of Act 28/2009 refers shall also cover the remuneration of managers in the acceptance of Article 248-B.3 of the Securities Code whose remuneration contains a major variable component. The declaration shall be detailed and the policy presented shall take into account, in particular, the long-term performance of the company, compliance with the rules applicable to the business and containment in risk-taking.	Complied	II.29
<b>II.1.5.4</b> The proposal relating to the approval of stock-option plans, share allocation plans, and/or options to acquire shares on the basis of variations of the price of the shares, to be granted to members of the management and supervisory bodies and to other managers, in the sense of Article 248-B.3 of the Securities Code, shall be submitted to the general meeting. The proposal shall contain all the elements required for the proper appraisal of the plan. The proposal shall be accompanied by the plan's regulations or, if they have not yet been drawn up, by the general conditions applicable to it. Likewise, the general meeting shall approve the main characteristics of the retirement benefits programme for the members of the management and supervisory bodies or other managers in the acceptance of Article 248-B.3 of the Securities Code.	Not applicable	
<b>II.1.5.6</b> At least one member of the remuneration committee shall attend annual general meetings.	Complied	I.15
<b>II.1.5.7</b> The amount of remuneration received at other group companies, as well as pension rights acquired during the period under review, shall be divulged in the annual report on corporate governance on an aggregate and individual basis.	Complied	II.31
<b>II.2 BOARD OF DIRECTORS</b>		
<b>II.2.1</b> Within the limits established by law for each management and supervisory body, unless by virtue of the small size of the company, the board of directors shall delegate the day-to-day running of the company, the delegated responsibilities to be detailed in the company's annual report on the governance of the company.	Complied	II.3
<b>II.2.2</b> The board of directors shall ensure that the company acts in a manner consistent with its objectives, and shall not delegate its responsibilities particularly with regard to: i) defining the company's strategy and general policies; ii) defining the corporate structure of the group; and iii) decisions that must be considered strategic owing to the amount, risk or special characteristics involved.	Complied	II.3
<b>II.2.3</b> Should the chairman of the board of directors perform executive duties, the board of directors shall determine efficient measures to co-ordinate the work of the non-executive members that will, in particular, ensure they are free to decide in an independent, knowledgeable manner, and such mechanisms shall be explained in detail to the equityholders within the scope of the report on the governance of the company.	Not applicable	-
<b>II.2.4</b> The annual management report shall include a description of the activity carried out by the non-executive directors, detailing, in particular, any constraints encountered.	Complied	II.3
<b>II.2.5</b> The company shall explain its rotation policy in respect the responsibilities of the members of the board of directors, particularly the member responsible for financial matters, and shall provide information	Not complied	0.4, II.3 and II.11



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thereon in the annual report on corporate governance.		

### II.3 MANAGING DIRECTOR, EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS

<b>II.3.1</b> When so requested by other corporate officers, directors performing executive duties shall provide, adequately and in a timely manner, such information as may be requested of them.	Complied	II.3
<b>II.3.2</b> The chairman of the executive committee shall sent to the chairman of the board of directors and, as applicable, to the chairman of the board of auditors or of the audit committee, notice of meetings and minutes thereof.	Complied	II.3 and II.13
<b>II.3.3</b> The chairman of the executive board of directors shall send to the chairman of the general and supervisory board and to the chairman of the financial matters committee notice of meetings and minutes there.	Not applicable	-

### II.4 GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND BOARD OF AUDITORS

<b>II.4.1</b> In addition to fulfilment of the inspection duties with which it is charged, the general and supervisory board shall perform a role of counselling, monitoring and ongoing assessment of the management of the company by the executive board of directors.. The matters on which the general and supervisory board shall express its opinion include: i) definition of the company's strategy and general policies; ii) the group's corporate structure; and iii) decisions that must be considered strategic owing to their amount, risk or special characteristics.	Not applicable	-
<b>II.4.2</b> The annual reports on the activity of the general and supervisory board, the financial matters committee, the board of auditors and the audit committee shall be divulged via the company's Internet site in conjunction with the financial statements.	Complied	II.4 and II.21
<b>II.4.3</b> The annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the board of auditors shall include a description of the auditing activity performed, stating in particular any constraints encountered.	Complied	II.4 and II.21
<b>II.4.4</b> Depending on the model applicable, the general and supervisory board, the audit committee and the board of auditors shall represent the company, for all purposes, before the external auditor and they are charged in particular with proposing the provider of these services and the respective remuneration, with ensuring that, within the company, there are adequate conditions for the provision of the services, and with being the company's interlocutor and first addressee of the respective reports.	Complied	II.24 and III.17
<b>II.4.5</b> Depending on the model applicable, the general and supervisory board, the audit committee and the board of auditors shall each year assess the external auditor and propose the dismissal thereof to the general meeting in the event of due cause.	Complied	II.24
<b>II.4.6</b> The internal audit services and those that ensure compliance with the rules applied to the company (compliance services) shall report functionally to the audit committee, the general and supervisory board or, in the case of companies that adopt the Latin model, an independent director or board of auditors, regardless of the hierarchic relationship between such services and the company's executive management.	Not complied	0.4 and II.3

### II.5 SPECIALISED COMMITTEES

<b>II.5.1</b> Save for reasons to do with the small size of the company, the board of directors and the general and supervisory board, depending on the model adopted, shall create such committees as may be seen to be necessary to: i) ensure competent, independent assessment of the performance of the executive directors and to assess its own overall performance as well as that of the various existing committees; ii) reflect on the governance system adopted, verifying its efficacy and proposing to the proper bodies those measures to be implemented with a view to their improvement; and iii) ensure timely identification of potential candidates having the necessary profile to perform the duties of a director.	Not complied	0.4 and II.3
<b>II.5.2</b> The members of the remuneration committee or similar body shall be independent with regard to the members of the management body and shall include at least one member having knowledge of and experience in remuneration-policy matters.	Not complied	0.4, II.3, II.38 and II.39
<b>II.5.3</b> No natural or corporate person shall be hired to support the remuneration committee in the performance of its duties that provides or has provided, during the previous three years, services to any structure dependent on the board of directors, on the company's board of directors itself or has a present relationship as a consultant of the company. This recommendation is likewise applicable to any natural or corporate person that has a relationship with the foregoing through an employment or provision-of-service contract.	Complied	II.39
<b>II.5.4</b> All committees shall write up minutes of meetings held.	Complied	II.3



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## III. INFORMATION AND AUDIT

## III.1 GENERAL DUTIES OF INFORMATION

III.1.1 Companies shall ensure the existence of permanent contact with the market, having regard for the principle of equityholder equality and preventing asymmetries in investor access to information To this end the company shall have an investor support office.	Complied	III.16
III.1.2 The following information available on the company's Internet site shall be divulged in English: a) the name, the standing as a public limited company, the registered office and the other elements listed in Article 171 of the Companies Code; b) the memorandum and articles of association; c) the identity of the corporate officers and of the market relations representative; d) the Investor Support Office, its duties and means of access; e) the financial statements; f) half-yearly calendar of corporate events; g) proposals submitted for discussion and voting at general meetings; and h) notices of general meetings.	Complied	-
III.1.3 Companies shall promote rotation of the auditor at the end of two or three terms of office, depending on whether the term is of four or three years. Grounds shall be provided for their continuation beyond this period in a specific opinion issued by the supervisory body, expressly weighing the auditor's conditions of independence and the advantages and costs of his replacement.	Not complied	0.4 and III.18
III.1.4 The external auditor shall, within the scope of its responsibilities, verify the application of the remuneration policies and systems and the efficacy and working of the internal-control mechanisms, and shall report any deficiencies to the company's supervisory body.	Complied	-
III.1.5 The company shall not hire the external auditor or any entity in a participating relationship with it or that is part of the same network, to perform services other than auditing services. If there are reasons to hire such services -- which must be approved by the supervisory body and explained in its annual report on Corporate Governance -- they must not exceed more than 30% of the total value of services provided to the company.	Not complied	0.4 and III.17

## IV. CONFLICTS OF INTERESTS

## IV.1 RELATIONS WITH EQUITY HOLDERS

IV.1.1 The company's deals with equityholders having a qualified holding or with entities having any relations with them, under the terms of Article 20 of the Securities Code, shall be carried on at arm's length.	Complied	III.11 and III.12
IV.1.2 Company deals of significant importance between equityholders with a qualified holding or with entities linked with them with them, under the Article 20 of the Securities Code, shall be subject to the prior opinion of the supervisory body. The procedures and criteria required to define the relevant level of significance of such deals and the other conditions shall be established by the supervisory body.	Not complied	0.4 and III.13

## 0.3 Overall assessment of the degree of adoption of groups of recommendations interrelated by their theme.

Mota-Engil considers that, although it does not comply fully with the CMVM recommendations, as fully justified in the following chapters, the degree of their adoption is quite ample and complete.

## 0.4 Explanation of discrepancies between the company's governance practices and the CMVM recommendations:

*1.4.1 Companies shall not fix a quorum for resolutions greater than provided for by law.*

The Mota-Engil articles of association stipulate that for the general meeting to meet and adopt resolutions on first call equityholders must be present or represented who hold at least half of the issued capital. Since Article 383 of the Companies Code is less restrictive, this recommendation is not complied with. The understanding of Mota-Engil is that this model is the one that best defends corporate interests.

*11.1.1.5 Management and supervisory bodies shall have working regulations that shall be divulged via the company's Internet site.*

The Mota-Engil, SGPS, SA, management and supervisory bodies have in-house working regulations, though they are not published on the company's Internet site and are not available for consultation. The understanding of Mota-Engil is that the regulations go beyond aspects of the mere working of the bodies and contain confidential information, for which reason they are not available to the public.

*11.1.2.2 Non-executive directors shall include an adequate number of independent directors, taking into account the size of the company and its equityholder structure, though not less than one fourth of the total number of directors.*

Of the eight non-executive members of the Mota-Engil, SGPS, SA, Board of Directors only three are qualified as independent directors, and these account for 20% of the total number of members of the management body. Although this recommendation is not complied with, Mota-Engil, taking into account the size of the company and its equityholder structure, considers that the number of independent directors is adequate.

*11.1.3.2 The selection process of candidates for non-executive directorship shall be so conceived as to prevent interference by executive directors.*

Taking the company's size and its equityholder structure into account no need is seen for a formal process of selection of candidates for non-executive directorship. Candidates for non-executive directorships are elected by the General Meeting. At the elective general meetings that have been held, the names included in the lists for election of corporate officers, particularly with regard to the management body and its non-executive members, have been proposed by the equityholders constituting the signatories thereof, and the executive directors do not take part the non-executive director selection process.

*11.1.5.1 Remuneration of the members of the management body shall be so structured as to allow the alignment of their interests with those of the company.*

The recommendation is not complied with insofar as the following indents are concerned. Notwithstanding this non-compliance, Mota-Engil considers that the objective of alignment of the interests of the members of the management body with those of the company have not been called into question.

*(ii) the variable component of the remuneration shall be generally reasonable in relation to the fixed component of the remuneration and maximum limits shall be fixed for all components.*

Although the articles of association fix the variable remuneration of the Board of Directors only in general terms, which cannot exceed five per cent of the year's profit, the Remuneration Committee considers that the variable component attributed to the members of the Executive Committee have been reasonable, taken as a whole, in relation to the fixed component of the remuneration.

*(iii) a significant part of the variable remuneration shall be deferred for a period of no less than three years and its payment shall depend on the continuity of the good performance of the company over that period.*

There is no deferral of the payment of the variable remuneration and the Remuneration Committee seeks to structure the remuneration of the members of the management body to allow the continuation of the good performance of the company in the long term.

*(iv) members of the management body shall not close contracts either with the company or with third parties, the effect of which is to mitigate the risk inherent in the variability of the remuneration fixed for them by the company.*

There is no mechanism preventing the executive directors from closing contracts calling into question the reason for the variable remuneration. Nevertheless, the Remuneration Committee always takes this factor into consideration in the criteria used to determine the variable remuneration.

*(vii) adequate legal instruments shall be established so that the compensation determined for any form of dismissal without due causes of a director is not paid if the dismissal or termination by agreement is due to the inadequate performance of such a director.*

There are no instruments, other than those enshrined the law that allow non-payment of compensation in the event of inadequate performance of the director in cases of dismissal with due cause or termination by agreement.

*(viii) the remuneration of the non-executive members of the management body shall include no component the amount of which is dependent on the performance or value of the company.*

The remuneration of non-executive directors includes variable components. Mota-Engil's understanding is that, besides rewarding the long-term strategy undertaken by the entire Board of Directors, including the non-executive directors, this does not disparage their non-executive function.

*II.2.5 The company shall explain its rotation policy in respect the responsibilities of the members of the board of directors, particularly the member responsible for financial matters, and shall provide information thereon in the annual report on corporate governance.*

There is no rotation policy for the Posts of the members of the Board of Directors (Executive Committee), in particular for the director responsible for financial matters. Mota-Engil's understanding is that a rigid, abstract job-rotation policy would not serve its best interests. Therefore, the posts are decided and assigned by the Executive Committee at the start of the term of office in keeping with the capabilities, qualifications and professional experience of each member. It is not believed that all directors are able to perform every function with the same capabilities and performance.

*II.4.6 The internal audit services and those that ensure compliance with the rules applied to the company (compliance services) shall report functionally to the audit committee, the general and supervisory board or, in the case of companies that adopt the Latin model, an independent director or board of auditors, regardless of the hierarchic relationship between such services and the company's executive management.*

The internal audit services (Audit & Risk Office) report functionally to the Investment, Audit and Risk Committee. This committee normally comprises three permanent members (a non-executive director, the chairman, an independent non-executive director and the CFO). Although it does not report functionally to an independent director or to the Board of Auditors, it is considered that the independence of this office in respect of the executive committee is ensured.

*II.5.1 Save for reasons to do with the small size of the company, the board of directors and the general and supervisory board, depending on the model adopted, shall create such committees as may be seen to be necessary to: i) ensure competent, independent assessment of the performance of the executive directors and to assess its own overall performance as well as that of the various existing committees; ii) reflect on the governance system adopted, verifying its efficacy and proposing to the proper bodies those measures to be implemented with a view to their improvement; and iii) ensure timely identification of potential candidates having the necessary profile to perform the duties of a director.*

The recommended committees were not set up in that they were not seen to be necessary.

*II.5.2 The members of the remuneration committee or similar body shall be independent with regard to the members of the management body and shall include at least one member having knowledge of and experience in remuneration-policy matters.*

António Manuel Queirós Vasconcelos da Mota (chairman and non-executive member of the Board of Directors) and Maria Teresa Queirós Vasconcelos Mota Neves da Costa (non-executive member of the Board of Directors ) are members of the Remuneration Committee, having been elected to the position by the General meeting at the proposal of the majority equityholder Mota Gestão e Participações, SGPS, SA. Their participation in the Remuneration Committee corresponds solely to representation of the equityholder's interest, and they intervene in this capacity and not in that of members of the management body. To ensure their independence in the performance of these duties, these members do not take part in any discussion of adoption of resolutions in which there is or could be a conflict of interests, particularly with regard to fixing their own remuneration as members of the management body. It is considered that, as a result of their curricula and professional careers (detailed in point II.18), the three members of the Remuneration Committee have knowledge and experience in the matter of remuneration policy. Additionally, as and where necessary, the Remuneration Committee is helped by in-house or external specialists to support their decisions in the matter of the remuneration policy.

*III.1.3 Companies shall promote rotation of the auditor at the end of two or three terms of office, depending on whether the term is of four or three years. Grounds shall be provided for their continuation beyond this period in a specific opinion issued by the supervisory body, expressly weighing the auditor's conditions of independence and the advantages and costs of his replacement.*

MOTA-ENGIL has neither defined nor implemented any policy of rotation of the external auditor. The Board of Directors considers that replacement of the partner responsible for the audit services every seven years (mandatory by law) in conjunction with the powers assigned to the Board of Auditors is sufficient to ensure the independence of the external auditor.

The maintenance of the auditor is based on the specific opinion of the supervisory body, expressly weighing the auditor's conditions of independence and the advantages and costs of his replacement.

*III.1.5 The company shall not hire the external auditor or any entity in a participating relationship with it or that is part of the same network, to perform services other than auditing services. If there are reasons to hire such services – which must be approved by the supervisory body and explained in its annual report on Corporate Governance – they must not exceed more than 30% of the total value of services provided to the company.*

Even had the external auditor been hired to provide services other than auditing services of a value greater than 30% of the total value of the services provided to the company, as seen in point III.17 of this report, Mota-Engil believes that, in view of the existing mechanisms, its independence is ensured.

*IV.1.2 Company deals of significant importance between equityholders with a qualified holding or with entities linked with them, under the Article 20 of the Securities Code, shall be subject to the prior opinion of the supervisory body. This body shall establish the procedures and criteria required to define the relevant level of significance of such deals and the other terms of its intervention.*

Deals between the company and owners of qualified holdings or entities in any relationship therewith are appraised solely by the Executive Committee, on the basis of analysis and technical opinions issued by the Investment, Audit and Risk Committee (specialised committee). No procedures or criteria have been established in respect of intervention by the supervisory body. It should be mentioned, however, that transactions between directors of Mota-Engil, or with companies in a controlling or group relationship with the one of which the contracting party is a director, regardless of their value, are subject to the prior authorisation of the relevant Board of Directors and to the favourable opinion of the respective supervisory body, under Article 397 of the Companies Code.

## I. General Meeting

### I.1 Identification of the members of the Board of the General Meeting.

Chairman: Luís Neiva Santos  
Secretary: Rodrigo Neiva Santos

The human and logistic resources appropriate to the needs of the Chairman of the Board of the General Meeting are provided, particularly through the support given by the services of the Mota-Engil, SGPS, SA, Legal Office. This support is deemed adequate to the company's size and economic situation.

Minutes of General Meetings are available on the company's Internet site, as are the attendance lists, the agendas and the resolutions adopted in respect of the meetings held during the past 3 years.

### I.2 Indication of the beginning and end of the respective terms of office.

The start and end dates of the members of the board of the General Meeting are 2010 and 2013 respectively.

### I.3 Indication of the remuneration of the chairman of the Board of the General Meeting.

During 2010, the Chairman of the Board of the General Meeting earned €2,500 (€1,072 per month).

### I.4 Indication of the period during which shares are deposited or blocked in order to take part in a General Meeting.

As a result of the publication of Decree-Law 49/2010 of May 19, this recommendation is no longer applicable.

### I.5 Indication of the rules applicable to the blockage of shares in the event of suspension of the General Meeting.

As a result of the publication of Decree-Law 49/2010 of May 19, this recommendation is no longer applicable.

### I.6 Number of shares corresponding to one vote.

In accordance with the Mota-Engil articles of association, each share corresponds to one vote, thus ensuring the necessary proportionality between holding equity capital and voting right.

### I.7 Indication of the bye-law rules that provide for shares that do not grant voting rights or establish that voting rights above a certain number are not counted when cast by a single equityholder or equityholders related with that equityholder.

Though the articles of association provides the possibility of the company to issue preference shares without voting rights, there is currently no such class of shares.

### I.8 Existence of statutory rules on the exercise of voting rights, on the quorum required to hold meetings and adopt resolutions or adopt resolutions, or on systems to detach patrimonial rights.

In accordance with Article 23 of the company's articles of association, for the General Meeting to be held and to adopt resolutions on first call, equityholders must be present or represented holding shares corresponding to more than fifty per cent of the issued capital.



#### I.9 Existence of statutory rules on the exercise of voting rights by correspondence.

The statutory rules on the exercise of voting rights by correspondence are stipulated in Article 22 of the company's articles of association. In accordance with this article, equityholders may vote by correspondence in respect of each and every matter, there being no restriction in this connection.

#### I.10 Provision of a form for the exercise of voting rights by correspondence.

This form may be obtained from the Capital Market Relations Division (João Vermelho – e-mail: JVermelho@mota-engil.pt).

#### I.11 Requirement as to the period between reception of the postal ballot and the date on which the general meeting is held.

Postal ballots shall be considered only if received at the company's registered office at least three days before the date of the General Meeting.

#### I.12 Exercise of voting rights using electronic means.

Exercise of voting rights using electronic means is not yet possible. To this date the company has received no request for or expression of interest in the provision of these means from equityholders or investors.

#### I.13 Ability of equityholders to access excerpts of the minutes of general meetings on the company's Internet site during a period of five days after the general meeting.

The company's shareholders are able to access via the Internet Site ([www.mota-engil.pt](http://www.mota-engil.pt)) the excerpts of the minutes of general meetings, which are divulged within 5 days of the meeting.

#### I.14 Existence of an historic record, on the company's Internet Site, of the resolutions adopted at the company's general meetings, the equity capital represented and the results of the balloting in respect of the preceding 3 years.

Via its Internet site ([www.mota-engil.pt](http://www.mota-engil.pt)) the company provides information on resolutions adopted at the company's general meetings in respect of the past three years, as well as on the equity capital represented and on the balloting results.

#### I.15 Indication of the representatives of the Remuneration Committee present at general meetings.

The Remuneration Committee has been represented by all its members at the Annual General Meetings.

#### I.16 Information on the intervention of the general meeting in respect of the company's remuneration policy and of the assessment of the performance of the members of the management body.

The General Meeting is charged with appointing a Remuneration Committee, which will define a remuneration policy for the corporate officers, and other senior managers, promoting, from a medium and long-term viewpoint, the alignment of their interests with those of the company. The declaration on the policy of remuneration of the management and supervisory bodies will be submitted to the General Meeting as required under Act 28/2009, of June 19.

**I.17** Information on the intervention by the General Meeting in respect of the proposal relating to the approval of stock-option plans, share allocation plans, and/or options to acquire shares on the basis of variations of the price of the shares, to be granted to members of the management and supervisory bodies and to other managers, in the acceptance of Article 248-B.3 of the Securities Code, as well as about the elements submitted to the General Meeting with a view to a correct assessment of these plans.

At this time the company has no plans to attribute shares or stock option plans.

**I.18** Information on the intervention by the general meeting on the approval of the main characteristics of the retirement benefits for the members of the management and supervisory bodies or other managers in the acceptance of Article 248-B.3 of the Securities Code.

With the exception of the founder equityholders, the company has not complementary pension or early-retirement schemes for the directors. The founder-equityholder directors benefit from a defined-benefit pension plan, which allows the beneficiaries to obtain a pension of 80% of the salary earned on retirement. It should be mentioned that this plan was in force prior to the admission to listing of Mota-Engil, SGPS, SA, on the stock market.

**I.19** Existence of bye-law rules establishing the need to subject to deliberation by the general meeting, at least every five years, the continuation or elimination of a bye-law rule limiting the number of votes that can be held or their exercise by a single equityholder severally or jointly with other equityholders.

The company's articles of association do not provide for limitation of the votes that can be held or their exercise by a single equityholder severally or jointly with other equityholders

**I.20** Indication of defensive measures designed to cause serious erosion of the company's assets in the event of transition of control or change of the composition of the management body.

There are no defensive measures intended to cause serious erosion of company assets in case of change of control or change the composition of management body

**I.21** Significant agreements to which the company is a party that come into force, are altered or cease in the event of change of control of the company, as well as the respective effects, unless, by their nature, the disclosure thereof would be seriously prejudicial to the company, provided always that the company is not specifically bound to divulge such information by virtue of other legal imperatives.

There are no significant agreements to which the company is a party that come into force, are altered or cease in the event of change of control of the company.

**I.22** Agreements between the company and members of the management body and managers, in the sense of Article 248-B.3 of the Companies Code, stipulating indemnities in the event of dismissal without due cause or termination of the employment tie in the wake of a change of control of the company.

There are no agreements between the company and members of the management body and managers, in the sense of Article 248-B.3 of the Companies Code, stipulating indemnities in the event of dismissal without due cause or termination of the employment tie in the wake of a change of control of the company.



## II. Management and Supervisory Bodies

### II.1 Identification of the composition of the corporate offices.

#### Board of Directors (2010-13 term of office)

António Manuel Queirós Vasconcelos da Mota (Chairman)  
 Jorge Paulo Sacadura Almeida Coelho (Deputy-chairman) (CEO)  
 Arnaldo José Nunes da Costa Figueiredo (Deputy-chairman)  
 Gonçalo Nuno Gomes de Andrade Moura Martins (Deputy-chairman)  
 Maria Manuela Queirós Vasconcelos Mota dos Santos (Director)  
 Maria Teresa Queirós Vasconcelos Mota Neves da Costa (Director)  
 Maria Paula Queirós Vasconcelos Mota de Meireles (Director)  
 Ismael Antunes Hernandez Gaspar (Director)  
 Luís Manuel Ferreira Parreirão Gonçalves (Director)  
 José Luís Catela Rangel de Lima (Director)  
 Luís Filipe Cardoso da Silva (Director) (CFO)  
 Maria Isabel da Silva Ferreira Rodrigues Peres (Director)  
 Luís Valente de Oliveira (Independent Director)  
 António Bernardo Aranha da Gama Lobo Xavier (Independent Director)  
 António Manuel da Silva Vila Cova (Independent Director)

#### Executive Committee (2010-13)

Jorge Paulo Sacadura Almeida Coelho (Chairman)  
 Arnaldo José Nunes da Costa Figueiredo  
 Gonçalo Nuno Gomes de Andrade Moura Martins  
 Maria Paula Queirós Vasconcelos Mota de Meireles  
 Ismael Antunes Hernandez Gaspar  
 Luís Filipe Cardoso da Silva  
 Maria Isabel da Silva Ferreira Rodrigues Peres

#### Board of Auditors (2007-10)

Alberto João Coraceiro de Castro (Chairman)  
 José Rodrigues de Jesus (Full Member)  
 Pedro Manuel Seara Cardoso Perez (Full Member)<sup>(1)</sup>

(1) In the wake of the resignation tendered by the former full member (Manuel Teixeira Mendes) on September 21, 2010 and under Article 415.4 of the Companies Code, Pedro Manuel Seara Cardoso Perez, till then alternate member of the Board of Auditors, was co-opted as a full member thereof until the next general meeting.

#### Official Auditor (2007-10)

António Magalhães e Carlos Santos, SROC, represented by Carlos Alberto Freitas dos Santos, ROC

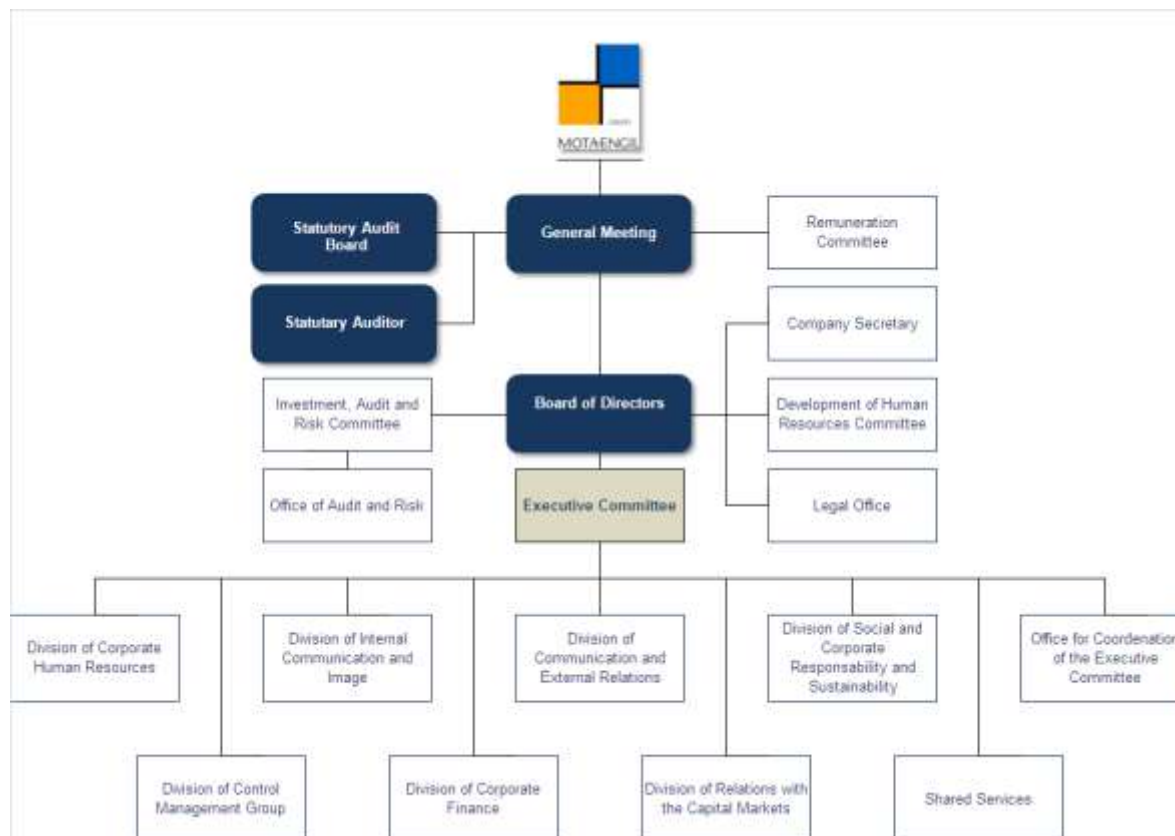
#### External Auditor registered with the CMVM

Deloitte & Associados, SROC, SA, represented by Jorge Manuel Araújo de Beja Neves

### II.2 Identification and composition of other committees set up, having responsibilities in the matter of the management or supervision of the company.

In addition to those referred to in the next point, no other committees have been set up having responsibilities in the matter of the management or supervision of the company

**II.3** Organisational charts or tables of duties in respect of the division of responsibilities among the various corporate offices, committees and/or departments of the company, including information on the scope of delegations of responsibilities or distribution of posts among the members of the management or supervisory bodies, and list of matters that cannot be delegated and of competences actually delegated.



### Corporate Offices

MOTA-ENGIL, SGPS, SA, has a Board of Directors comprising 15 members, one chairman, three deputy-chairmen and eleven directors. Seven of its members perform executive duties and form an Executive Committee, which was elected and whose powers were delegated on it by the Board of Directors, the other eight directors performing non-executive duties.

The Board of Directors delegated on the Executive Committee all powers related with the management of the businesses of MOTA-ENGIL, SGPS, SA, and of all the subsidiaries, in the most restricted sense of taking tactical options and control of the various lines of development of the various businesses, assuming responsibility for the executive management of the Group's business in line with the orientations and policies defined by the Board of Directors. The Executive Committee may discuss all matters that are the responsibility of the Board of Directors, without prejudice to only being able to adopt resolutions on those matters delegated on it. All matters dealt with by the Executive Committee, even those included within the sphere of the powers delegated on it, are reported to the non-executive directors, who have access to the respective minutes of the meetings and supporting documents.

The Executive Committee meetings are held fortnightly and, at the start of each fiscal year, the meetings to be held during that year are scheduled. The chairman of the Executive Committee, through the Executive Committee Coordination Office, sends to the Chairman of the Board of Directors and of the Board of Auditors notices of meetings and the respective minutes in good time.

All decisions in respect of the definition of the company's strategy as well as the company's general policies and the corporate structure of the Group are the sole responsibility of the Board of Directors, and no responsibilities are delegated on the Executive Committee in this connection.

The chairman of the Board of Directors has the responsibilities entrusted to him by law and by the articles of association.

With regard to the assignment of posts to the members of the Board of Directors, particularly within the scope of the Executive Committee, the following are underscored:

- Jorge Paulo Sacadura Almeida Coelho
  - Executive Committee Co-ordination;
  - International Area Co-ordination;
  - Legal Services Division;
  - Communication & Image
  - New Businesses
  - Shared Services.
- Arnaldo José Nunes da Costa Figueiredo
  - New Lisbon Airport Project;
  - High Speed Network;
  - Representative of the Group on the Martifer SGPS, SA, Board of Directors.
- Gonçalo Nuno Gomes de A. Moura Martins
  - Environment & Services Business;
  - Transport Concessions Business.
- Maria Paula Queirós Vasconcelos Mota de Meireles
  - Tourism Business.
- Ismael Antunes Hernandez Gaspar
  - Engineering & Construction Business;
  - Mining Operational Unit.
- Luís Filipe Cardoso da Silva
  - Corporate Management Planning and Control Division
  - Corporate Finances Division;
  - Capital Market Relations Division;
  - Representative of the Group on the Martifer SGPS, SA, Board of Directors.
- Maria Isabel da Silva Ferreira Rodrigues Peres
  - Corporate Human Resources Division;
  - Social and Corporate Responsibility and Sustainability Division;
  - Executive Committee Introlocutor in Manuel António Mota Foundation.

Jorge Paulo Sacadura Almeida Coelho, in the capacity of Chairman of the Executive Committee, is considered the Chief Executive Officer (CEO) of Mota Engil, SGPS, SA. Luís Filipe Cardoso da Silva, as the person responsible for the financial areas of Mota-Engil, SGPS, SA, is considered the Chief Financial Officer (CFO).

There is no rotation policy for the Posts of the members of the Board of Directors (Executive Committee), in particular for the director responsible for financial matters. Mota-Engil's understanding is that a rigid,

abstract job-rotation policy would not serve its best interests. Therefore, the posts are decided and assigned by the Executive Committee at the start of the term of office in keeping with the capabilities, qualifications and professional experience of each member, it is not believed that all directors are able to perform every function with the same capabilities and performance. Therefore, Mota-Engil understands that the rotation recommendation, made independently of any other circumstance, would not serve its interests properly. Notwithstanding this position of the Mota-Engil Group, a new CFO was appointed for the 2010-13 term of office, to replace the previous CFO (Eduardo Jorge de Almeida Rocha).

The non-executive directors monitor the business carried on by the Company, and their real powers of supervision, inspection and assessment of the business is ensured through the monthly meetings of the Board of Directors, without prejudice to access to such information or documentation as may be requested from time to time. In exercising their non-executive duties the directors were not faced with any constraints in 2010. The annual management report includes a description of the activity carried out by the non-executive directors.

## Supervisory Bodies

Supervision of the company is performed by an Board of Auditors and by a firm of Official Auditors, performing the duties called for by law and by the articles of association.

The General Meeting shall elect the Board of Auditors and designate, at the proposal of the Board of Auditors, the Official Accountant or Firm of Official Accountants.

The Mota-Engil, SGPS, SA, Board of Auditors comprises 4 members, a chairman, two full members and an alternate member. In the wake of the resignation tendered by Manuel Teixeira Mendes on September 21, 2010, Pedro Manuel Seara Cardoso Perez, till then alternate member, became a full member. As a result, the Board of Auditors came to comprise just three full members, and it will be fully made up at the next General Meeting.

## Specialised Committees

### Remuneration Committee

In accordance with the articles of association the duties of the Remuneration Committee, elected by the equityholders at a General Meeting, are to define the corporate officers' remuneration policy, fixing the applicable remuneration taking into account the duties performed, their performance and the company's economic situation. In this connection, the Remuneration Committee monitors and assesses the performance of the directors, on a constant basis, verifying the extent to which the proposed objectives have been met. The Committee meets as and when necessary. The directors' remuneration includes a performance-based component.

The committee elected for the 2010-13 term of office comprises the following members: António Manuel Queirós Vasconcelos da Mota, Maria Teresa Queirós Vasconcelos Mota Neves da Costa, both members of the management body, and Manuel Teixeira Mendes. Minutes are written up of all meetings held.

### Investment, Audit and Risk Committee

The Investment, Audit and Risk Committee normally comprises three permanent members (one non-executive director, who chairs the committee, an independent non-executive director and the CFO), and it may invite other senior Group staff connected with the projects under evaluation. The main duties and responsibilities of this committee are to appraise and suggest investment and business-risk policies and projects to the Board of Directors, to examine and issue opinions on investment or divestment plans, to issue opinions on moves into and out of business areas, and to monitor major financial and corporate transactions. Minutes are written up of all meetings held. At present the members of this committee are Maria Teresa Queirós Vasconcelos Mota Neves da Costa (non-executive director), Luís Filipe Cardoso da Silva (CFO) and António

Manuel da Silva Vila Cova (independent, non-executive director).

#### Human Resources Development Committee

The main duties of the Human Resources Development Committee are: monitoring productivity levels, remuneration and equality of opportunities; assessment of programmes to attract and develop high-quality management staff; definition of guidelines for the evaluation and incentives system, career plans, training plan and recruiting and selection plan; regular appraisal of employee motivation; and definition of the culture and key values, co-ordinating efforts to implement them within the Group. Minutes are written up of all meetings held. At present the members of this committee are Maria Manuela Queirós Vasconcelos Mota dos Santos (Chairman), Jorge Paulo Sacadura de Almeida Coelho, Arnaldo José Nunes da Costa Figueiredo, Ismael Antunes Hernandez Gaspar, Gonçalo Nuno Gomes de Andrade Moura Martins, Carlos Manuel Marques Martins and Maria Isabel da Silva Ferreira Rodrigues Peres.

#### Assessment by the management body of the governance model adopted

The Board of Directors declares that the Corporate Governance model adopted has been appropriate to the proper internal and external working of the company. In the assessment of the governance model performed in 2010, no relevant constraints were found in the model use, which is based on the "Latin" / Reinforced Classic governance model. It comprises a Board of Directors, a Board of Auditors and an Official Auditor not a member of the Board of Auditors.

**II.4.2** Reference to the fact that the annual reports on the activity of the general and supervisory board, the financial matters committee, the board of auditors and the audit committee include a description of the supervisory activity performed, stating any constraints encountered, and that it will be divulged via the company's Internet site in conjunction with the financial statements.

The Board of Auditors' annual reports include a description of its supervisory activity, setting out constraints encountered (if any), and they are disclosed on the Company's Internet site together with the annual report and accounts. The company has no General and Supervisory Board, Financial Matters Committee or Audit Committee.

**II.5** Description of the internal control and risk management systems implemented within the company, particularly with regard to the process of disclosure of financial information, the working method of this system and its efficacy.

The Mota-Engil Group is subject to a number of diverse risks that could have a negative impact on its business. All these risks are duly identified, assessed and monitored. The various structures within the company are charged with their management and/or mitigation, with special emphasis in this field on the Investment, Audit and Risk Committee.

Having as its mission the support of the management of the Mota-Engil Group by means of strengthening the operating means and methods employed in internal control and in anticipating business risks, the Audit and Risk Committee has an Audit and Risk Office. It is provided with a structure of resources specifically allocated to the following duties:

- risk identification and appraisal, suggesting the establishment of acceptable risk levels in the light of the established management goals;
- issue of opinions as to alterations of the degree of risk inherent in the business of the Mota-Engil Group;
- minimisation of operational deficiencies and losses, strengthening the capabilities of the Mota-Engil Group in the identification of potentially damaging effects, in risk appraisal and in putting forward responses, thus reducing unforeseen costs or losses;
- identification of transverse risks within the Group, auditing implementation of the corporate policies and good practices of the Mota-Engil Group;



- issue of prior opinions on risks inherent in the acquisitions and/or disposals defined by the Mota-Engil Group;
- compliance audits in the development of processes and activities in every materially relevant area and/or company of the Mota-Engil Group.

In general terms, internal control and risk management systems implemented in the company work as follows:

- Scope of the process : The main risks to which the Group is subject, particularly the market risks of its business segments, financial risks (exchange-rate and interest-rate) and other business risks (operating risks, empowerment and integrity risks, and information and communications risks), through the internal reports of the Investment, Audit and Risk Committee in conjunction with the reports or communications issued by the heads of the various corporate departments (with a focus on the Legal Department, Management Control, Corporate Finance and Human Resources Development).
- Characterisation of the Operational Process: Risk Management is the responsibility of each of the Boards of the Group's business areas, generally speaking involving the following sequential cyclic set of stages:
  - determination of the risks to which the organisation is exposed and of the level of tolerance of exposure to such risks;
  - risk measurement: quantification of risk exposures, and preparation of basic reports to support decision-taking;
  - risk control and management: definition of the measures to be taken in facing risks;
  - implementation of the established risk-management measures;
  - monitoring: evaluation of the risk-management process and, if necessary, realignment and redefinition of strategies.

Additionally, all investments or new businesses are analysed for risks by the various corporate areas. They are subject to the prior opinion of the Investment, Audit and Risk Committee before being submitted to the Board of Directors for approval.

The evaluation of internal control and risk management systems allowed the assessment of effectiveness, whilst continuing to aim to implement measures to improve the short and medium term.

Only a very restricted number of Mota-Engil, SGPS, SA, collaborators is involved in the process of disclosing financial information. In this connection, and by legal imposition (Article 248.6 of the Securities Code), Mota-Engil, SGPS, SA, has drawn up a list of its collaborators, with or without employment ties, who have regular or occasional access to privileged information. This list has been made known to each of the employees included, and they were given an explanation of: (i) the reasons for their inclusion in the list; (ii) the duties and obligations imposed on them by law; and (iii) the consequences arising from abusive disclosure or use of privileged information.

## II.6 Responsibility of the management body and of the supervisory body in the creation and working of systems of internal control and management of the company's risks, as well as in the assessment of their working and their adjustment to the needs of the company.

The Board of Directors and the Board of Auditors acknowledge the importance that they have for the company Risk Management and Internal Control Systems, promoting the human and technological infrastructure to provide a proportional and appropriate control environment to the risk of the activity.

The Board of Auditors monitors all relevant issues of society, attending all meetings of the Board. Whether the board or the supervisory board access the reports and opinions issued by the Audit, Investment and Risk Committee



referred to in the preceding paragraph, making the evaluation of the functioning and adjustment to **company's** needs, to the implemented systems of internal control and risk management.

**II.7** Indication as to the existence of working regulations for the company's bodies, or other rules relating to incompatibility defined internally and to the maximum number of posts that can be accumulated, and the place where there rules and regulations may be consulted.

As stated in Chapter 0 in respect of non-compliance with recommendation II.1.1.5, the company's Management and Supervision bodies have internal working regulations. These are not published on the company's Internet site and are not available for consultation. The understanding of Mota-Engil is that the regulations go beyond aspects of the mere working of the bodies and contain confidential information, for which reason they are not available to the public.

**II.8** Should the chairman of the management body perform executive duties, indication of the mechanisms for the co-ordination of the work of the non-executive members who ensure the independent, informed nature of its decisions.

The Chairman of the Board of Directors does not perform executive duties.

**II.9** Determination of the main, economic, financial and legal risks to which the company is exposed in carrying on its business.

The assessment of the risk of Mota-Engil's **materially relevant companies** allowed the conclusion that the main risks to which the companies are exposed its dependence on customers, competitive performance, liquidity, debt level, interest rate, as well as diversity the legal and fiscal frameworks that society is exposed, as result of various geographies where it operates.

**II.10** Powers of the management body, especially with regard to deliberations on the increase of issued capital.

The powers of the management body are those granted under the Companies Code and under Articles 13 and 14 of the articles of association. The articles of association do not grant the management body powers in respect of resolutions to increase the issued capital.

**II.11** Information on the Board of Director's post rotation policy, particularly in respect of the chief financial officers, as well as on the rules applicable to the appointment and replacement of the members of the management and supervisory bodies.

The rules applicable to the appointment and substitution of the members of the management and supervision are those provided for in the Companies Code and in the company's articles of association.

- Board of Directors - The General Meeting is charged with electing the directors (Article 391.1 of the Companies Code). The articles of association do not stipulate any specific mechanism concerning the replacement of members of the Board of Directors, which therefore takes place in accordance with Article 393.3 of the Companies Code. There is no rotation policy for the Posts of the members of the Board of Directors (Executive Committee), in particular for the director responsible for financial matters. Mota-Engil's understanding is that a rigid, abstract job-rotation policy would not serve its best interests. Therefore, the posts are decided and assigned by the Executive Committee at the start of the term of office in keeping with the capabilities, qualifications and professional experience of each member. It is not believed that all directors are able to perform every function with the same capabilities and performance.

- Board of Auditors - The General Meeting is charged with electing the Board of Auditors and its alternate member or members (Article 16.2 of the articles of association) the articles of association do not stipulate any specific mechanism concerning the replacement of members of the Board of Auditors, which therefore takes place in accordance with Article 415 of the Companies Code.

- Official Auditor - At the proposal of the Board of Auditors, the General Meeting is charged with designating the Official Auditor or Firm of Official Auditors (Article 16.3 of the articles of association).

**II.12** Number of meetings of the management and supervisory bodies, as well as reference to the writing up of the minutes of these meetings.

Body	N. of meetings 2010
Board of Directors	13
Executive Committee	23
Board of Auditors	6

Minutes were written up of each of these meetings.

**II.13** Indication as to the number of meetings of the Executive Committee or of the Executive Board of Directors, as well as reference to the writing up of the minutes of these meetings and their being sent out together with the notice of the meetings, as applicable, to the chairman of the General and Supervisory Board and of the Financial matters Committee.

During 2010 the Executive Committee met on 23 occasions. Notices of the meeting and their supporting documents, including the minutes of previous meetings, are sent by the Executive Committee Coordination Office to the Executive Committee in good time. Likewise, after approval by the Executive Committee, minutes of the meetings are sent, together with the respective notices, to the chairman of the Board of Directors and of the Board of Auditors.

**II.14** Identification of the members of the board of directors and of other committees set up under it, making a distinction between the executive and the non-executive directors, detailing the members that comply with the incompatibility rules stipulated in Article 414-A.1 of the Companies Code, with the exception of that provided for in indent b), and with the independence criterion established in Article 414.5 of the said Code.

Director	Executive / Non-executive	Independent / Not Independent
António Manuel Queirós Vasconcelos da Mota	Non-executive	Not-Independent
Jorge Paulo Sacadura de Almeida Coelho	Executive	Not-Independent
Arnaldo José Nunes da Costa Figueiredo	Executive	Not-Independent
Gonçalo Nuno Gomes de A. Moura Martins	Executive	Not-Independent
Maria Manuela Queirós V. Mota dos Santos	Non-executive	Not-Independent
Maria Teresa Queirós V. Mota Neves da Costa	Non-executive	Not-Independent
Maria Paula Queirós V. Mota de Meireles	Executive	Not-Independent
Ismael Antunes Hernandez Gaspar	Executive	Not-Independent
Luís Manuel Ferreira Parreirão Gonçalves	Non-executive	Not-Independent
Luís Filipe Cardoso da Silva	Executive	Not-Independent
Maria Isabel da Silva Ferreira Rodrigues Peres	Executive	Not-Independent
José Luís Catela Rangel de Lima	Non-executive	Not-Independent
Luís Valente de Oliveira	Non-executive	Independent
António Bernardo A. da Gama Lobo Xavier	Non-executive	Independent
António Manuel da Silva Vila Cova	Non-executive	Independent

The three non-executive independent directors referred to above are not covered by any of the incompatibilities referred to in Article 414-A.1 of the Companies Code.

On December 31, 2010, the Board of Directors comprised 15 members, of whom seven were executive and eight non-executive, a composition that Mota-Engil considers appropriate to ensuring effective ability to supervise, monitor and appraise the activity of the members of the Executive Committee.

Of the eight non-executive directors only three are qualified as independent directors, and these account for 20% of the total number of members of the management body. Although the recommendation of the Companies Code is not complied with in the matter of the minimum number of independent directors, Mota-Engil, taking into account the size of the company and its equityholders structure, considers that the number of independent directors is adequate.

The independent directors take part in the majority of the Board of Directors meetings, thus monitoring the business of Mota-Engil, and they may question any other corporate office or internal structure of the Mota-Engil Group.

The Investment, Audit and Risk Committee comprises two executive directors and one independent non-executive director.

#### **II.15 Indication of the legal and regulatory rules and other criteria underlying the assessment of the independence of its members performed by the management body.**

To assess the independence of the members of the Board of Directors was use solely and exclusively the mechanism provided in Article 414.5 of the Companies Code, and the rules applicable in terms of incompatibility provided for in Article 414-A.1 of the said Code were also taken into account. No other assessment criteria have been established internally.

#### **II.16 Indication of the rules governing the process of selection of candidates to the post of non-executive directors, and the means of ensuring that executive directors do not interfere in the process.**

Taking the company's size and its equityholder structure into account no need is seen for a formal process of selection of candidates for non-executive directorship. Candidates for non-executive directorships are elected by the General Meeting. At the elective general meetings that have been held, the names included in the lists for election of corporate officers, particularly with regard to the management body and its non-executive members, have been proposed by the equityholders constituting the signatories thereof, and the executive directors do not take part in the non-executive director selection process.

#### **II.17 Reference to the fact that the annual management report includes a description of the activity carried out by the non-executive directors and any constraints encountered.**

Point 7 of the 2010 consolidated management report of the Mota-Engil-Group includes a description of the activity undertaken by the non-executive directors and any constraints encountered.

#### **II.18 Professional qualifications of the members of the board of directors, indication of their professional activities during at least the past five years, number of shares they hold in the company, date of their first appointment and date of conclusion of their term of office.**

António Manuel Queirós Vasconcelos da Mota (Chairman)

##### **Professional Qualifications**

- Degree in Civil Engineering (Communications) University of Porto Faculty of Civil Engineering

##### **Professional career during the past five years**

- At present and during the past six years, and in addition to being the chairman of the Board of Directors and chairman of the Remuneration Committee of MOTA-ENGIL, SGPS, SA, he is a corporate officer of various GROUP and of other companies outside the GROUP.

**António Manuel Queirós Vasconcelos da Mota (Chairman)**

**N. of shares as at 31/12/2010**

5,017,647 shares (corresponding to 2.45% of the issued capital)

**1st Appointment**

March 31, 2000

**End of Term of Office**

December 31, 2013

**Jorge Paulo Sacadura de Almeida Coelho (Deputy-chairman)**

**Professional Qualifications**

- Degree in Company Organisation and Management, ISEG (Universidade Técnica de Lisboa)

**Professional career during the past five years**

- From 2001 to 2006, part-time deputy and president of the Local Government and Spatial Planning Commission of the Assembly of the Republic;
- From 2004 to 2008, member of the Council of State;
- From 2001 to 2008, Director of Congetmark – Consultoria, Estudos e Management, Lda;
- From 2001 to 2008, guest lecturer and member of the scientific board of Instituto Superior de Comunicação Empresarial (ISCEM) and chairman of the consultative board of the Beiras College of Advanced Studies;
- At present, besides being deputy-chairman of the Board of Directors and chief executive officer of Mota-Engil, SGPS, SA, he is Chairman of the Board of Directors (non-executive director) of the MESP - Mota-Engil, Shared Services and Administrative Management, SA.

**N. of shares as at 31/12/2010**

Held no shares in Mota-Engil, SGPS SA

**1st Appointment**

May 26, 2008

**End of Term of Office**

December 31, 2013

**Arnaldo José Nunes da Costa Figueiredo (Deputy-chairman)**

**Professional Qualifications**

- Degree in Civil Engineering, University of Porto Faculty of Civil Engineering

**Professional career during the past five years**

- Chairman of the Board of Directors of Mota-Engil, Engenharia e Construção, SA;
- Chairman of the Board of Directors of MEITS - MOTA-ENGIL, IMOBILIÁRIA E TURISMO, SA;
- Director of Mota Internacional, Lda;
- Chairman of the board of the General Meeting of Maprel Nelas – Indústria de Pré-Fabricados em Betão, SA.
- Member of the board of the General Meeting of Paviterra, SARL.
- Chairman of the Remuneration Committee of (representing Mota-Engil, Engenharia e Construção, SA) Ferrovias e Construções, SA;
- Member of the Remuneration Committee of AURIMOVE – SOCIEDADE IMOBILIÁRIA, SA;
- Member of the Remuneration Committee of NORTEDOMUS – SOCIEDADE IMOBILIÁRIA, SA;
- Member of the Remuneration Committee of PLANINOVA – SOCIEDADE IMOBILIÁRIA, SA;
- At present, in addition to being the Deputy-chairman of the Board of Directors and member of the Executive Committee of MOTA-ENGIL, SGPS, SA, he is a corporate officer of various GROUP companies.

**N. of shares as at 31/12/2010**

Held no shares in Mota-Engil, SGPS, SA

**1st Appointment**

March 28, 2008

**End of Term of Office**

December 31, 2013

**Maria Manuela Queirós Vasconcelos Mota dos Santos (Director)**

**Professional Qualifications**

- Degree in Economics, University of Porto Faculty of Economics.

**Professional career during the past five years**

- At present and during the past five years, and in addition of being member of the Board of Directors of MOTA-ENGIL, SGPS, SA, she is a corporate officer of various GROUP and of other companies outside the GROUP.

**N. of shares as at 31/12/2010**

3,665,066 shares (corresponding to 1.79% of the issued capital)

**Maria Manuela Queirós Vasconcelos Mota dos Santos (Director)**

**1st Appointment**

March 31, 2000

**End of Term of Office**

December 31, 2013

**Maria Teresa Queirós Vasconcelos Mota Neves da Costa (Director)**

**Professional Qualifications**

- Degree in Economics, University of Porto Faculty of Economics.

**Professional career during the past five years**

- At present and during the past six years, and in addition of being member of the Board of Directors and member of the Remuneration Committee of Mota-Engil, SGPS, SA, he is a corporate officer of various Group and of other companies outside the Group

**N. of shares as at 31/12/2010**

3,736,836 shares (corresponding to 1.83% of the issued capital)

**1st Appointment**

March 31, 2000

**End of Term of Office**

December 31, 2013

**Maria Paula Queirós Vasconcelos Mota de Meireles (Director)**

**Professional Qualifications**

- Degree in Civil Engineering, University of Porto Faculty of Engineering (FEUP)

**Professional career during the past five years**

- At present and during the past five years, and in addition of being member of the Board of Directors and member of the Executive Committee of MOTA-ENGIL, SGPS, SA, she is a corporate officer of various GROUP e and of other companies outside the GROUP

**N. of shares as at 31/12/2010**

3,943,051 shares (corresponding to 1.93% of the issued capital)

**1st Appointment**

March 31, 2000

**End of Term of Office**

December 31, 2013

**Ismael Antunes Hernandez Gaspar (Director)**

**Professional Qualifications**

- Degree in Civil Engineering (ISEL)

**Professional career during the past five years**

- Deputy Chairman of the Board of Directors of Mota-Engil, Engenharia e Construção, SA, (in charge of Central Europe);  
- At present, in addition of being member of the Board of Directors and member of the Executive Committee of MOTA-ENGIL, SGPS, SA, he is a corporate officer of various MOTA-ENGIL GROUP companies.

**N. of shares as at 31/12/2010**

1,000 shares

**1st Appointment**

March 28, 2008

**End of Term of Office**

December 31, 2013

**Gonçalo Nuno Gomes de Andrade Moura Martins (Deputy-chairman)**

**Professional Qualifications**

- Degree in Law, University of Lisbon Faculty of Law.

**Professional career during the past five years**

- As from March 2006 he has been chairman of the Board of Directors of Mota-Engil, Ambiente e Serviços, SGPS, SA;  
- As 2009 he has been chairman of the Board of Directors of Ascendi, SGPS, SA;  
- At present, in addition to being the Deputy-chairman of the Board of Directors and member of the Executive Committee of MOTA-ENGIL, SGPS, SA, he is a corporate officer of various MOTA-ENGIL GROUP companies.

**Gonçalo Nuno Gomes de Andrade Moura Martins (Deputy-chairman)**

**N. of shares as at 31/12/2010**  
12,435 shares

**1st Appointment**  
March 28, 2008

**End of Term of Office**  
December 31, 2013

**Luís Manuel Ferreira Parreirão Gonçalves (Director)**

**Professional Qualifications**  
- Degree in Law, University of Coimbra Faculty of Law

**Professional career during the past five years**  
- From June 2003 to January 5, 2009 he was been chairman of the Board of Directors of Ascendi Group, SGPS, SA, and subsidiaries;  
- Currently a member of the Board of Directors of MOTA-ENGIL, SGPS, SA

**N. of shares as at 31/12/2010**  
Held no shares in MOTA-ENGIL, SGPS, SA

**1st Appointment**  
March 28, 2008

**End of Term of Office**  
December 31, 2013

**Luís Filipe Cardoso da Silva (Director)**

**Professional Qualifications**  
- Degree in Economics, University of Porto Faculty of Economics.

**Professional career during the past five years**  
- Member of the Board of Directors of MESP, MOTA-ENGIL SERVIÇOS PARTILHADOS ADMINISTRATIVOS E DE GESTÃO SA;  
- Member of the Board of Directors of MESP Central Europe Sp. z.o.o.;  
- Member of the Board of Directors of Mota-Engil Brand Management B.V.;  
- Member of the General and Supervisory Board of Vortal - Comércio Electrónico, Consultadoria e Multimédia, SA;  
- Member of the Senior Board of Ascendi Group, SGPS, SA;  
- Member of the Board of Directors of Martifer, SGPS, SA  
- Member of Board of Auditors of various Ascendi Group companies;  
- At present, in addition to being the chairman of the Board of Directors and member of the Executive Committee of MOTA-ENGIL, SGPS, SA, he is a corporate officer of various MOTA-ENGIL GROUP companies.

**N. of shares as at 31/12/2010**  
12,500 shares

**1st Appointment**  
March 31, 2010

**End of Term of Office**  
December 31, 2013

**Maria Isabel da Silva Ferreira Rodrigues Peres (Director)**

**Professional Qualifications**  
- Degree in Law, University Católica Portuguesa - Porto Faculty of Law  
- Post-Graduation in Human Resources Management, by AEP  
- XVIII CMP – Corporate Management Program by AESE

**Professional career during the past five years**  
- Human Resources Development Director of MESP – Mota-Engil Serviços Partilhados, SA  
- Corporate Human Resources Director of Mota-Engil SGPS, SA  
- At present member Board of Directors and of the Executive Committee of MOTA-ENGIL, SGPS, SA

**N. of shares as at 31/12/2010**  
Held no shares in MOTA-ENGIL, SGPS, SA

**1st Appointment**  
March 31, 2010

**End of Term of Office**  
December 31, 2013



**José Luís Catela Rangel de Lima (Director)**
**Professional Qualifications**

- Degree in Civil Engineering (IST)

**Professional career during the past five years**

- Director and chief executive officer of Ascendi Norte, SA;
- Director and chief executive officer of Ascendi Costa da Prata, Auto-Estradas da Costa da Prata, SA;
- Director and chief executive officer of Ascendi Beiras Litoral e Alta, Auto-Estradas das Beiras Litoral e Alta, SA;
- Director and chief executive officer of Ascendi Grande Porto, Auto-Estradas do Grande Porto, SA;
- Director and chief executive officer of Ascendi Grande Lisboa, Auto Estradas da Grande Lisboa, SA;
- Director and chief executive officer of Ascendi Douro, Estradas do Douro Interior, SA;

**N. of shares as at 31/12/2010**

1,000 shares

**1st Appointment**

February 2, 2009

**End of Term of Office**

December 31, 2013

**Luís Valente de Oliveira (Independent Director)**
**Professional Qualifications**

- Degree in Civil Engineering (U.O)
- Doctorate in Civil Engineering;
- Full professor, retired, University of Porto Faculty of Engineering.

**Professional career during the past five years**

- Director of the Business Association of Portugal;
- European co-ordinator of Auto-Estradas do Mar;
- Director of the Luso-American Development Foundation (FLAD);
- Member and chairman of the Audit and Risk Committee of Millennium bcp;
- Chairman of the Board of Auditors of EFACEC;
- Since 2006, independent member of the Board of Directors of Mota-Engil, SGPS, SA.

**N. of shares as at 31/12/2010**

Held no shares in MOTA-ENGIL, SGPS, SA

**1st Appointment**

March 31, 2006

**End of Term of Office**

December 31, 2013

**António Bernardo Aranha da Gama Lobo Xavier (Independent Director)**
**Professional Qualifications**

- Degree in Law, University of Coimbra Faculty of Law
- Master in Legal and Economic Sciences, University of Coimbra Faculty of Law

**Professional career during the past five years**

- From 1999 to date he is consultant for the executive committee of SonaeCom, heading the legal department, the tax department, the public relations department and the regulation department;
- From 1985, he has been an independent legal consultant in the Areas of Financial Law and Tax Law.
- Since 2006, independent member of the Board of Directors of MOTA-ENGIL, SGPS, SA.

**N. of shares as at 31/12/2010**

Held no shares in MOTA-ENGIL, SGPS, SA

**1st Appointment**

March 31, 2006

**End of Term of Office**

December 31, 2013

**António Manuel da Silva Vila Cova (Independent Director)**
**Professional Qualifications**

- Degree in Economics, University of Porto Faculty of Economics.

**António Manuel da Silva Vila Cova (Independent Director)**

**Professional career during the past five years**

Up to 2005:

- North Co-ordinator Manager of Banco Nacional Ultramarino (BNU);
- North General Manager of Caixa Geral de Depósitos (CGD);
- Director of Locaport-Soc. de Leasing Mobiliário;
- Director of Banco Simeon;
- Director of PME.Capital- Soc. de Capital de Risco;
- Director of CGD, in charge of Credit Recovery (at national level) and of North Commercial, the latter substituted, after the segmentation, by the responsibility for Retail Banking at national level.

In 2006 and 2007 member of the Board of Directors of MOTA-ENGIL, SGPS, SA, as non-executive, independent director.

In 2007 and up to June 2008, member of the Board of Directors of Banco Finantia, also as non-executive, independent director.

From June to December 2008, Member of the Board of Directors of Banco Português de Negócios.

From June 2008 to August 2009, member of the Board of Directors of Sociedade Lusa de Negócios, occupying the post of chairman of the Board of Directors and director of companies of the said group.

At present, non-executive independent director of MOTA-ENGIL, SGPS, SA, and member of the Board of Auditors of Banco Finantia.

**N. of shares as at 31/12/2010**

Held no shares in MOTA-ENGIL, SGPS, SA

**1st Appointment**

April 15, 2009

**End of Term of Office**

December 31, 2013

**II.19 Positions held at other companies by members of the Board of Directors, detailing those held in other companies of the same group.**

**António Manuel Queirós Vasconcelos da Mota (Chairman)**

**Positions held at other companies of the Mota-Engil Group**

- Chairman of the board of the General Meeting MOTA-ENGIL, ENGENHARIA E CONSTRUÇÃO, SA
- Chairman of the board of the General Meeting MOTA-ENGIL, AMBIENTE E SERVIÇOS, SGPS, SA
- Chairman of the board of the General Meeting TRATOFOZ – SOCIEDADE DE TRATAMENTO DE RESÍDUOS, SA
- Member of the Remuneration Committee of ÁREA GOLFE – GESTÃO, CONSTRUÇÃO E MANUTENÇÃO DE CAMPOS DE GOLFE, SA
- Member of the Remuneration Committee of AURIMOVE, SOCIEDADE IMOBILIÁRIA, SA
- Member of the Remuneration Committee of CPTP – COMPANHIA PORTUGUESA DE TRABALHOS PORTUÁRIOS E CONSTRUÇÃO, SA
- Member of the Remuneration Committee of EMSA – EMPREENDIMENTOS E EXPLORAÇÃO DE ESTACIONAMENTOS, SA
- Member of the Remuneration Committee of FERROVIAS E CONSTRUÇÕES, SA
- Member of the Remuneration Committee of MANVIA – MANUTENÇÃO E EXPLORAÇÃO DE INSTALAÇÕES E CONSTRUÇÕES, SA
- Member of the Remuneration Committee of MARTIFER, SGPS, SA
- Member of the Remuneration Committee of ME REAL ESTATE – MOTA-ENGIL REAL ESTATE PORTUGAL, SA
- Member of the Remuneration Committee of MESP – MOTA-ENGIL, SERVIÇOS PARTILHADOS, ADMINISTRATIVOS E DE GESTÃO, SA
- Member of the Remuneration Committee of MOTA-ENGIL, AMBIENTE E SERVIÇOS, SGPS, SA
- Member of the Remuneration Committee of MOTA-ENGIL, ENGENHARIA E CONSTRUÇÃO, SA
- Member of the Remuneration Committee of MOTA-ENGIL II, GESTÃO, AMBIENTE, ENERGIA E CONCESSÕES DE SERVIÇOS, SA
- Member of the Remuneration Committee of NORTEDOMUS – SOCIEDADE IMOBILIÁRIA, SA
- Member of the Remuneration Committee of PLANINOVA – SOCIEDADE IMOBILIÁRIA, SA
- Member of the Remuneration Committee of SEDENGIL – SOCIEDADE IMOBILIÁRIA, SA
- Member of the Remuneration Committee of SOL-S INTERNATIONAL, TECNOLOGIAS DE INFORMAÇÃO, SA
- Member of the Remuneration Committee of SUMA – SERVIÇOS URBANOS E MEIO AMBIENTE, SA
- Member of the Remuneration Committee of TAKARGO – TRANSPORTE DE MERCADORIAS, SA
- Member of the Remuneration Committee of TERTIR – CONCESSÕES PORTUÁRIAS, SGPS, SA
- Member of the Remuneration Committee of TERTIR – TERMINAIS DE PORTUGAL, SA
- Member of the Remuneration Committee of TRATOFOZ – SOCIEDADE DE TRATAMENTO DE RESÍDUOS, SA
- Member of the Remuneration Committee of VIBEIRAS – SOCIEDADE COMERCIAL DE PLANTAS, SA
- Member of the Remuneration Committee of MOTA-ENGIL, ENERGIA, SA
- Member of the Remuneration Committee of MOTA-ENGIL, INDÚSTRIA E INOVAÇÃO, SGPS, SA
- Senior of the Senior Board of Ascendi Group, SGPS, SA;
- Senior of the Senior Board of TERTIR – TERMINAIS DE PORTUGAL, SA

**Positions held at other companies outside the Mota-Engil Group**

- Chairman of the Board of Directors of FM – Sociedade De Controlo, SGPS, SA
- Chairman of the Board of Directors of Mota Gestão e Participações, Sociedade Gestora de Participações Sociais, SA
- Director of Sociedade Agrícola Moura Basto, Lda.
- Member of the Board of Directors of António de Lago Cerqueira, SA
- Member of the Board of Directors of Auto Sueco (Angola) SARL
- Chairman of the board of the General Meeting of Sunviauto – Indústria de Componentes de Automóveis, SA
- Member of the Remuneration Committee of António de Lago Cerqueira, SA
- President of the Board of Founders of the Portuguese Highway Centre, on behalf of Mota-Engil, Engenharia e Construção, SA;

**António Manuel Queirós Vasconcelos da Mota (Chairman)**

- Director of ELO – Associação Portuguesa para o Desenvolvimento Económico e a Cooperação, representing Mota-Engil, Engenharia e Construção, SA

**Jorge Paulo Sacadura Almeida Coelho (Deputy-chairman)**
**Positions held at other companies of the Mota-Engil Group**

- Chairman of the Board of Directors of MESP – Mota- Engil, Serviços Partilhados dos Administrativos e de Gestão, SA;
- Member of the Senior Board of Ascendi – CONCESSÕES DE TRANSPORTES, SGPS, SA.

**Positions held at other companies outside the Mota-Engil Group**

- Member of the Senior Board of Banco de Investimento Global (BIG);
- Chairman of the board of the General Meeting of Sociedade das Águas da Cúria;
- Chairman of the board of the General Meeting of APDC - Associação Portuguesa para o Desenvolvimento das Comunicações.

**Gonçalo Nuno Gomes de Andrade Moura Martins (Deputy-chairman)**
**Positions held at other companies of the Mota-Engil Group**

- Chairman of the Board of Directors of MOTA-ENGIL, AMBIENTE E SERVIÇOS, SGPS, SA;
- Chairman of the Board of Directors of MOTA-ENGIL II, GESTÃO, AMBIENTE, ENERGIA E CONCESSÕES DE SERVIÇOS, SA
- Chairman of the Board of Directors of TERNOR – SOCIEDADE DE EXPLORAÇÃO DE TERMINAIS, SA
- Chairman of the Board of Directors of TERTIR – CONCESSÕES PORTUÁRIAS, SGPS, SA
- Chairman of the Board of Directors of Ascendi Group, SGPS, SA
- Chairman of the Board of Directors of ASCENDI NORTE, SA
- Chairman of the Board of Directors of ASCENDI BEIRAS LITORAL E ALTA, AUTO ESTRADAS DAS BEIRAS LITORAL E ALTA, SA
- Chairman of the Board of Directors of ASCENDI COSTA DE PRATA, AUTO ESTRADAS DA COSTA DE PRATA, SA
- Chairman of the Board of Directors of ASCENDI GRANDE PORTO - AUTO ESTRADAS DO GRANDE PORTO, SA
- Chairman of the Board of Directors of ASCENDI GRANDE LISBOA, AUTO ESTRADAS DA GRANDE LISBOA, SA
- Chairman of the Board of Directors of ASCENDI DOURO - ESTRADAS DO DOURO INTERIOR, SA
- Chairman of the Board of Directors of ASCENDI OPERADORA NT - OPERAÇÃO E MANUTENÇÃO RODOVIÁRIA, SA
- Chairman of the Board of Directors of ASCENDI OPERADORA BLA - OPERAÇÃO E MANUTENÇÃO RODOVIÁRIA, SA
- Chairman of the Board of Directors of ASCENDI OPERADORA CP, OPERAÇÃO E MANUTENÇÃO RODOVIÁRIA, SA
- Chairman of the Board of Directors of ASCENDI OPERADORA CP, OPERAÇÃO E MANUTENÇÃO RODOVIÁRIA, SA
- Chairman of the Board of Directors of ASCENDI OPERADORA GL - OPERAÇÃO E MANUTENÇÃO RODOVIÁRIA, SA
- Chairman of the Board of Directors of ASCENDI OPERADORA DI, OPERAÇÃO E MANUTENÇÃO RODOVIÁRIA, SA
- Chairman of the Board of Directors of Ascendi, CONCESSÕES DE TRANSPORTES, SGPS, SA
- Chairman of the Board of Directors of Ascendi, SERVIÇOS DE ASSESSORIA, GESTÃO E OPERAÇÃO, SA
- Chairman of the Board of Directors of Ascendi O&M, SA
- Chairman of the Board of Directors of TERGEP,SGPS,SA
- Chairman of the Board of Directors of GT- INVESTIMENTOS INTERNACIONAIS ,SGPS,SA
- Member of the Board of Directors of EMSA - EMPREENDIMENTOS E EXPLORAÇÃO DE ESTACIONAMENTOS, SA
- Member of the Board of Directors of COPEXA - CONCESIONARIA AUTOPISTA PEROTE-XALAPA, SA DE C.V. (México)
- Member of the Board of Directors of LUSOPONTE – CONCESSIONÁRIA PARA A TRAVESSIA DO TEJO SA
- Member of the Board of Directors of GESTIPONTE – OPERAÇÃO E MANUTENÇÃO DAS TRAVESSIAS DO TEJO, SA
- Member of the Board of Directors of LOGZ – ATLANTIC HUB, SA
- Chairman of the board of the General Meeting of MULTITERMINAL – SOCIEDADE DE ESTIVA E TRÁFEGO, SA
- Chairman of the board of the General Meeting of LOKEMARK - SOLUÇÕES DE MARKETING, SA
- Member of the Remuneration Committee of TAKARGO – TRANSPORTE DE MERCADORIAS, SA
- Member of the Remuneration Committee of E.A.MOREIRA – AGENTES DE NAVEGAÇÃO, SA
- Member of the Remuneration Committee of LISCONT – OPERADORES DE CONTENTORES, SA
- Member of the Remuneration Committee of TRANSITEX – TRANSITOS DA EXTREMADURA, SA
- Member of the Remuneration Committee of MULTITERMINAL – SOCIEDADE DE ESTIVA E TRÁFEGO,SA
- Member of the Remuneration Committee of SADOPT- TERMINAL MARÍTIMO DO SADO,SA
- Member of the Remuneration Committee of SLPP- SERVIÇOS LOGÍSTICOS DE PORTOS PORTUGUESES,SA
- Member of the Remuneration Committee of SOL – S INTERNACIONAL, TECNOLOGIAS DE INFORMAÇÃO,SA
- Member of General Board of ASTERIUM, ACE
- Member of the Senior Board of SUMA
- Member of the Senior Board of TERTIR – TERMINAIS DE PORTUGAL, SA
- Member of Supervisory Board of INDAQUA – INDÚSTRIA DE GESTÃO DE ÁGUAS, SA

**Positions held at other companies outside the Mota-Engil Group**

- Director of COGERA - Sociedade de Produção de Energia por Cogeração, Lda.
- Director of COVELAS – Energia, Lda

**Arnaldo José Nunes da Costa Figueiredo (Deputy-chairman)**
**Positions held at other companies of the Mota-Engil Group**

- Non-executive Director of Martifer, SGPS, SA;
- Chairman of the Board of Directors of Mota-Engil, Indústria e Inovação, SGPS, SA;
- Member of the Senior Board of Ascendi – Concessões de Transportes, SGPS, S.A..

**Arnaldo José Nunes da Costa Figueiredo (Deputy-chairman)**

**Positions held at other companies outside the Mota-Engil Group**

- He does not perform duties outside the Mota-Engil Group

**Maria Manuela Queirós Vasconcelos Mota dos Santos (Director)**

**Positions held at other companies of the Mota-Engil Group**

- Director of EDIFÍCIOS GALIZA – SOCIEDADE IMOBILIÁRIA, LDA.
- Member of the Board of Directors of EMPRESA AGRÍCOLA FLORESTAL PORTUGUESA, SA
- Member of the Remuneration Committee of E.A. MOREIRA – AGENTES DE NAVEGAÇÃO, SA
- Member of the Remuneration Committee of INDAQUA – INDÚSTRIA E GESTÃO DE ÁGUAS, SA
- Member of the Remuneration Committee of LISCONT – OPERADORES DE CONTENTORES, SA
- Member of the Remuneration Committee of LOKEMARK – SOLUÇÕES DE MARKETING, SA
- Member of the Remuneration Committee of MARTIFER, SGPS, SA
- Member of the Remuneration Committee of MESP – MOTA-ENGIL, SERVIÇOS PARTILHADOS, ADMINISTRATIVOS E DE GESTÃO, SA
- Member of the Remuneration Committee of MOTA-ENGIL II, GESTÃO, AMBIENTE, ENERGIA E CONCESSÕES DE SERVIÇOS, SA
- Member of the Remuneration Committee of NORTEDOMUS – SOCIEDADE IMOBILIÁRIA, SA;
- Member of the Remuneration Committee of TAKARGO – TRANSPORTE DE MERCADORIAS, SA
- Member of the Remuneration Committee of TERTIR – CONCESSÕES PORTUÁRIAS, SGPS, SA
- Member of the Remuneration Committee of TERTIR – TERMINAIS DE PORTUGAL, SA
- Member of the Remuneration Committee of TRATOFOZ – SOCIEDADE DE SOCIEDADE DE TRATAMENTO DE RESÍDUOS, SA
- Member of the Remuneration Committee of TRANSITEX- TRANSITOS DA EXTREMADURA, SA
- Member of the Remuneration Committee of AREAGOLF – GESTÃO CONSTRUÇÃO E MANUTENÇÃO E CAMPOS DE GOLF, SA
- Member of the Remuneration Committee of AURIMOVE – SOCIEDADE IMOBILIÁRIA, SA
- Member of the Remuneration Committee of MOTA ENGIL ENERGIA, SA
- Member of the Remuneration Committee of MOTA-ENGIL INDÚSTRIA E INOVAÇÃO, SGPS, SA
- Member of the Remuneration Committee of PLANINOVA – SOCIEDADE IMOBILIÁRIA, SA
- Member of the Remuneration Committee of RTA – RIO TÂMEGA, TURISMO E RECREIO, SA
- Member of the Remuneration Committee of SGA – SOCIEDADE DE GOLF DE AMARANTE, SA
- Member of the Remuneration Committee of MANVIA – MANUTENÇÃO E EXPLORAÇÃO DE INSTALAÇÕES E CONSTRUÇÕES, SA
- Member of the Remuneration Committee of MOTA-ENGIL AMBIENTE E SERVIÇOS, SGPS, SA

**Positions held at other companies outside the Mota-Engil Group**

- Chairman of the Board of Directors of Algosi – Gestão de Participações Sociais SGPS, SA
- Chairman of the Board of Directors of António de Lago Cerqueira, SA
- Director of Casal Agrícola de Parada, Lda.
- Director of Ladário - Sociedade de Construção, Lda.
- Director of Serra Lisa – Sociedade de Empreendimentos Imobiliários, Lda.
- Director of Sociedade Agrícola Moura Basto, Lda.
- Director of Cerâmica de Boialvo, Lda.
- Director of Mineira do Jarmelo, Lda.
- Director of Mineira de Pensalvos, Lda.
- Director of Socomagra, Lda
- Member of the Board of Directors of FM – Sociedade de Controlo, SGPS, SA
- Member of the Board of Directors of Mota Gestão e Participações – Sociedade Gestora de Participações Sociais, SA
- Member of the Board of Directors of Agrimota – Sociedade Agrícola e Florestal, SA
- Member of the Remuneration Committee of António de Lago Cerqueira, SA
- Member of the Board of Directors of Empresa Agrícola Florestal Portuguesa, SA
- Member of the Board of Trustees and the Board of Directors of Manuela António da Mota Foundation

**Maria Teresa Queirós Vasconcelos Mota Neves da Costa (Director)**

**Positions held at other companies of the Mota-Engil Group**

- Member of the Remuneration Committee of EMSA – EMPREENDIMENTOS E EXPLORAÇÃO DE ESTACIONAMENTOS, SA
- Member of the Remuneration Committee of FERROVIAS E CONSTRUÇÃO, SA
- Member of the Remuneration Committee of LISCONT – OPERADORES DE CONTENTORES, SA
- Member of the Remuneration Committee of MESP – MOTA-ENGIL, SERVIÇOS PARTILHADOS, ADMINISTRATIVOS E DE GESTÃO, SA
- Member of the Remuneration Committee of MOTA-ENGIL, ENGENHARIA E CONSTRUÇÃO, SA
- Member of the Remuneration Committee of MOTA-ENGIL, SGPS, SA
- Member of the Remuneration Committee of SEDENGIL – SOCIEDADE IMOBILIÁRIA, SA
- Member of the Remuneration Committee of TRANSITEX – TRANSITOS DE EXTREMADURA,, SA
- Member of the Remuneration Committee of TRATOFOZ – SOCIEDADE DE TRATAMENTO DE RESÍDUOS, SA
- Member of the Remuneration Committee of VIBEIRAS – SOCIEDADE COMERCIAL DE PLANTAS, SA
- Member of the Remuneration Committee of SADOPT – TERMINAL MARÍTIMO DO SADO, SA
- Member of the Remuneration Committee of SLPP – SERVIÇOS LOGÍSTICOS DE PORTOS PORTUGUESES, SA

**Positions held at other companies outside the Mota-Engil Group**

- Deputy-Chairman of Board of Directors of FM – Sociedade de Controlo, SGPS, SA
- Member of the Board of Directors of António de Lago Cerqueira, SA
- Member of the Board of Directors of Mota Gestão e Participações, Sociedade Gestora de Participações Sociais, SA
- Member of the Board of Directors of Supermercados Navarras, SA
- Director of Edifícios Galiza – Sociedade Imobiliária, Lda.

**Maria Teresa Queirós Vasconcelos Mota Neves da Costa (Director)**

- Director of Imobiliária Toca do Lobo, Lda.
- Director of Matiprel – Materiais Pré-Fabricados, Lda.
- Director of Sociedade Agrícola Moura Basto, Lda.
- Director of Casal Agrícola de Parada, Lda.;
- Director of Mineira de Pensalvos, Lda.
- Director of Mineira do Jarmelo, Lda;
- Member of the Board of Trustees of Manuela António da Mota Foundation

**Maria Paula Queirós Vasconcelos Mota de Meireles (Director)**
**Positions held at other companies of the Mota-Engil Group**

- Chairman of the Board of Directors of RTA – Rio Tâmega, Turismo e Recreio, SA
- Chairman of the Board of Directors of SGA – Sociedade do Golfe de Amarante, SA
- Director of Edifícios Galiza – Sociedade Imobiliária, Lda.
- Director of Largo do Paço – Investimentos Turísticos e Imobiliários, Lda.
- Director of Matiprel – Materiais Pré-Fabricados, Lda.
- Chairman of the board of the General Meeting of EMSA – EMPREENDIMENTOS E EXPLORAÇÃO DE ESTACIONAMENTOS, SA
- Member of the Remuneration Committee of MOTA-ENGIL II, GESTÃO, AMBIENTE, ENERGIA E CONCESSÕES DE SERVIÇOS, SA
- Member of the Remuneration Committee of RTA – RIO TÂMEGA, TURISMO E RECREIO, SA
- Member of the Remuneration Committee of SGA – SOCIEDADE DO GOLFE DE AMARANTE, SA.

**Positions held at other companies outside the Mota-Engil Group**

- Deputy-Chairman of the Board of Directors of Algosi – Gestão de Participações Sociais, SGPS, SA
- Member of the Board of Directors of António de Lago Cerqueira, SA
- Member of the Board of Directors of FM – Sociedade de Controlo, SGPS, SA
- Member of the Board of Directors of Mota Gestão e Participações, Sociedade Gestora de Participações Sociais, SA
- Director of Casal Agrícola de Parada, Lda.
- Director of Mineira de Pensalvos, Lda.
- Director of Mineira do Jarmelo, Lda.
- Director of Predimarão – Sociedade de Construções, Lda.
- Director of Sociedade Agrícola Moura Basto, Lda.
- Director of Verotâmega – Sociedade Imobiliária, Lda.
- Member of the Remuneration Committee of António de Lago Cerqueira, SA.

**Ismael Antunes Hernandez Gaspar (Director)**
**Positions held at other companies of the Mota-Engil Group**

- Chairman of the Board of Directors of MOTA-ENGIL, ENGENHARIA E CONSTRUÇÃO, SA
- Chairman of the Board of Directors of MOTA-ENGIL CENTRAL EUROPE, SGPS, SA
- Chairman of the Board of Directors of EMSA–EMPREENDIMENTOS E EXPLORAÇÃO DE ESTACIONAMENTOS, SA
- Chairman of the board of the General Meeting of SEDENGIL – SOCIEDADE IMOBILIÁRIA, SA.

**Positions held at other companies outside the Mota-Engil Group**

- Member of the Board of Auditors of FUNDCIC – Fund for the Development of Construction Sciences;
- Participation member of the Incorporating Committee of the OFP – Portuguese Railway Organisation;
- Mota-Engil, Engenharia e Construção, SA representative at AECOPS - Civil Construction & Public Works Companies Association, involved in the preparation of industry polls;
- Mota-Engil, Engenharia e Construção, SA representative at CCAP – American Chamber of Commerce in Portugal;
- Mota-Engil, Engenharia e Construção, SA, representative at CCLH – Luso-Hungarian Chamber of Commerce;

**Luís Manuel Ferreira Parreirão Gonçalves (Director)**
**Positions held at other companies of the Mota-Engil Group**

- Since January 5, 2009, he has not held positions at other companies of the Mota-Engil Group

**Positions held at other companies outside the Mota-Engil Group**

- He does not perform duties outside the Mota-Engil Group

**José Luís Catela Rangel de Lima (Director)**
**Positions held at other companies of the Mota-Engil Group**

- Non-executive Director of LUSOPONTE – CONCESSIONÁRIA PARA A TRAVESSIA DO TEJO SA

**Positions held at other companies outside the Mota-Engil Group**

- He does not perform duties outside the Mota-Engil Group

**Luís Filipe Cardoso da Silva (Director)**
**Positions held at other companies of the Mota-Engil Group**

- Member of the Board of Directors of MESP, MOTA-ENGIL SERVIÇOS PARTILHADOS ADMINISTRATIVOS E DE GESTÃO SA;



**Luís Filipe Cardoso da Silva (Director)**

- Member of the Board of Directors of MESP Central Europe Sp. z.o.o.;
- Member of the Board of Directors of Mota-Engil Brand Management B.V.;
- Member of the General and Supervisory Board of Vortal - Comércio Electrónico, Consultadoria e Multimédia, SA;
- Member of Senior Board of Ascendi Group, SGPS, SA;
- Member of the Board of Directors of Martifer, SGPS, SA

**Positions held at other companies outside the Mota-Engil Group**

- Member of the Board of Directors of Vallis, SGPS, SA

**Maria Isabel da Silva Ferreira Rodrigues Peres (Director)**
**Positions held at other companies of the Mota-Engil Group**

- Member of the Board of Directors of MESP – Mota-Engil Serviços Partilhados, SA
- Member of Human Resources Committee Mota-Engil SGPS, SA

**Positions held at other companies outside the Mota-Engil Group**

- Member of the Board of Directors of Fundação Manuel António da Mota
- Member of General Board of E.G.P.- Escola de Gestão do Porto, em representação da Mota-Engil SGPS, SA

**Luís Valente de Oliveira (Independent Director)**
**Positions held at other companies of the Mota-Engil Group**

- He does not perform duties in other Mota-Engil Group company

**Positions held at other companies outside the Mota-Engil Group**

- Director of the Business Association of Portugal;
- European co-ordinator of Auto-Estradas do Mar;
- Director of the Luso-American Development Foundation (FLAD);
- Member and chairman of the Audit and Risk Committee of Millennium bcp;
- Chairman of the Board of Auditors of EFACEC;

**António Bernardo Aranha da Gama Lobo Xavier (Independent Director)**
**Positions held at other companies of the Mota-Engil Group**

- He does not perform duties in other Mota-Engil Group company.

**Positions held at other companies outside the Mota-Engil Group**

- Non-executive Director of Sonaecom, SGPS, SA;
- Non-executive Director of Banco BPI, SA;
- Member of the Board of Directors of EPM, SGPS, SA;
- Member of the Board of Directors of the Serralves Foundation;
- Member of the General Board of Público, SA;
- Chairman of the board of the General Meeting of Banco Santander Consumer, SA;
- Member of the Board of Auditors of the Belmiro de Azevedo Foundation;
- Member of the Board of Directors of Dot One, SGPS, SA;
- Chairman of the board of the General Meeting of Têxtil Manuel Gonçalves, SA.

**António Manuel da Silva Vila Cova (Independent Director)**
**Positions held at other companies of the Mota-Engil Group**

- He does not perform duties in other Mota-Engil Group company.

**Positions held at other companies outside the Mota-Engil Group**

- Member of the Supervisory Board of Banco Finantia

**II.21** Identification of the members of the Board of Auditors, detailing whether the members comply with the incompatibility rules provided for in Article 414-A.1 and with the criterion of independence provided for in Article 414.5, both of the Companies Code. For the purpose the Board of Auditors performs its self-assessment.

Member	Incompatibility Criteria	Independence Criteria
Alberto João Coraceiro de Castro	Complied	Complied
José Rodrigues de Jesus (ROC)	Complied	Complied



Member	Incompatibility Criteria	Independence Criteria
Pedro Manuel Seara Cardoso Perez	Complied	Complied

The Board of Auditors meets with the official auditor and with the external auditor the frequency considered adequate, monitoring the audit performed and checking its independence. Decisions regarding the choice of these service providers and their remuneration are the responsibility of the Board of Directors, at the prior proposal of the Board of Auditors.

The annual activity report issued by the Board of Auditors is published together with the Annual Report and Accounts, available on the MOTA-ENGIL Internet site. Any constraints encountered by the Board of Auditors within the scope of its activity during the year are communicated in its report.

Although the Board of Auditors is the prime interlocutor in the relations with the official auditor and with the external auditor and is the first addressee of the reports they draw up, the Board of Directors takes cognisance of these tasks through several joint meetings between the Board of Auditors and a member of the Board of Directors with the official and external auditors.

The Board of Auditors assesses the External Auditor on an ongoing basis.

The members of the Board of Auditors, particularly its Chairman, are informed of the meetings of the Board of Directors, which they regularly attend, allowing them to monitor the overall business of the GROUP.

**II.22 Professional qualifications of the members of the board of directors, indication of their professional activities during at least the past five years, number of shares they hold in the company, date of their first appointment and date of conclusion of their term of office.**

#### Alberto João Coraceiro de Castro (Chairman)

##### Professional Qualifications

- Degree in Economics, University of Porto Faculty of Economics;
- Doctorate in Economics, University of South Carolina;

##### Professional career during the past five years

- Lecturer at Universidade Católica Portuguesa (Porto);
- Deputy-chairman of the General and Supervisory Board of EDP (since 2006);
- Chairman of the Board of Auditors of Unicer (since 2007);
- Customer Ombudsman of the Port of Leixões;
- Chairman of the Board of Directors of Ciencinvest – Valorização Económica da Ciência, SA (2005-2008)
- Non-executive director of Douro Azul, SA (up to 2008).

##### Nº of shares as at 31/12/2010

2,200 shares

##### 1st Appointment

March 30, 2007

##### End of Term of Office

December 31, 2010

#### José Rodrigues de Jesus (Full Member)

##### Professional Qualifications

- Degree in Economics, University of Porto Faculty of Economics.
- Official Auditor (ROC)

##### Professional career during the past five years

- University lecturer;
- Official Auditor

##### Nº of shares as at 31/12/2010

Held no shares in Mota-Engil, SGPS, SA

**José Rodrigues de Jesus (Full Member)**

**1st Appointment**  
March 30, 2007

**End of Term of Office**  
December 31, 2010

**Pedro Manuel Seara Cardoso Perez (Full Member)**

**Professional Qualifications**  
- Degree in Economics, University of Porto Faculty of Economics.

**Professional career during the past five years**  
- Managing director of Gedafe, Gabinete de Gestão Administrativa, Lda.  
- Member of the Board of Auditors of Tertir – Terminais de Portugal, SA; (March 2007 to August 2008);  
- Secretary of the board of the General Meeting of BRM, SGPS, SA.

**Nº of shares as at 31/12/2010**  
Held no shares in Mota-Engil, SGPS, SA

**1st Appointment**  
March 30, 2007, in the capacity of alternate member, September 23, 2010, as full member.

**End of Term of Office**  
December 31, 2010

## II.23 Positions held at other companies by members of the Board of Auditors, detailing those held in other companies of the same group.

**Alberto João Coraceiro de Castro (Chairman)**

**Positions held at other companies of the Mota-Engil Group**  
He does not perform duties at other companies of the Mota-Engil Group

**Positions held at other companies outside the Mota-Engil Group**  
- Deputy-chairman of the General and Supervisory Board of EDP (since 2006);  
- Chairman of the Board of Auditors of Unicer (since 2007);  
- Customer Ombudsman of the Port of Leixões

**José Rodrigues de Jesus (Full Member)**

**Positions held at other companies of the Mota-Engil Group**  
He does not perform duties at other companies of the Mota-Engil Group.

**Positions held at other companies outside the Mota-Engil Group**  
- Statutory auditor of the following companies: Ambar – Ideias no Papel, SA, Calfor - Indústrias Metálicas, SA, Quinta de Roriz – Vinhos, SA, Porto Vivo, SRU – Sociedade de Reabilitação Urbana da Baixa Portuense, SA, Edemi Gardens – Promoção Imobiliária, SA, Quintas & Quintas – Offshore, Sistemas de Amarração, SA, Farmácia Ribeiro, SA, Camilo dos Santos Mota, SA, Imoagueda, SGPS, SA; member of the Board of Auditors, though without the standing of Official Auditor of Finibanco Holding, SGPS, SA, Finibanco, SA, Milenniumbcp Fortis Grupo Segurador, SGPS, SA, and Germen – Moagem de Cereais, SA, and secretary of the board of the General Meeting of Milenniumbcp – Gestão Fundos Investimento, SA

**Pedro Manuel Seara Cardoso Perez (Full Member)**

**Positions held at other companies of the Mota-Engil Group**  
He does not perform duties at other companies of the Mota-Engil Group.

**Positions held at other companies outside the Mota-Engil Group**  
He does not perform duties at other companies of the Mota-Engil Group.

## II.24 Reference to the fact that the Board of Auditors performs an annual assessment of the external auditor and of the possibility of proposing the dismissal of the auditor with due cause to the general meeting.

The Board of Auditors performs an annual assessment of the external auditor and is responsible for monitoring its qualifications and its independence. The law and the articles of association assign no competence to the General Meeting to appoint the external auditor, and for this reason there is no possibility that the dismissal of the auditor with due cause can be proposed to the General Meeting. In any case, to date, the Mota-Engil Board of Auditors has

seen no reason to consider taking measures to dismiss with due cause an entity that has performed duties as the company's external auditor.

**II.25** Identification of the members of the general and supervisory board and of other committees set up under it for the purpose of assessment of the individual and overall performance of the executive directors, reflection as to the governance system adopted by the company and identification of potential candidates for the post of director.

Not applicable

**II.26** Identification of the members of the general and supervisory board comply with the incompatibility rules provided for in Article 414-A.1., including indent f) and the independence criterion of provided in Article 414.5 both of the Companies Code.

Not applicable

**II.27** Professional qualifications of the members of the general and supervisory board and of other committees set up within it, indication of their professional activities during at least the past five years, number of shares they hold in the company, date of their first appointment and date of conclusion of their term of office.

Not applicable

**II.28** Duties that members of the general and supervisory board and of other committees set up within it perform at other companies of the same group.

Not applicable

**II.29** Description of the remuneration policy, including, in particular, that of the managers in the acceptance of Article 248-B.3 of the Securities Code, and of other workers whose professional activity could have a relevant impact in the company's risk profile and whose remuneration includes a major variable component.

The remuneration policy applicable to Mota-Engil managers in the acceptance of Article 248.3 of the Securities Code is detailed in the declaration of this matter submitted by the Board of Directors to the General Meeting for appraisal. At Mota-Engil there are no other workers whose professional activity could have a relevant impact on the company's risk profile and whose remuneration contains a major variable component.

**II.30** Description of the remuneration policy of the management and supervisory bodies to which Article 2 of Act 28/2009 of July 19 refers.

As stipulated in the Article 2 of Act 28/2009 of July 19 a declaration is submitted for appraisal to the General Meeting in respect of the remuneration policy of the members of the respective management and supervisory bodies.

The present remuneration policy at MOTA-ENGIL, SGPS,SA as approved at the preceding general meeting, seeks to promote, a medium and long-term standpoint, the alignment of the interests of the directors with those of the company. It is primarily based on a fixed remuneration, with a variable component in the light of the results of the business and of the company's economic and financial situation.

The general principles to be observed in fixing remuneration are essentially the following:

a) Duties performed

Consideration must be given to the duties performed by each, in the widest sense of the activity that is actually undertaken, and to the inherent responsibilities, and not just in the formal sense. All directors will not be in the same position, nor will all the executive directors, and neither will the members of the board of auditors on occasion. The

reflection on the duties must be performed in its widest sense, and criteria must be taken into account as diverse as dedication or value added for the company, the time dedicated or the value added for the company resulting from a certain type of intervention or institutional representation. Likewise, this reflection must include consideration of the existence of duties performed at other controlled companies, which means, on the one hand, an increase of responsibilities and, on the other, a cumulative source of income.

b) the company's economic situation

Consideration has to be given to the company's economic situation, as well as to the company's interests from a long-term standpoint to the real growth of the company and creation of equityholder value.

c) General market conditions for similar situations

The definition of any remuneration must take into account the law of supply and demand, and corporate officers are no exception. Only due regard for market practices can retain professionals whose performance is appropriate to the complexity of the duties and responsibilities. The remuneration must be aligned with the market and be stimulating, acting as the means to achieve high individual and collective performance, safeguarding not only the interests of the individual but essentially those of the company and the creation of value for its equityholders.

The specific remuneration-policy options that we have submitted and approved at as follows:

- The remuneration of the executive members and of the non-executive non-independent members of the Board of Directors shall comprise a fixed part and a variable part;
- The remuneration of the non-executive independent members of the Board of Directors, of the members of the Board of Auditors and of the members of the Board of the General Meeting shall comprise solely a fixed part;
- The fixed part of the remuneration of the members of the Board of Directors having executive duties as well as that of the non-executive non-independent members shall consist of a monthly sum payable fourteen times a year;
- The monthly amount of the fixed part of the remuneration of the members of the Board of Directors shall be fixed for all those who are members of the Executive Committee and for those who, despite not belonging to this committee, are not considered independent;
- A predetermined amount shall be fixed for each attendance at meetings of the Board of Directors for those members who are considered independent and have essentially non-executive duties;
- The fixed remuneration of the members of the Board of Auditors and of the Board of the General Meeting shall all comprise a fixed sum payable twelve times a year;
- The process of allocation of variable remuneration to the executive members of the Board of Directors shall follow the criteria proposed by the Remuneration Committee, taking into account the assessment of their performance, their position in the hierarchy, the company's long-term performance criteria and the real growth of the company and of the selected performance variables;
- In fixing all remuneration, including also the distribution of the total amount of the variable remuneration of the members of the Board of Directors, the foregoing general principles shall be observed: duties performed, situation of the company and market criteria.

With regard to the groups of companies whose recommended policies and practices were used as the element of comparison in fixing the remuneration, the Remuneration Committee takes into consideration, to the extent of the information that can be accessed, all Portuguese companies of an equivalent size, particularly those listed on the PSI-20, and also companies of other international markets having characteristics equivalent to those of the Mota-Engil Group.

The Remuneration Committee has not established any agreements as to payments by Mota-Engil in respect of dismissal or termination of duties as directors by mutual agreement.

**II.31** Indication of the annual amount of the remuneration earned individually by the members of the management and supervisory boards, including fixed and variable remuneration and, in respect of the latter, indication of the various components giving rise thereto, the part that is deferred and the part already paid.

Members	Company	Fixed Component	Variable Component		Attendance Fees	Total
			Profit Sharing	Other Bonuses		

#### Board of Directors

António Manuel Queirós V. da Mota	Mota-Engil SGPS	500,000	102,250	2,825	-	605,075
Jorge Paulo Sacadura de Almeida Coelho	Mota-Engil SGPS	500,000	200,000	-	-	700,000
Arnaldo José Nunes da Costa Figueiredo	Mota-Engil SGPS	310,000	130,000	3,282	-	443,282
Gonçalo Nuno Gomes de A. Moura Martins	Mota-Engil A&S, SGPS	300,000	139,825	-	-	439,825
Maria Manuela Q. V. Mota dos Santos	Mota-Engil SGPS	275,000	30,000	74,420	-	379,420
Maria Teresa Q. V. Mota Neves da Costa	Mota-Engil SGPS	275,000	30,000	72,890	-	377,890
Maria Paula Queirós V. Mota de Meireles	Mota-Engil SGPS	275,000	30,000	79,055	-	384,055
Ismael Antunes Hernandez Gaspar	Mota-Engil E&C SA	310,000	130,000	3,336	-	443,336
Luis Manuel Ferreira Parreirão Gonçalves	Mota-Engil SGPS	300,000	102,180	-	-	402,180
Luis Filipe Cardoso da Silva	Mota-Engil SGPS	195,000	-	-	-	195,000
Maria Isabel da Silva F. Rodrigues Peres	Mota-Engil SGPS	175,500	-	-	-	175,500
José Luis Catela Rangel de Lima	Mota-Engil SGPS	150,000	2,100	-	-	152,100
Luis Valente de Oliveira	Mota-Engil SGPS	-	-	-	35,000	35,000
António Bernardo A. da Gama Lobo Xavier	Mota-Engil SGPS	-	-	-	35,000	35,000
António Manuel da Silva Vila Cova	Mota-Engil SGPS	-	-	-	39,500	39,500
						4,807,163

#### Board of Auditors

Alberto João Coraceiro de Castro	Mota-Engil SGPS	30,000	-	-	-	30,000
José Rodrigues de Jesus	Mota-Engil SGPS	30,000	-	-	-	30,000
Manuel Teixeira Mendes <sup>(1)</sup>	Mota-Engil SGPS	6,000	-	-	-	6,000
Pedro Manuel Seara Cardoso Perez <sup>(1)</sup>	Mota-Engil SGPS	1,650	-	-	-	1,650
						67,650

(1) In the wake of the resignation tendered by the former full member (Manuel Teixeira Mendes) on September 21, 2010 and under Article 415.4 of the Companies Code, Pedro Manuel Seara Cardoso Perez, till then alternate member of the Board of Auditors, was co-opted as a full member thereof until the next general meeting.

There are no stock-option plans or rights to acquire options on shares or any other incentives system involving shares. The criteria relating to the variable component of the remuneration of the management bodies are those set out in the remuneration policy described in point II.18.

Information on the link between the remuneration and the performance of the management bodies is set out in the remuneration policy described in point II.30.

Information on the main parameters and grounds of any annual bonus system set out in the remuneration policy described in point II.30. There are no other non-pecuniary benefits.

During 2010 an indemnity was paid to former director Eduardo Jorge de Almeida Rocha on termination of office, in the sum of €80,000.

No other amounts were paid for any reason whatsoever to other companies in a controlling of group relationship.

Some directors (founder-equityholders) benefit from a defined-benefit pension plan, which allows the beneficiaries to obtain a pension of 80% of the salary earned on retirement. It should be mentioned that this plan was in force prior to the admission to listing of Mota-Engil, SGPS, SA, on the stock market.

In accordance with Note 32 of the Notes to the consolidated accounts as at December 31, 2010 & 2009, liabilities for pensioners and liabilities for personnel in service, as well as the respective cover, are as follows:

	2010	2009 restated	2009
<i>Liabilities to pensioners</i>	1, 458, 253	1, 698, 852	1, 698, 852
<i>Liabilities to personnel in service</i>	7, 478, 245	8, 557, 363	8, 557, 363
<i>Provisions set aside (Note 29)</i>	8, 936, 770	10, 256, 214	10, 256, 214
<i>% of cover</i>	100%	100%	100%

The variation during the period is underpinned by an actuarial report ordered for the purpose and is essentially due to the following alterations to the assumptions: (i) the rate of return of the fund increased from 4% to 4.5% in that the rates of return now expected for the long term used in the pension-fund market, also at the recommendation of the international accounting standards, are around 5%; (ii) this also applies to the pension-update rate, though this has increased only from 3% to 4% (as there is no funding vehicle for these liabilities, the recommendation is that it be kept at 4%); (iii) the wage growth rate fell from 3% to 2% since the wage-history used in the actuarial valuation has grown by less than 3%.

Liabilities for defined-benefit pension plans are calculated in accordance with the “Projected Unit Credit Method” using the actuarial and financial assumptions best suited to the plan in question.

**II.32** Information as to the way in which the remuneration is so structured as to allow an alignment of the interests of the members of the management body with the company's long-term interests, as well as as to the way it is based on the appraisal of the performance and discourages excessive risk-taking.

Even though no formal mechanism exists to align the interests of the members of the management body with the company's long-term interests, particularly through deferral of the variable remuneration, the Remuneration Committee endeavours to so structure the remuneration of the members of the management body as to allow the medium and long-term alignment with the company's interests.

**II.33** With regard to the remuneration of executive directors:

**a)** Reference to the fact that the remuneration of the executive directors includes a variable component and information on the way in which this component is dependent on performance assessment.

The remuneration policy for the executive members of the company's Board of Directors involves a plan consisting of: (i) a fixed component defined in the light of the levels of responsibility of each executive director, reviewed annually, which includes the basic gross remuneration paid in respect of the period of one year; and (ii) a variable component paid the following year by way of performance bonus, taking into account the evolution of his performance based on criteria defined and reviewed annually by the Remuneration Committee, which considers the real growth of the company and the wealth actually created for the equityholders, its long-term sustainability and the risks assumed, as well as compliance with the rules applicable to the company's business.

The variable component is allocated each year and the Remuneration Committee is charged with the constant monitoring and assessing of the performance of the directors, verifying the extent to which the proposed targets were



actually met.

**b)** Indication of the company's bodies competent to perform the evaluation of the performance of the executive directors.

The evaluation of the performance of the Executive Directors is performed by the Remuneration Committee.

**c)** Indication of predetermined criteria for the evaluation of the performance of the executive directors.

The criteria established for the evaluation of the performance of the executive directors are general and are enshrined in the remuneration policy approved by the General Meeting, and there are no predetermined, objective criteria governing this matter.

**d)** Explanation of the relative importance of the variable and fixed components of the director's remuneration, as well as indication of the maximum limits for each component.

The variable components of the remuneration of the executive directors takes into account the company's performance in the short and medium term, as well as the benchmarking in comparison with other companies of similar size in similar business.

Although the articles of association fix the variable remuneration of the Board of Directors only in general terms, which cannot exceed five per cent of the year's profit, the Remuneration Committee considers that the variable component attributed to the members of the Executive Committee have been reasonable, taken as a whole, in relation to the fixed component of the remuneration.

**e)** Indication of the deferral of payment of the variable component of the remuneration, stating the period of deferral.

There is no deferral of the payment of the said variable remuneration.

**f)** Explanation of the way in which the variable remuneration is subject to continuity of the company's good performance over the period of deferral.

Not applicable, without prejudice to the comments set out in point II.32

**g)** Sufficient information on the criteria on which the attribution of variable remuneration in shares is based, as well as on the maintenance by executive directors of the shares in the company that they have accesses, on the close of any contracts relating to such shares, particularly hedging or risk-transfer contracts, their limits and their ration as a proportion of the total annual remuneration.

The company neither has nor has planned any remuneration scheme involving the award of shares and/or any incentive scheme involving shares.

**h)** Sufficient information on the criteria on which the attribution of variable remuneration in options is based and indication of the period of deferral and of the exercise price.

The company neither has nor has planned any remuneration scheme involving the award of stock-option rights.

**i)** Identification of the main parameters and grounds of any annual bonus scheme and of any other non-pecuniary benefits.

The company has no annual bonus scheme or other non-pecuniary benefits.

**j) Remuneration paid in the form of profit sharing and/or payment of bonuses and the reason why such bonuses and/or profit sharing were granted.**

Remuneration paid in the form of profit sharing and/or payment of bonuses is detailed in point II.31 and is part of the variable component, by way of performance bonus, taking into account the evolution of the directors' performance in the light of the proposed objectives.

**l) Indemnities paid or owed to former executive directors in respect of termination of their duties during the year.**

During 2010 an indemnity was paid to former director Eduardo Jorge de Almeida Rocha on termination of office, in the sum of €80,000.

**m) Reference to the contractual limitation stipulated for the compensation payable for dismissal of a director without due cause and its relationship with the variable component of the remuneration.**

There are no contractual limits to the compensation payable for dismissals of a director without due cause other than as provided for by law.

**n) Amounts were paid for any reason whatsoever by other companies in a controlling of group relationship.**

During 2010 no sums were paid to executive directors (or to non-executive directors) of Mota-Engil by companies in a controlling or group relationship other than those divulged in point II.31.

**o) Description of the main characteristics of the complementary pension or early-retirement schemes for the directors, stating whether they were or were not subject to appraisal by the General Meeting.**

Some directors (founder-equityholders) benefit from a defined-benefit pension plan, which allows the beneficiaries to obtain a pension of 80% of the salary earned on retirement. It should be mentioned that this plan was in force prior to the admission to listing of Mota-Engil, SGPS, SA, on the stock market.

**p) Estimate of the value of relevant non-pecuniary benefits considered as remuneration not covered by the foregoing situations.**

The company does not assign any relevant non-pecuniary benefits by way of remuneration.

**q) Existence of mechanisms preventing the executive directors from closing contracts calling into question the reason for the variable remuneration.**

There is no mechanism preventing the executive directors from closing contracts calling into question the reason for the variable remuneration. Nevertheless, the Remuneration Committee always takes this factor into consideration in the criteria used to determine the variable remuneration

**II.34 Reference to the fact that the remuneration of non-executive directors does not include variable components.**

The remuneration of non-executive directors includes variable components. Mota-Engil's understanding is that, besides rewarding the long-term strategy undertaken by the entire Board of Directors, including the non-executive directors, this does not disparage their non-executive function.

**II.35** Information on the policy of communication of irregularities adopted by the company (means of communication, people entitled to receive the communications, treatment to be provided and indication of the persons and bodies able to access the information and their intervention in the procedure).

At the end of 2008, the “Board of Auditors Regulations on procedures to be adopted in the matter of communication of irregularities” was approved, which was divulged to the entire Group through an internal service order.

Through approval of these regulations, the Board of Directors of Mota-Engil, SGPS, SA, wished to encourage internal communication of irregular practices so as to prevent or repress irregularities, avoiding damages aggravated by ongoing irregular practices, while complying with the Securities Market Commission recommendations in this matter.

The regulations consider that irregular practices are all acts and omissions, fraudulent or negligent, performed within the scope of the business of the companies of the Mota-Engil Group that could impact on the financial statements or on other areas, damaging the assets and the good name of the Group, namely violation of any law, rule or regulation, practice of fraud, abuse of authority, bad management, waste of funds, damage to the health and safety of the workers and damage to the environment.

The Board of Auditors guarantees the confidentiality of the accusations and the anonymity of the author of communications of signs that irregularities have been committed, though the Mota-Engil, SGPS, SA, Board of Directors is kept informed. Where the signs of irregularities are communicated by workers of companies of the Mota-Engil Group the worker's rights cannot be affected by the fact. Persons falsely communicating irregular practices or communicating them in bad faith, as well as those infringing the duty of confidentiality may be subject to criminal proceedings and to disciplinary proceedings if they are Mota-Engil Group company employees.

The procedural stages of the irregularities communications system, the responsibility of the Board of Auditors, are as follows:

- a) reception and registration;
- b) preliminary appraisal and assessment of the consistency of the communication received;
- c) investigation;
- d) final report, with communication to the chairman of the Board of Directors.

The investigation process is undertaken by the Board of Auditors, assisted by the Investment, Audit and Risk Committee, which is competent to deal with matters not involving decisions. The Investment, Audit and Risk Committee may propose that external auditors or other specialists be hired to help in the investigation where the special nature of the matters in question so warrant.

By January 31 each year the Board of Auditors evaluates the activity undertaken the previous year and proposes such alterations as it may deem necessary to the improvement and perfecting of the irregular-practice communication system.

**II.36** Identification of the members of committees set up for the purpose of assessment of the individual and overall performance of the executive directors, reflection as to the governance system adopted by the company and identification of potential candidates for the post of director.

Within the scope of the management and supervisory bodies no committees have been set up having specific competence in these matters.

**II.37** Number of meetings of the committees set up having competence in the matter of management and supervision during the year in question, as well as reference to writing up of the minutes of such meetings.

Not applicable in the light of the explanation provided in the preceding number.

**II.38** Reference to the fact that a member of the remuneration committee has knowledge and experience in the matter of remuneration policy.

It is considered that, as a result of their curricula and professional careers (detailed in point II.18), the three members of the Remuneration Committee have knowledge and experience in the matter of remuneration policy. Additionally, as and where necessary, the Remuneration Committee is helped by in-house or external specialists to support their decisions in the matter of the remuneration policy.

**II.39** Reference to the independence of natural or corporate persons taken on for the remuneration committee under employment or provision of services contract related with regard to the board of directors, as well as, as and where applicable, to the fact that such persons have an actual relationship with the company's consultant.

António Manuel Queirós Vasconcelos da Mota (chairman and non-executive member of the Board of Directors) and Maria Teresa Queirós Vasconcelos Mota Neves da Costa (non-executive member of the board of directors ) are members of the Remuneration Committee, having been elected to the position by the General meeting at the proposal of the majority equityholder Mota Gestão e Participações, SGPS, SA. Their participation in the Remuneration Committee corresponds solely to representation of the equityholder's interest, and they intervene in this capacity and not in that of members of the management body. To ensure their independence in the performance of these duties, these members do not take part in any discussion or adoption of resolutions in which there is or could be a conflict of interests, particularly with regard to fixing their own remuneration as members of the management body.

### III. Information

**III.1** Issued capital structure, including indication of shares not admitted to trading, different categories of shares, rights and duties inherent therein and percentage of the issued capital represented by each category.

The Mota-Engil, SGPS, SA, issued capital as at December 31, 2010, amounted to €204,635,695, fully paid up and represented by 204,635,695 ordinary bearer shares each of a par value of €, which, with the exception of treasury shares, give entitlement to dividends. The whole of the shares that make up the issued capital are admitted to trading on Euronext Lisbon.

**III.2** Qualified holdings in the issuer's issued capital, calculated under Article 20 of the Securities Code.

Equityholders	Nº of Shares	% Issued Capital
Mota Gestão e Participações, SGPS, SA	80,406,957	39.29%
ALGOSI - Gestão de Participações Sociais, SGPS, SA	30,538,198	14.92%
António Manuel Queirós Vasconcelos da Mota	5,017,647	2.45%
Maria Manuela Queirós Vasconcelos Mota dos Santos	3,665,066	1.79%
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	3,736,836	1.83%
Maria Paula Queirós Vasconcelos Mota de Meireles	3,943,051	1.93%
Maria Inês Fonseca Vasconcelos Mota Sá	33,775	0.02%
Attributable to <b>FM – Sociedade de Controlo, SGPS, SA <sup>(1)</sup></b>	<b>127,341,530</b>	<b>62.23%</b>
Kendall II, SA	9,472,764	4.63%
Investment Opportunities, SA	620,510	0.30%
Banco Privado Português, SA	271,243	0.13%
Attributable to <b>Privado Holding SGPS, SA</b>	<b>10,364,517</b>	<b>5.06%</b>
QMC Development Capital Fund Plc	4,190,954	2.05%
Attributable to <b>Nmás 1 Agencia de Valores SA</b>	<b>4,190,954</b>	<b>2.05%</b>

(1) FM – Sociedade de Controlo, SGPS, SA, is wholly owned by: António Manuel Queirós Vasconcelos da Mota (38.23%); Maria Manuela Queirós Vasconcelos Mota dos Santos (20.59%); Maria Teresa Queirós Vasconcelos Mota Neves da Costa (20.59%) and Maria Paula Queirós Vasconcelos Mota de Meireles (20.59%).

**III.3** Identification of equityholders having special rights and description of such rights.

There are no equityholders or categories of equityholders having special rights.

**III.4** Possible restrictions to the transferability of the shares, such as clauses requiring consent for their disposal or limitations to the ownership of shares.

There are no restrictions whatsoever to the transfer of shares in Mota-Engil, SGPS, SA, such as clauses requiring consent for their disposal or as to limitations to share ownership.

### III.5 Equityholders' agreements known to the company that could lead to restrictions in the matter of transfer of securities or voting rights.

The company is not cognisant of any equityholders' agreements that could lead to restrictions in the matter of transfer of securities or voting rights

### III.6 Rules applicable to the alteration of the company's articles of association.

There are no special rules governing the alteration of the articles of association other than those resulting from the general legislation provided for in the Companies Code.

### III.7 Control mechanisms provided for in any system of worker participation in the issued capital to the extent that they do not directly exercise voting rights.

There are no mechanisms for worker participation in the Mota-Engil, SGPS, SA, issued capital

### III.8 Description of the evolution of the issuer's share prices, taking into account, in particular: a) the issue of shares or other securities that give entitlement to subscribe or acquire shares; b) the announcement of results; c) payment of dividends by category of shares, with indication of the net amount per share.

The year under review was marked by the serious crisis within the bond markets of the euro area, reflecting concern as to sovereign foreign-debt default by its peripheral countries (Southern Europe and Ireland). This crisis was the main factor conditioning the evolution of the other markets in Europe. Particularly as from the second quarter of the year there was unheard-of selectivity within the euro area, with investors making a clear distinction between those countries that have accumulated foreign debt as a result of major budget deficits and those where domestic demand has overheated.

During the third quarter, reacting to signs suggesting a fragile, though sustainable economy and to expectations that the North American Federal Reserve could recommence a policy of massive purchases of long-term financial instruments, injecting liquidity into the economy and allowing a reduction of long-term interest rates, the equity markets made a significant recovery. Nevertheless, this trend failed to eliminate uncertainties as to the ability of the Greek, Irish and, to a certain extent, Portuguese States to repay foreign public debt.

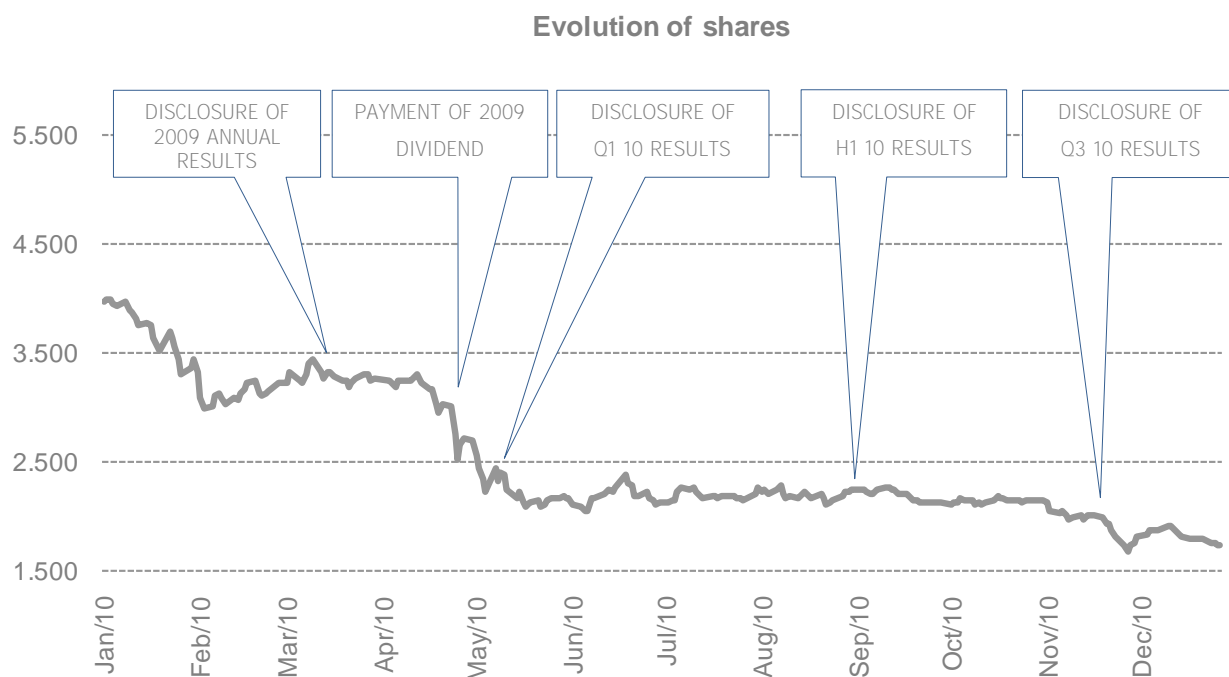
Within the context of a new paradigm in which investors in equities were increasingly seen to be more sensitive to company indebtedness and affected also by the uncertainties in the construction industry in Portugal, mainly in the public works sector, the Mota-Engil shares, especially following the sharp rise in 2009 (68%), were severely penalised and fell 55.7% during the year, to a market capitalisation of €356.7 million.

The annual performance of the shares was as follows:

	1st Half 2010	2nd Half 2010	Total Performance 2010	1st Half 2009	2nd Half 2009	Total Performance 2009
Mota-Engil shares	- 46%	- 10%	- 56%	37%	30%	68%
PSI - 20	- 17%	6%	- 10%	12%	21%	33%
EURONEXT 100	- 9%	10%	1%	0%	26%	25%



The evolution of the share price is shown in the following chart:



With the exception of own shares, all the shares that make up the Mota-Engil, SGPS, SA, issued capital give entitlement to dividends. On April 30, 2010, the 2009 dividend was placed at the disposal of equityholders in the net sum of €0.088 per share.

No shares or other securities were issued during 2010 giving entitlement to subscription or acquisition of shares

**III.9** Description of the dividend distribution policy adopted by the company, identifying in particular the amount of the dividend per share paid during the past three years.

The dividend policy adopted by the company consists of granting a dividend providing, in each fiscal year, a minimum payout ratio of 50% and a maximum of 75%, depending on the evaluation made by the Board of Directors of a number of factors over time, with the prime objective of providing an adequate remuneration of equityholder capital by this means. The net dividend per share over the past three years amounted to 11 cents of Euro.

**III.10** Description of the main characteristics of the stock option plans and of plans to grant options to acquire shares adopted or in force during the year in question, particularly justification for the adoption of the plan, category and number of addressees of the plan, conditions of attribution, non-saleability of shares clauses, criteria governing the price of the shares and the option exercise price, period during which the options may be exercised, characteristics of the shares to be attributed, existence of incentives for the acquisition of shares and/or for the exercise of options, and competence of the management body to execute or modify the plan. Indication: a) of the number of shares required to exercise options attributed and of the number of shares required to exercise exercisable options, as at the start and end of the year; b) of the number of options attributed, exercisable and extinguished during the year; c) of the appraisal by the general meeting of the characteristics of the plans adopted or in force during the year in question.

At this time the company has no plans to attribute shares or stock option plans.

**III.11** Description of the main elements of deals and transaction carried out between, on the one hand, the company and, on the other, the members of its management and supervision bodies, holders of qualified holdings or companies in a controlling or group relationship, provided they are significant in economic terms for any of the parties involved, except those deals or transactions that, cumulatively, are undertaken at arm's length for similar transaction and are part of the company's day-to-day business.

No significant deals or transactions were undertaken between the management and supervisory bodies or companies in a controlling or group relationship, except those deals carried out, which, as a part of the day-to-day business, were also carried out at arm's length.

**III.12** Description of the fundamental elements of the business and transactions undertaken between the company and owners of qualified holdings or with entities in any relationship with them under Article 20 of the Securities Code, other than at arm's length.

No business or transactions significant in economic terms were undertaken between the company and owners of qualified holdings or with entities in any relationship with them under Article 20 of the Securities Code.

**III.13** Description of the procedures and criteria applicable to the intervention of the supervisory body for the purpose of prior assessment of transactions to be undertaken between the companies and owners of qualified holdings or with entities in any relationship with them under Article 20 of the Securities Code.

Deals between the company and owners of qualified holdings or entities in any relationship therewith are appraised solely by the Executive Committee, on the basis of analysis and technical opinions issued by the Investment, Audit and Risk Committee (specialised committee). No procedures or criteria have been established in respect of intervention by the supervisory body. It should be mentioned, however, that transactions between directors of Mota-Engil, or with companies in a controlling or group relationship with the one of which the contracting party is a director, regardless of their value, are subject to the prior authorisation of the relevant Board of Directors and to the favourable opinion of the respective supervisory body, under Article 397 of the Companies Code.

**III.14** Description of the statistical elements (number, average value and maximum value) in respect of transactions subject to prior intervention by the supervisory body.

Not applicable

**III.15** Indication that the annual reports on the activity of the general and supervisory board, the financial matters committee, the board of auditors and the Board of Auditors, including an indication of any constraints encountered, are divulged via the company's Internet site in conjunction with the financial statements.

The annual reports on the activity undertaken by the Board of Auditors are subject to disclosure in the Company's Internet site ([www.mota-engil.pt](http://www.mota-engil.pt)), in conjunction with the annual report and accounts.

**III.16** Reference to the existence of an Investor Support Office or other similar service, with mention of: a) the duties of the Office; b) the type of information provided by the office; c) the means of access to the Office; d) the company's Internet site; and e) the identity of the market relations representative.

Mota-Engil, SGPS, SA, is in permanent contact with investors and analysts through the Market Relations Division, which provides up-to-date information that is both relevant and reliable, besides providing clarification regarding the business of the Group, with a view to improving their knowledge and understanding of the Group.

The Market Relations Division, in articulation with the Group's Management Control, regularly organises presentations for the financial community, communications on quarterly, half-yearly and annual results, as well as release important information to the market as and where seen to be necessary to disclose or clarify any event that could influence the evolution of the price of the shares in Mota-Engil, SGPS, SA. Furthermore, when so requested, it provides clarification on the Group's activities, replying to questions placed by e-mail or by telephone.

All the information divulged is available on the CMVM Internet page ([www.cmvm.pt](http://www.cmvm.pt)) and on the Mota-Engil ([www.mota-engil.pt](http://www.mota-engil.pt)) Internet page.

The representative of Market Relations Division is Luis Filipe Cardoso da Silva (CFO), whose contacts are:

Luís Silva  
Edifício Mota  
Rua do Rego Lameiro, N°38  
4300-454 Porto  
Tel: +351 225 190 300  
Fax: +351 225 190 303  
e-mail: [investor.relations@mota-engil.pt](mailto:investor.relations@mota-engil.pt)

The person responsible for the Market Relations Division is João Vermelho, whose contacts are:

João Vermelho  
Rua Mário Dionísio nº2  
2796-957 Linda-a-Velha  
Tel: 351 214 158 200  
Fax: +351 214 158 688  
e-mail: [jvermelho@mota-engil.pt](mailto:jvermelho@mota-engil.pt)

Any investor or analyst may also contact the company through its Market Relations Representative Luís Silva, by e-mail addressed to [investor.relations@mota-engil.pt](mailto:investor.relations@mota-engil.pt).

**III.17** Indication of the amount of annual remuneration paid to the auditor and to other natural or corporate persons belonging to the same network supported by the company and/or by corporate persons in a controlling or group relationship, and also details of the percentage in respect of the following services: a) legal audit of the accounts; b) other reliability assurance services; c) tax consultancy services; d) other services other than legal audit of the accounts. If the auditor provides any of the services described in indents c) and d), a description shall be provided of the means of safeguarding the auditor's independence. For the purpose of this information, the network concept is the one stemming from the European Commission Recommendation C (2002) 1873 of May 16.

During 2010, the annual remuneration paid by MOTA-ENGIL, SGPS, SA, and by other companies in a controlling or group relationship to the company's External Auditor (Deloitte & Associados, SROC, SA), including other entities belonging to the same network, amounted to €2,615,000, this payment having been broken down in respect of the provision of the following services:

Nature of the service	Amount	%
Audit and legal review of the accounts	909,000	35%
Other reliability assurance services	422,000	16%
Tax consultancy	130,000	5%
Other services	1,157,000	44%
<b>TOTAL</b>	<b>2,615,000</b>	<b>100%</b>

“Other services” in the above table essentially refer to support in Human Resources area (€95,000) and to services rendered in IT systems (€80,000).

The tax consultancy services and other services are provided by specialists other than those involved in the audit process, and it is therefore considered that the auditor's independence is further heightened. In 2010, the fees paid by MOTA-ENGIL, in Portugal, to companies of the Deloitte network in Portugal account for less than 3% of Deloitte's total annual billing in Portugal. The External Auditor's quality system controls and monitors the potential risks of loss of independence or any conflicts of interest with MOTA-ENGIL. Additionally, a "Letter of Independence" is obtained from Deloitte in which it warrants compliance with the IFAC (International Federation of Accountants) international guidelines in the matter of auditor independence.

Additionally, the Board of Auditors receives each year, under Article 62-B of Decree-Law 487/99 of November 16, as amended by Decree-Law 224/2008 of November 20), the auditor's declaration of independence, in which a description is provided of the services provided by it and by other entities of the same network, the respective fees paid and any threats to its independence, as well as measures to safeguard against them. All threats to the auditor's independence are assessed and discussed with it, as are the respective safeguard measures.

Monitoring the activity of the External Auditor is undertaken by the Board of Auditors, which is also entrusted with proposing its election and appointment to the general meeting and with expressing an opinion in its independence and other relations with the Group. The Board of Auditors' internal regulations provide a procedure that subjects to its approval the services to be provided by the external auditor (including consultancy services), as well as its remuneration, and in this way, the committee is able to ensure that the conditions appropriate to the provision of the services are extant within the company. The Board of Auditors is also the company's interlocutor with the external auditor and the initial addressee of its reports.

### III.18 Reference to the external auditor's rotation period.

Deloitte & Associados, SROC, SA, provides external auditing services to MOTA-ENGIL under provision of services contracts having a duration of 1 year as from 1992. In 2009, a new partner was appointed to orient or directly perform the said services (seven years after the previous replacement).

MOTA-ENGIL has neither defined nor implemented any policy of rotation of the external auditor. The Board of Directors considers that replacement of the partner responsible for the audit services every seven years (mandatory by law and according with the best practices of Deloitte worldwide and Deloitte & Associados, SROC, SA) in conjunction with the powers assigned to the Board of Auditors is sufficient to ensure the independence of the external auditor.

The maintenance of the auditor is based on the specific opinion of the supervisory body, expressly weighing the auditor's conditions of independence and the advantages and costs of his replacement.



## Annexes

### Declaration under Article 245.1(c) of the Securities Code

Under Article 245.1 (c) of the Securities Code, the members of the Board of Directors declare that, to the full extent of their knowledge, the information contained in this report and accounts has been drawn up in accordance with international financial reporting standards (“IFRS”) as adopted by the European Union, providing a true and fair image of the assets and liabilities, of the financial situation and of the results of Mota-Engil, SGPS, SA, and of the companies included in the consolidation perimeter, and that this management report faithfully sets out the evolution of the business, of the performance and of the position of Mota-Engil, SGPS, SA, and of the companies included in the consolidation perimeter, and that it contains a description of the main risks and uncertainties with which they are confronted.

Porto, March 14, 2011

**António Manuel Queirós Vasconcelos da Mota**  
Chairman of the Board of Directors

**Jorge Paulo Sacadura de Almeida Coelho**  
Deputy-chairman of the Board of Directors and  
Chief Executive Officer

**Arnaldo José Nunes da Costa Figueiredo**  
Deputy-chairman of the Board of Directors and  
Member of the Executive Committee

**Gonçalo Nuno Gomes de Andrade Moura Martins**  
Deputy-chairman of the Board of Directors and  
Member of the Executive Committee

**Maria Manuela Queirós Vasconcelos Mota dos Santos**  
Member of the Board of Directors

**Maria Teresa Queirós Vasconcelos Mota Neves da Costa**  
Member of the Board of Directors

**Maria Paula Queirós Vasconcelos Mota de Meireles**  
Member of the Board of Directors and  
Member of the Executive Committee

**Ismael Antunes Hernandez Gaspar**  
Member of the Board of Directors and  
Member of the Executive Committee

**Luís Manuel Ferreira Parreirão Gonçalves**  
Member of the Board of Directors

**José Luís Catela Rangel de Lima**  
Member of the Board of Directors

**Luís Filipe Cardoso da Silva**  
Member of the Board of Directors and  
Chief Financial Officer



**Maria Isabel da Silva Ferreira Rodrigues Peres**  
Member of the Board of Directors and  
Member of the Executive Committee

**Professor Luís Valente de Oliveira**  
Non-executive and independent member of the Board of Directors

**António Bernardo Aranha da Gama Lobo Xavier**  
Non-executive and independent member of the Board of Directors

**António Manuel da Silva Vila Cova**  
Non-executive and independent member of the Board of Directors

#### Articles 324.2 and 66.5(c) of the Companies Code

Within the scope of the resolution adopted by the General Meeting in March 31, 2010, Mota-Engil SGPS, SA, acquired on the stock market 33,128 treasury shares during 2010, details of which are as follows:

Date	N. shares	Average price (Euro/share)	Value (Euro)
09/Jun/2010	30,850	2.04	63,070.30
10/Jun/2010	2,278	2.03	4,624.34

As at December 31, 2010, Mota-Engil SGPS, SA held 11,005,456 treasury shares representing 5.38% of its issued capital.

Acquisitions of treasury shares during 2010 were carried out by the Group's board of directors which, in the belief that the capital market was undervaluing the Mota-Engil SGPS shares on those dates, decided to increase the treasury share portfolio that the Company already held, signalling to the capital market, by this means, too, the board of directors' confidence in the future of the Group.

These acquisitions had due regard at all times for the legal limits and they were also communicated to the market to the extent required by the regulations and in keeping with the deadlines established by the capital market regulator (CMVM).

#### Article 447 of the Companies Code and Article 14.7 of CMVM Regulation 5/2008

Disclosure of shares and other securities held by members of the Board of Directors and by managers, as well as by persons closely related to them under Article 248-B of the Securities Code, and of transactions thereon during the year.

Annex to which Article 447 of the Companies Code and Article 14.7 of CMVM Regulation 5/2008 refers:

Managers / People closely related	Date	Holding shares in											
		MOTA-ENGIL, SGPS, SA					ALGOSI, SGPS, SA		MGP, SGPS, SA		FM, SGPS, SA		
		Amount	Price	Buy / Sell	Market / Off Market	%	Amount	%	Amount	%	Amount	%	
António Manuel Queirós Vasconcelos da Mota and spouse Opening balance		4,624,617				2.26%	1,666	16.7%	517,500	8.6%	19,115	38.2%	
	04-02-2010	85,823	3.09	Buy	Market								
	05-02-2010	14,177	3.08	Buy	Market								
	20-05-2010	100,000	2.11	Buy	Market								
	12-11-2010	37,500	1.96	Buy	Market								
	28-12-2010	30,000	1.76	Buy	Market								
	29-12-2010	22,270	1.74	Buy	Market								

Managers / People closely related	Date	Holding shares in											
		MOTA-ENGIL, SGPS, SA					ALGOSI, SGPS, SA		MGP, SGPS, SA		FM, SGPS, SA		
		Amount	Price	Buy / Sell	Market / Off Market	%	Amount	%	Amount	%	Amount	%	
Closing balance	30-12-2010	230	1.72	Buy	Market								
		4,914,617				2.40%	1,666	16.7%	517,500	8.6%	19,115	38.2%	
Maria Manuela Queirós Vasconcelos Mota dos Santos and spouse													
Closing balance		3,665,066				1.79%	1,078	10.8%	427,500	7.1%	10,295	20.6%	
Maria Teresa Queirós Vasconcelos Mota Neves da Costa and spouse													
Closing balance		3,736,836				1.83%	1,078	10.8%	427,500	7.1%	10,295	20.6%	
Maria Paula Queirós Vasconcelos Mota de Meireles and spouse													
Opening balance		3,913,051				1.91%	1,078	10.8%	427,500	7.1%	10,295	20.6%	
	06-12-2010	5,000	1.84	Buy	Market								
	16-12-2010	5,000	1.87	Buy	Market								
	23-12-2010	5,000	1.78	Buy	Market								
	28-12-2010	5,000	1.76	Buy	Market								
	29-12-2010	5,000	1.75	Buy	Market								
	30-12-2010	5,000	1.74	Buy	Market								
Closing balance		3,943,051				1.93%	1,078	10.8%	427,500	7.1%	10,295	20.6%	
Maria Inês Fonseca Vasconcelos Mota Sá													
Closing balance		33,775		(*)		0.02%	-	-	-	-	-	-	-
Luis Filipe Cardoso da Silva													
Closing balance		12,500		(**)		0.01%	-	-	-	-	-	-	-
Gonçalo Nuno Gomes de Andrade Moura Martins													
Closing balance		12,435				0.01%	-	-	-	-	-	-	-
Ismael Antunes Hernandez Gaspar													
Closing balance		1,000				0.00%	-	-	-	-	-	-	-
José Luis Catela Rangel de Lima													
Closing balance		1,000				0.00%	-	-	-	-	-	-	-
Alberto João Coraceiro de Castro													
Closing balance		2,200				0.00%	-	-	-	-	-	-	-
Algosi - Gestão de Participações Socials, SGPS, SA													
Opening balance		30,538,198				14.92%	-	-	-	-	-	-	-
F.M. - Sociedade de Controlo, SGPS, SA													
Closing balance		-				-	-	-	4,200,000	70.0%	-	-	-
Mota Gestão e Participações, SGPS, SA													
Opening balance		75,695,252				36.99%	5,100	51.0%	-	-	-	-	-
	05-02-2010	81,612	2.98	Buy	Market								
	20-04-2010	54,040	3.14	Buy	Market								
	21-04-2010	33,213	3.03	Buy	Market								
	21-05-2010	32,509	2.06	Buy	Market								
	30-07-2010	20,000	2.16	Buy	Market								
	02-08-2010	1,714	2.21	Buy	Market								
	05-08-2010	2,000	2.25	Buy	Market								
	06-08-2010	-2,000	2.21	Sell	Market								
	09-09-2010	3,000	2.20	Buy	Market								
	14-09-2010	22,882	2.27	Buy	Market								
	27-09-2010	16,000	2.13	Buy	Market								
	28-09-2010	332,127	2.10	Buy	Market								
	30-09-2010	10,545	2.12	Buy	Market								
	01-10-2010	7,093	2.13	Buy	Market								
	04-10-2010	45,000	2.10	Buy	Market								
	06-10-2010	1,000	2.12	Buy	Market								
	07-10-2010	3,000	2.12	Buy	Market								
	08-10-2010	50,000	2.13	Buy	Market								
	11-10-2010	10,000	2.13	Buy	Market								
	12-10-2010	10,000	2.13	Buy	Market								
	13-10-2010	10,000	2.12	Buy	Market								
	14-10-2010	412,343	2.11	Buy	Market								
	27-10-2010	35,000	2.11	Buy	Market								
	02-11-2010	1,000	2.14	Buy	Market								
	05-11-2010	123,533	2.09	Buy	Market								
	08-11-2010	146,027	2.03	Buy	Market								
	09-11-2010	33,036	2.02	Buy	Market								
	10-11-2010	32,553	2.02	Buy	Market								
	11-11-2010	154,249	1.97	Buy	Market								
	12-11-2010	658,166	1.97	Buy	Market								

Managers / People closely related	Date	Holding shares in											
		MOTA-ENGIL, SGPS, SA					ALGOSI, SGPS, SA		MGP, SGPS, SA		FM, SGPS, SA		
		Amount	Price	Buy / Sell	Market / Off Market	%	Amount	%	Amount	%	Amount	%	
Closing balance	15-11-2010	131,432	1.99	Buy	Market								
	16-11-2010	311,762	1.99	Buy	Market								
	17-11-2010	109,334	2.00	Buy	Market								
	18-11-2010	463,974	2.00	Buy	Market								
	19-11-2010	97,133	2.00	Buy	Market								
	22-11-2010	196,397	1.99	Buy	Market								
	23-11-2010	303,641	1.95	Buy	Market								
	24-11-2010	220,950	1.92	Buy	Market								
	25-11-2010	51,761	1.90	Buy	Market								
	26-11-2010	73,777	1.83	Buy	Market								
	29-11-2010	60,500	1.75	Buy	Market								
	01-12-2010	2,000	1.67	Buy	Market								
	02-12-2010	4,000	1.72	Buy	Market								
	03-12-2010	849	1.74	Buy	Market								
	06-12-2010	3,066	1.84	Buy	Market								
	09-12-2010	1,000	1.87	Buy	Market								
	10-12-2010	1,170	1.85	Buy	Market								
	15-12-2010	3,000	1.85	Buy	Market								
	16-12-2010	3,000	1.84	Buy	Market								
	17-12-2010	40,600	1.81	Buy	Market								
	20-12-2010	21,202	1.79	Buy	Market								
	21-12-2010	21,000	1.79	Buy	Market								
	22-12-2010	12,042	1.77	Buy	Market								
	23-12-2010	83,229	1.79	Buy	Market								
	24-12-2010	19,495	1.80	Buy	Market								
	27-12-2010	25,800	1.76	Buy	Market								
	28-12-2010	62,687	1.76	Buy	Market								
	29-12-2010	15,000	1.74	Buy	Market								
	30-12-2010	10,000	1.73	Buy	Market								
	31-12-2010	22,262	1.74	Buy	Market								
	Closing balance		80,406,957				39.29%	5,100	51.0%	-	-	-	-

(\*) Became a member of the Board of Directors of Algosi – Gestão de Participações Sociais, SGPS, SA

(\*\*) Member of the Board of Directors of Mota-Engil SGPS, SA from 31/03/2010

## Article 448 of the Companies Code

In compliance with Article 448.4 of the Companies Code, there follows a list of equityholders who, as of December 31, 2010, held at least 10%, 33% or 50% of the issued capital of Mota-Engil, SGPS, SA:

Equityholder	N. of shares	% Issued capital
Mota Gestão e Participações, SGPS, SA	80,406,957	39.29%
Algosi – Gestão de Participações Sociais, SGPS, SA (1)	30,538,198	14.92%

(1) Mota Gestão e Participações, SGPS, SA holds 51% of the issued capital of Algosi – Gestão de Participações Sociais, SGPS, SA

During 2010 no shareholder relinquished its equityholdings as stated above.

## Decree-Law 411/91, of October 17

Under the terms and for the purposes of Article 21 of Decree-Law 411/91 of October 17, it is hereby declared that the Mota-Engil Group has no past-due debt to Social Security.

## Article 66.5(g) of the Companies Code

The Mota-Engil Group has branches in the following countries:

Company	Country
Mota-Engil, Engenharia e Construção, SA	Angola
	Benin
	Cape Verde
	Chad
	Slovakia
	Spain
	USA
	Hungary
	Ireland
	Malawi
	Mozambique
	Poland
	Czech Republic
Ferrovias e Construções, SA	Algeria
	Hungary
Companhia Portuguesa de Trabalhos Portuários e Construções, SA	Cape Verde
Mota-Engil, Ambiente e Serviços, SGPS, SA	Ireland
MESP Central Europe Sp. z.o.o.	Slovakia
	Hungary
	Czech Republic

### Qualified holdings

In compliance with Article 2.4 of CMVM Regulation 5/2008, there follows a list of holders of qualified holdings, stating the number of shares held and the corresponding percentage of voting rights, calculated in accordance with Article 20 of the Security Code, as at December 31, 2010:

Equityholder	N. of shares	% Issued
Mota Gestão e Participações, SGPS, SA	80,406,957	39.29%
Algosi – Gestão de Participações Sociais, SGPS, SA	30,538,198	14.92%
António Manuel Queirós Vasconcelos da Mota	4,914,617	2.40%
Maria Manuela Queirós Vasconcelos Mota dos Santos	3,665,066	1.79%
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	3,736,836	1.83%
Maria Paula Queirós Vasconcelos Mota de Meireles	3,943,051	1.93%
Maria Inês Fonseca Vasconcelos Mota Sá	33,775	0.02%
Attributable to F.M. - Sociedade de Controlo, SGPS, SA (1)	127,238,500	62.18%
Kendall II, SA	9,472,764	4.63%
Investment Opportunities, SA	620,510	0.30%

Equityholder	N. of shares	% Issued
Banco Privado Português, SA	271,243	0.13%
Attributable to Privado Holding SGPS, SA	10,364,517	5.06%
QMC Development Capital Fund Plc	4,190,954	2.05%
Attributable to Nmás 1 Agencia de Valores SA	4,190,954	2.05%

(1) A empresa FM – Sociedade de Controlo, SGPS, SA é detida a 100% por: António Manuel Queirós Vasconcelos da Mota (38,23%), Maria Manuela Queirós Vasconcelos Mota dos Santos (20,59%), Maria Teresa Queirós Vasconcelos Mota Neves da Costa (20,59%) e Maria Paula Queirós Vasconcelos Mota de Meireles (20,59%).



CONSOLIDATED  
REPORT &  
ACCOUNTS  
2010

## 4. AUDIT REPORTS







## LEGAL CERTIFICATION OF ACCOUNTS

(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN PORTUGUESE)

### INTRODUCTION

1. We have audited the financial statements of the Company “**MOTA - ENGIL, SGPS, S.A.**” (Company), which include the Balance Sheet on the 31<sup>st</sup> December 2010, (which evidences a total of Euro 805 278 619 and a total equity of Euro 374 411 946, including a net profit of Euro 104 429 791), the Statements of Profit and Loss by natures, of Changes in Equity and of Cash Flow for the financial year finished at that date, and the corresponding Notes.

### RESPONSABILITIES

2. The Company’s Board of Directors is responsible for the preparation of financial statements which disclose a true and suitable view of the Company financial position, the results of its operations and the cash flows, as well as the utilization of adequate methods and policies of accounting for that purpose, and the maintenance of an appropriate internal control system.

3. Our responsibility consists of expressing a professional and independent opinion based in our examination of those consolidated financial statements.

### SCOPE

4. Our examination was performed in accordance with the Technical Standards and Guidelines issued by the Ordem dos Revisores Oficiais de Contas (Portuguese Institute of Statutory Auditors), which require a planned and executed examination in order to obtain an acceptable reliance degree on if the financial statements are exempt from significant deviations. So, the aforesaid examination included:

- the verification, in a sampling basis, of the support of the indicated amounts and disclosures in the financial statements and the evaluation of the estimates, based on judgements and methods defined by the Company’s Board of Directors, used in their preparation;
- the appreciation of the adequacy of the adopted accounting policies and their disclosure, taking into account the circumstances;
- the verification of the applicability of the going concern principle; and
- the appreciation of being adequate on the whole, the financial statements presentation.

5. Our examination also includes verifying that the financial information included in the Management Report is consistent with the mentioned financial statements, as well as with the examinations required by the numbers 4 and 5 of Article 451º of Código das Sociedades Comerciais (Portuguese Companies Code).

6. We understand that the performed examination allows an acceptable basis for the expression of our opinion.

#### OPINION

7. In our opinion, the mentioned financial statements present in a true and appropriate manner, in all relevant aspects, the financial position of the Company “**MOTA-ENGIL, SGPS, S.A.**” on the 31<sup>st</sup> of December 2010, the results of its operations, the changes in equity and cash flows referring to year ending on that date, in accordance with generally accepted accounting principles in Portugal.

#### REPORT ON OTHER LEGAL REQUIREMENTS

8. It is also our opinion that the financial information included in the Management Report is consistent with the financial statements and that the Corporate Governance Report includes the information required by the Article 245<sup>o</sup>-A of Código dos Valores Mobiliários (Securities Market Code).

#### EMPHASIS

9. Without affecting the opinion expressed in paragraph 7 above, we draw attention to the following situations:

9.1 - Following the entry into force of the new Sistema de Normalização Contabilística (Portuguese Generally Accepted Accounting Principles) and complying with the provisions of Norma Contabilística e de Relato Financeiro nº.3 (Accounting and Financial Reporting Standard No .3), the financial statements as at December 31<sup>st</sup>, 2010, are presented, for purposes of comparison, with figures for year 2009, restated in accordance with this new normative, as Note 2.

9.2 - The financial statements mentioned in paragraph 1 above, are related with the individual accounts of the Company were it used the assessment criteria of the Equity Method in the valuation of the financial interests in subsidiaries, jointly controlled entities and associated companies, as Note 3.6. Besides that, the Company also prepares consolidated financial statements, in conformity with International Financial Reporting Standards as adopted by the European Union, which disclose a more suitable view of the Group of companies as a whole in its economical, financial, changes in equity, results of operations and cash flows position, which main figures are disclosed in the introductory Note.

Porto, 16<sup>th</sup> March 2011

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António Magalhães & Carlos Santos - SROC, Statutory Auditors Company,  
represented by Carlos Alberto Freitas dos Santos - Statutory Auditor nº 177

## AUDITORS' REPORT

### CONSOLIDATED FINANCIAL STATEMENTS

(translation of a report originally issued in Portuguese)

#### **Introduction**

1. In compliance with article n°245 of the Securities Market Code, we hereby present our Auditors' Report on the consolidated financial information contained in the Board of Directors Report and on the accompanying consolidated financial statements for the year ended 31 December 2010 of Mota-Engil, S.G.P.S., S.A. and subsidiaries ("the Company"), which comprise the consolidated statement of the Financial Position as of 31 December 2010, that presents a total of 3,456,166,184 Euros and shareholders' equity of 480,729,899 Euros, including a net consolidated profit of 36,950,674 Euros, the consolidated statements of results and comprehensive income, of changes in equity and of cash flows for the year then ended and the corresponding notes.

#### **Responsibilities**

2. The Company's Board of Directors is responsible for: (i) the preparation of consolidated financial statements that present a true and fair view of the financial position of the Company and of the group of companies included in the consolidation, the consolidated results and comprehensive income of their operations, the consolidated changes in its equity and their consolidated cash flows; (ii) the preparation of historical financial information in accordance with the International Financial Reporting Standards as adopted by the European Union, and that is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code; (iii) adopting adequate accounting principles and criteria and the maintenance of appropriate internal control systems; and (iv) informing on any significant facts that have influenced its operations and the operations of the group of companies included in the consolidation, their financial position, their results or their comprehensive income.
3. Our responsibility is to verify the financial information included in the documents of account referred to above, namely if, in all material respects, the information is complete, true, up-to-date, clear, objective and licit, as required by the Securities Market Code, and issuing a professional and independent report on that financial information based on our examination.

## Scope

4. Our examination was performed in accordance with the Technical Review/Audit Standards (*“Normas Técnicas e as Directrizes de Revisão/Auditoria”*) issued by the Portuguese Institute of Statutory Auditors (*“Ordem dos Revisores Oficiais de Contas”*), which require that the examination be planned and performed with the objective of obtaining reasonable assurance about whether the consolidated financial statements are free of material misstatement. An examination includes verifying, on a sample basis, evidence supporting the amounts and disclosures in the financial statements and assessing the estimates, based on judgements and criteria defined by the Company’s Board of Directors, used in their preparation. An examination also includes: the verification of the consolidation procedures used, the application of the equity method, as well as verifying that the financial statements of the companies included in the consolidation have been appropriately examined; assessing the adequacy of the accounting principles used and their uniform application and disclosure, taking into consideration the circumstances; the verification of the applicability of the going concern concept; the adequacy of the overall presentation of the consolidated financial statements; and assessment that, in all material respects, the information is complete, true, up-to-date, clear, objective and licit. Our examination also comprises verifying that the consolidated financial information contained in the Board of Directors’ Report is in accordance with the other consolidated documents of account, as well to perform the verifications established in nº4 and nº5 of the article 451º of the Securities Market Code. We believe that our examination provides a reasonable basis for expressing our opinion.

## Opinion

5. In our opinion, the consolidated financial statements referred to in paragraph 1 above, present fairly, in all material respects, the consolidated financial position of Mota-Engil, S.G.P.S., S.A. and subsidiaries as of 31 December 2010, the consolidated results and comprehensive income of its operations, the consolidated changes in its equity and their consolidated cash flows for the year then ended, in accordance with the International Financial Reporting Standards as adopted by the European Union, and the information contained therein is, in terms of the definitions included in the technical standards and review recommendations referred to in paragraph 4 above, complete, true, up-to-date, clear, objective and licit.

## Emphasis

6. As mentioned in Note 1.1., the Group, with effect from 1 January 2010, changed the consolidation method of its financial interests in joint controlled companies from the proportional consolidated method followed till that date, to the equity method. Such change produced a greater impact in the financial interests in the companies of the transports concessions segment, jointly controlled by Mota-Engil Group and other business Group, particularly after the business combination of their financial interests in this segment at Ascendi Group S.G.P.S., S.A., a subsidiary that as became joint controlled by the above referred Groups and, consequently, recorded in the consolidated financial statements by the equity method (Notes 4 and 20). As a result of this change, the financial statements for the year 2009 were re-stated for comparative purposes, and in Note 1.1. is disclosed the total amount of assets and liabilities, as well the revenues and costs that are no longer consolidated in the accompanied financial statements as of 31 December 2009 and 2010.

**Report on other legal requirements**

7. It is also our opinion that the financial information included in the Board of Directors' Report is in accordance with the consolidated financial statements of the year and that the Corporate Governance Report includes the information required to the Company, as established by the Article 245º- A of the Securities Market Code.

Porto, 16 March 2011

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Deloitte & Associados, SROC S.A.  
Represented by Jorge Manuel Araújo de Beja Neves



