



# CONSOLIDATED REPORT & ACCOUNTS

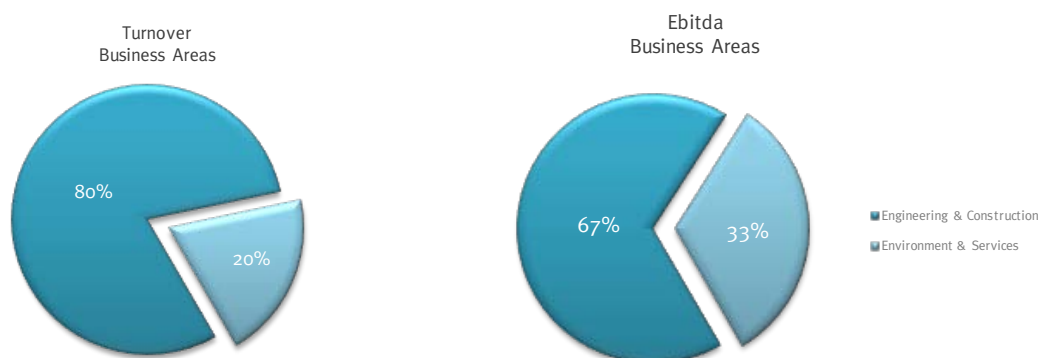
## 2011

**MOTAENGIL GROUP**  
A World of Inspiration



## Highlights

- Turnover grows 8.6% to €2.2 billion
- EBITDA and EBIT margins of 13.6% and 7.8%
- The GROUP's adjusted Net Profit rises to €52 million
- Order book of €3.8 billion
- Net corporate debt of €883 million



|  | 2011             | % T          | Δ             | 2010             | % T          | 4Q11           | % T          | Δ            | 4Q10           | % T          |
|--|------------------|--------------|---------------|------------------|--------------|----------------|--------------|--------------|----------------|--------------|
| <b>Turnover</b>                            | <b>2,176,072</b> | <b>0.0%</b>  | <b>8.6%</b>   | <b>2,004,551</b> | <b>0.0%</b>  | <b>619,620</b> |              | <b>14.4%</b> | <b>541,639</b> |              |
| <b>EBITDA</b>                              | <b>295,957</b>   | <b>13.6%</b> | <b>24.7%</b>  | <b>237,294</b>   | <b>11.8%</b> | <b>96,534</b>  | <b>15.6%</b> | <b>44.3%</b> | <b>66,890</b>  | <b>12.3%</b> |
| EBIT                                       | 169,384          | 7.8%         | 28.6%         | 131,746          | 6.6%         | 46,843         | 7.6%         | 64.7%        | 28,448         | 5.3%         |
| Net financial income                       | (79,714)         | (3.7%)       | (56.5%)       | (50,928)         | (2.5%)       | (13,696)       | (2.2%)       | (421.5%)     | (2,626)        | (0.5%)       |
| Net income/losses from equity method       | 630              | 0.0%         | (91.6%)       | 7,506            | 0.4%         | (2,669)        | (0.4%)       | (151.6%)     | 5,174          | 1.0%         |
| Income before taxes                        | 90,300           | 4.1%         | 2.2%          | 88,325           | 4.4%         | 30,479         | 4.9%         | (1.7%)       | 30,996         | 5.7%         |
| Net income                                 | 71,078           | 3.3%         | 2.5%          | 69,357           | 3.5%         | 24,974         | 4.0%         | (19.1%)      | 30,879         | 5.7%         |
| Attributable to:                           |                  |              |               |                  |              |                |              |              |                |              |
| Non-controlling interests                  | 37,646           | 1.7%         | 16.2%         | 32,406           | 1.6%         | 13,494         | 2.2%         | (45.3%)      | 24,670         | 4.6%         |
| <b>Group</b>                               | <b>33,432</b>    | <b>1.5%</b>  | <b>(9.5%)</b> | <b>36,951</b>    | <b>1.8%</b>  | <b>11,479</b>  | <b>1.9%</b>  | <b>84.9%</b> | <b>6,209</b>   | <b>1.1%</b>  |
| Martifer / Other non recurring (*)         | (18,600)         | 0.0%         | 0.0%          | (3,191)          | 0.0%         | (5,557)        | 0.0%         | 0.0%         | (3,214)        | 0.0%         |
| <b>Group net income (ex Martifer) (**)</b> | <b>52,032</b>    | <b>2.4%</b>  | <b>29.6%</b>  | <b>40,142</b>    | <b>2.0%</b>  | <b>17,036</b>  | <b>2.7%</b>  | <b>80.8%</b> | <b>9,422</b>   | <b>1.7%</b>  |

EBITDA = Operating profit + depreciation + provisions and impairment losses

Net debt = Debt - cash & cash equivalents

(\*) "Other non-recurring" (2010) includes effects of the reclassification of gains previously recognised in comprehensive income, because of the reduction of interests in joint ventures in the wake of the process of concentration of holdings in the highway concessions in the ASCENDI GROUP

(\*\*) Group Net profit adjusted for the Martifer gains/losses and for other non-recurring effects

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## Main events

### March 2011

- › Award of works in Poland worth €158 million
- › Award of works in Peru worth €60 million

### April 2011

- › Award of works in Angola worth €100 million

### August 2011

- › Award of works in Peru worth €125 million

### September 2011

- › Award of works in Poland worth €127 million

### February de 2012

- › Award of works in Malawi worth €540 million
- › Award of works in Angola worth €360 million

## Message from the Chairman of the Board of Directors

To the Members of MOTA-ENGIL, SGPS, SA,

The year under review was perhaps the most complicated ever of my entire career, which has often made me reflect how difficult it has been in the past to overcome crises, crises that are part of history and culture of this GROUP.

Although I recognise that it was very hard, I am very proud of the achievements of 2011 and first months of 2012, clearly raising the international profile of the company, with new clients and new markets, further strengthening my belief that we are on the right path to get out of the crisis as a stronger company.

Our staff have today an even stronger conviction that it is on the International Area and Diversification that the future is based, so there is an increasing willingness of many of the principal members of the GROUP'S staff to carry out their duties outside Portugal, sacrificing the comfort of being with their families.

But this Group wants to remain Portuguese and as the management structure is changed aiming at focusing on the "regions" where we operate, Mota-Engil, SGPS, SA will remain headquartered in Portugal, paying taxes and dividends to its shareholders in Portugal.

The Portuguese must assume their quality, with the confidence that we are able (in every part of the world) to have effective and efficient companies. National authorities must be heedful and support them in their internationalisation in every sector of the economy. The Portuguese construction industry deserves this support for it may well be one of the sectors most able to take on the international competition.

But just Portugal is not enough. Europe must rethink its structure; the dimension of the European project cannot live in indecision and pettiness. It was with cohesion and solidarity that Europe rose from the ashes after the World Wars and grew to a Europe of 27 after the fall of the Berlin Wall.

Dear Shareholders,

We are certain that with the cohesion of our "People" united under the banner of "One Group, one Project, one Strategy," MOTA-ENGIL will consolidate and strengthen itself under strong leadership not only in terms of the Executive Committee, but also in each Region and Market.

Let's go ahead!

António Mota  
Chairman of the Board of Directors

## Message from the Chief Executive Officer

To the Members of MOTA-ENGIL SGPS, SA,

On drawing up the balance of 2011, there is above all a deepening of the scenario of economic downturn seen in recent years in Portugal and also throughout Europe.

We are not immune to our surroundings, far from it. At MOTA-ENGIL, too, we are feeling difficulties, both through falling public and private investment and also declining consumption in the domestic and European markets, besides a very significant shrinkage of the credit market both nationally and internationally.

For the MOTA-ENGIL GROUP the year was marked by the resilience seen in the results at every level, which reflect the sum of the strategy that has been employed and the very professional attitude and determination of the approximately 20,000 employees who are a part of the MOTA-ENGIL GROUP to whom, on this occasion, I would like to extend my thanks yet again.

We have been able, in a bold but conscious manner, through a strategy of selective investment and promotion of organic growth, to meet the goals of the Strategic Plan, which involve increasing our international business, diversifying and creating value through synergies to be generated in each market.

As a result, international operations of MOTA-ENGIL GROUP grew 43% since the inception of the Strategic Plan, reinforcing our view that the strategy was the right one. Going forward, the GROUP will continue on the same path, increasing its order book that exceeds as of today € 2.5 billion (70% of total order book) and guaranteeing the global sustainability that we have proudly achieved.

We live in very difficult times but do not give up. We seek to position the GROUP for each new cycle, in constant evolution in line with the objectives of our shareholders and with the implementation strategy imprinted by each of the Group's senior managers in articulation with the leadership of the GROUP.

With this in mind, we are currently deepening the organizational model of the GROUP to provide the structure with the operational and financial response capacity to develop a new financial cycle, increasingly based on greater affirmation of Mota-Engil internationally, heading on a strategic course that is essential for the sustainability of the GROUP.

We have a solid strategy and an attitude of great commitment. This allows us to be at all times and in every market more competitive and thus emerge stronger from this difficult cycle in which the world now finds itself.

Lastly, a word of thanks to the shareholders who, even in troubled times of uncertainty and difficulty, continue to imprint trust and solidarity as an additional factor of motivation and stability, ever important for the working of organisations.

Jorge Coelho  
Chief Executive Officer









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2011

**1.**  
CONSOLIDATED  
MANAGEMENT  
REPORT

## 1. Macroeconomic Framework

### The International Economy

The global economy continues to recover from the recession caused by financial crisis in 2009. This recovery, however, occurs at different speeds, especially in the developing countries that continue to be the real driving force of global growth. According to the latest forecasts of the International Monetary Fund (IMF) for 2011, output growth in the emerging economies was 6.2%, where, apart from China and India, it highlights the growth of Latin America and Sub-Saharan Africa at 4.6% and 4.9% respectively. The average growth of the developed economies, more focused as they were on budgetary and financial issues, was no more than 1.6%.

Following a contraction of 0.6% in 2009, World GDP rose 5.2% in 2010, 3.8% in 2011 and for 2012, the IMF predicts a 3.3% annual growth. This trend of deceleration in GDP growth rates was mainly felt in the last quarters of 2011 due the weakness of European economies and lower growth in emerging markets. The turmoil in sovereign bond Euro markets and the following austerity measures adopted by several countries together with the limited access to credit markets was a drag on Europe's economic growth and spread to other economies around the globe. Signs that emerging markets' economies were overheating led their governments to adopt restrictive macroeconomic policies to contain credit expansion, control inflation and avoid currency appreciation, leading to lower though still meaningful growth rates.

During 2011, uncertainties on the strength of the European financial system remained an issue so as doubts on the Euro zone's ability to solve its sovereign debt crises. After the Greece and Ireland rescue packages from the European Union, European Central Bank and International Monetary Fund in 2010, Portugal, pressured by the increase in sovereign risk premium and by the unsustainable restrictions to accede external finance was also compelled to recourse to international financial aid.

This financial turmoil, initially limited only to the countries of the European periphery, spread across the Euro Area infecting some of the bigger European economies. Several European countries have seen their financial rating cut by several levels and the interest rates on their treasury bonds rose, in some cases, to almost prohibitive levels. Determined to restore the confidence of the financial markets, European governments have adopted a policy of aggressive fiscal consolidation, conditioning the region's economic growth. Indeed, although the Euro Area achieved a growth rate of 1.6% in 2011, the last quarter of the year was one of contraction and, for 2012, according to IMF projections, the Euro Area is set to see a slight recession of 0.5%.

The measures adopted in 2011 led European fiscal budgets to drop by 200 basis points to 4.7% of European Union's GDP in 2011 and 4.1% of Euro area's GDP. For 2012, the European Commission predicts fiscal budget deficits of 3.9% of EU's GDP and 3.4% of Euro area's GDP and public debt is expected to stabilize at 85% of EU's GDP and 90% of Euro area's GDP.

These measures calmed the markets during the closing months of 2011. The latest financial indicators point to a gradual reduction of borrowing costs and suggest lower investor risk-aversion. Despite these signs of improvement, the European financial system remains unstable. Interest rates on treasury bonds are still too high in some countries of the Euro Area and the funding available to private sector has diminished.

Economic activity in the US accelerated in the fourth quarter of 2011, showing strong resistance to the slowdown of global growth, with the industrial output index accelerating, unemployment declining and the real-estate market showing signs of recovery after the 2009 crisis. According to IMF forecasts, the US economy is set to grow 1.8% in 2012, in line with the growth of 2011.

The slowdown of the economies of the emerging countries in 2011 was clearly lower than that of the global economy as a result of increasingly strong domestic demand in the emerging countries of Asia and Latin America. For 2012 the IMF forecasts point to an average growth of the economies of the emerging and developing countries of 5.4%, which, despite the slowdown over the previous year, is a considerable growth and a reflects lesser dependence on demand from the more developed economies.

Commodity prices as a whole decreased in 2011 as a result of weakening global demand. Oil prices, however,

increased significantly in the closing months of the year, reflecting geopolitical tensions in Iran. The annual appreciation of crude oil prices was 8%, to stand at US\$ 99, and the expectation of the IMF is that the price will remain close to this figure in 2012. Driven by increased supply and the slowdown of global demand the price of other commodities is set to fall by about 14% in 2012, according to IMF projections. In fact, a general decline of price growth can be expected in 2012 both in the developed and in the emerging countries, where inflation is expected to be 6.3%.

In short, it is expected that the global economy will continue to recover from the 2009 recession, though more moderately than in previous years. The emerging markets are set to achieve appreciable growth rates, reflecting increased domestic demand, while the more advanced economies should return small growth rates. Financial markets remain fragile and political tensions and instability in the sovereign-debt market should be a major constraint to economic growth.

### The Portuguese economy

Throughout 2011 the pressure brought to bear by the financial markets on Portugal intensified substantially, forcing the government to fall back on the Troika's financial-aid programme. This programme has imposed a demanding policy of fiscal consolidation that has conditioned the country's economic performance. The public deficit has remained at 4% and the economy contracted 1.5% in 2011. On the other hand, the sovereign-risk premium continues to be penalised by international investors who are demanding a yield for debt with a 10-year maturity of more than 12%. Portuguese banks are still struggling to access funding on the international markets, which consequently leads to a limitation on financing the private sector of the economy. On the positive side, the highlight was the performance of the export sector which, according to the projections of the Portuguese government and the European Commission, is set to continue to have significant growth in 2012 and 2013.

The coming year will be marked by renewed efforts at fiscal consolidation and by growing de-leveraging by the business sector and individuals. The costs to finance the economy are set to increase and, consequently, public and private investment will tend to fall to historical lows. Despite the expected performance of foreign trade, Gross Domestic Product is expected to decline by about 3%, according to the forecasts of the European Union.

### The Polish economy

Contrary to the trend of weak growth in Europe, particularly in the Euro Area, Poland proved to be resilient and, according to European Commission forecasts, has achieved economic growth of around 4% in 2011. This growth notwithstanding, the country still faces major challenges and fiscal consolidation is essential to reduce the public deficit, which rose sharply following the financial crisis of 2009. In 2011, according to the European Commission, the public deficit will have fallen to 5.6% of GDP, a significant reduction compared to the 7.9% recorded in 2010. Public debt is set to rise from 54.9% of GDP in 2010 to 56.7% in 2011, reflecting primarily the impact of the devaluation of the Polish currency on the debt contracted in foreign currencies.

The financial system was not significantly affected by the sovereign-debt crisis because of the soundness of the domestic banking system and of the fact that the public debt is less than that of the European countries as a whole. Despite the crisis of its major trading partners, Poland has a large internal market which, combined with the devaluation of the Zloty, allowed that the economy was not affected by the reduction of international trade. Community funds, in turn, continued to provide a significant boost to investment, particularly in major large infrastructure projects in which the country is still in short supply.

The austerity measures implemented in 2011 project a public deficit of about 4% of the GDP in 2012 and 2.5% in 2013, according to the projections of the European Commission. This austerity policy will have repercussions on economic growth, set to stand at 2.5% in 2012 and 2.8% in 2013. Despite this slowdown, the Polish economy will clearly outperform that of most European countries.

### The Angolan economy

The Angolan economy, largely dependent on the oil industry, was hit hard by the collapse of oil prices and demand in 2009. After several years of two-digit growth rates, real GDP growth was 3.4% in 2010 and, according to IMF forecasts, rose to 3.7% in 2011. This slowdown was the result of delays in payments to the private sector which affected the banking industry and the private investment.

Inflation remains one of the major economic policy challenges in Angola. The heavy reliance on imported goods and foreign-exchange market instability are the main reasons for the 15% inflation in 2011. For 2012, one of the main objectives of the Angolan government is the control of inflation, which is expected to decline to 11.2%, according to IMF projections. Budget execution in 2011 is set to have generated a surplus of 8.5% of the GDP (6.8% in 2010 and a deficit of 4.9% in 2009), as well as a slight reduction of the budget deficit, excluding oil revenues.

In 2012, Mota-Engil's main external market is set to return to double-digit growth rates. The IMF projections suggest a growth of 12.8% in 2012, underpinned by the favorable evolution of commodity prices, by the good performance of the emerging economies of Latin America and Asia (which account for about 40% of Angolan oil exports), by the start of commercial natural-gas exploitation and by the growth of activity of the non-oil sectors. The consistency of growth in non-oil sectors is of particular importance from a standpoint of the development of the Angolan economy in the long run, reducing dependence on the production of oil and other hydrocarbons.

### The Mozambican Economy

Mozambique has recorded strong economic growth over nearly two decades, benefiting from substantial foreign investment, particularly in the area of mineral resources, and the strong support of international development organizations. In 2011 the economy continued to perform well, growing, according to IMF estimates, by about 7.2%.

The country has withstood the adverse shocks of recent years relatively well. Economic growth continues to be one of the highest in the region, reflecting the government's expansionary economic policies designed to address the international crisis. The high inflation in recent years has taken a downward turn, falling to around 8% in 2011 and, according to IMF projections, is expected to decline to 5.6% in 2012.

The ambitious program of public works in progress, based on the construction of development corridors between the country's interior and the coast should encourage major investments in the mining sector, as well as the development of the Mozambican agricultural sector, which, coupled with the recent discovery of large natural gas resources, suggests strong economic growth of the country in the coming years.

The IMF forecasts indicate a growth of 7.5% of the Mozambican economy in 2012, underpinned by significant growth of foreign direct investment, mainly in the mining and natural gas sectors, by the increase in agricultural exports and by the major public works being built in the country.

### The Peruvian Economy

The Peruvian economy has grown steadily over the past decade, with high growth and low inflation. Not even during the 2009 financial crisis, during which the global economy contracted, did Peru go into recession. In 2011, the IMF forecasts suggest a slight slowdown of economic growth to 6.2%, reflecting weakening global demand and the instability of the financial markets.

Exchange-rate stability has been a priority of monetary policy in Peru with its currency, the Nuevo Sol (PEN), returning an annual appreciation 4.5% against the US Dollar (USD), being the most stable currency of Latin America. The export sector continues to show robust performance, with exports up 36% in 2011. The main economic activity of the country continues to involve mining ores such as silver, zinc, tin and copper, so commodity prices remain a key factor for the performance of the trade balance and economic growth.

Notwithstanding the effects of the sovereign-debt crisis in Europe and the slowdown of global economic growth in 2012, the IMF projections point to strong economic growth at around 5.6%, clearly above the projected growth for

all Latin American countries (4%).

### The Mexican Economy

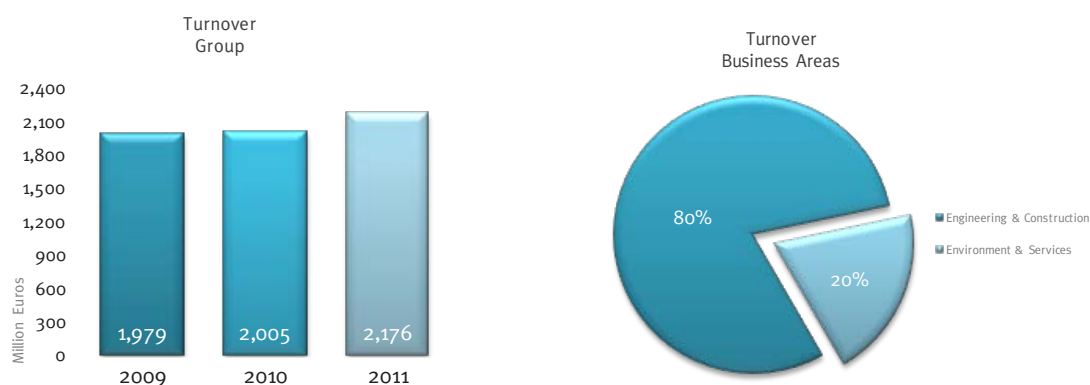
The global slowdown in 2011, particularly in the United States, conditioned the performance of the Mexican economy. Even so, according to IMF forecasts, the Mexican economy achieved economic growth of 4.1% with inflation and borrowing costs at historically low levels.

The macroeconomic policies directed to stability and the solid Mexican banking system are pointed out as key factors in a context of uncertainty in the international markets. The expected growth in the United States (the target market for about 80% of Mexican exports) supports the positive economic outlook for the coming years. On the other hand, the mild recession expected for the Euro Area in 2012 will not have dramatic consequences for Mexico in that its exports to Europe are not significant and European banks operate in Mexico with a high degree of independence. Oil, which accounts for about 30% of the country's exports, should maintain the high prices seen at the end of 2011, promoting the country's economic growth and its budget balance.

Despite some uncertainties arising from the global economic slowdown and the crisis in the Euro Area, the positive signs provided by the Mexican economy allow a forecast of economic growth of 3.5% in 2012 and 2013, according to the IMF projections.



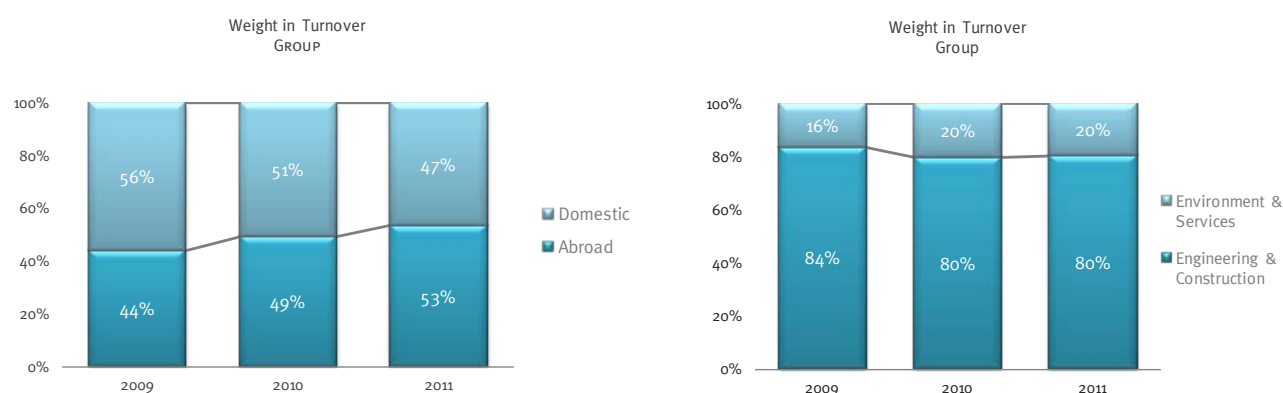
## 2. Economic and financial review



2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

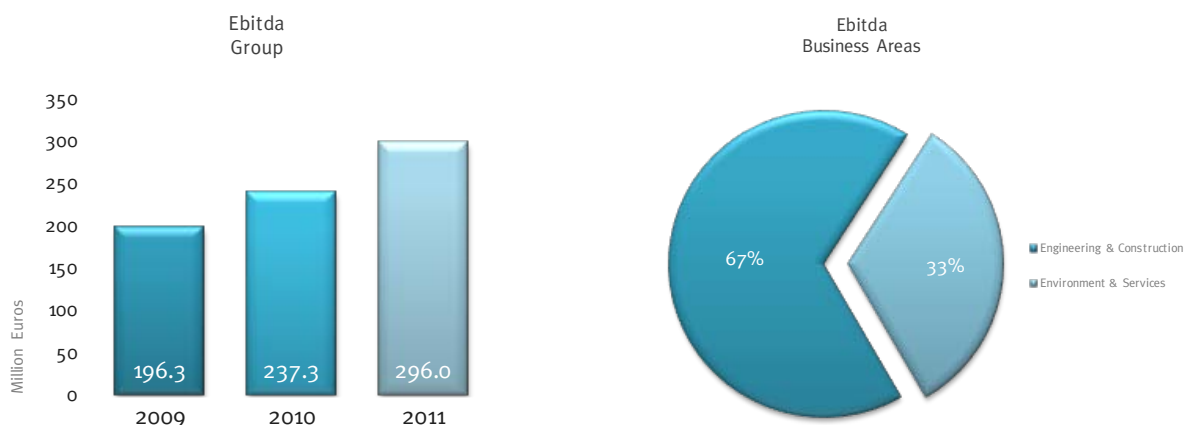
The MOTA-ENGIL GROUP returned a consolidated net profit of €71.1 million in 2011 (2010: €69.4 million), of which €33.4 million are attributable to the Group (2010: €37 million). The net profit attributable to the Group, adjusted for the MARTIFER results amounted to €52 million (2010: €40.1 million, including other non-recurring effects).

Turnover in 2011 grew by 8.6%, to stand at €2,176 million (2010: €2,005 million). The good performance in both business areas (Engineering & Construction: 9.2%; Environment & Services: 6.2%) contributed to the good performance at Group level.



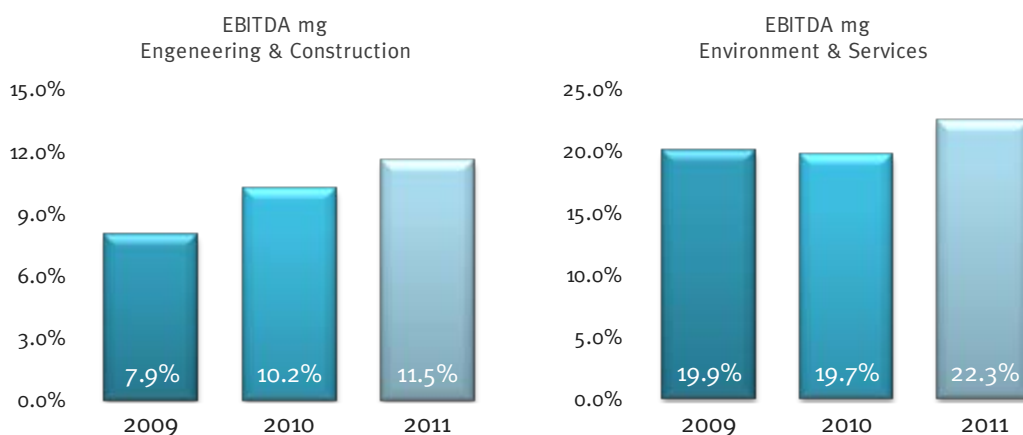
As a result of the success of internationalisation strategy that the GROUP has been following in recent years, particularly as from 2008, when the strategic five-year "2013 AMBITION" plan was established, foreign business has increased, providing a relative weight of 53% in 2011. The future trend will be for this relative weight to continue to increase and, in 2012, its relative weight is expected to stand at nearly 60%, underpinned by the current order book with its strong focus on business abroad (68%). In terms of business areas, the mix of turnover remained stable compared to 2010 (Engineering & Construction: 80%; Environment & Services: 20%).

The breakdown of Group turnover was as follows: Engineering & Construction €1.747 billion (2010: €1.599 billion) and Environment & Services €436 million (2010: €410 million).



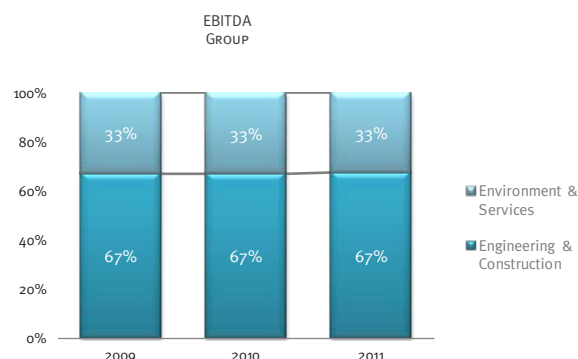
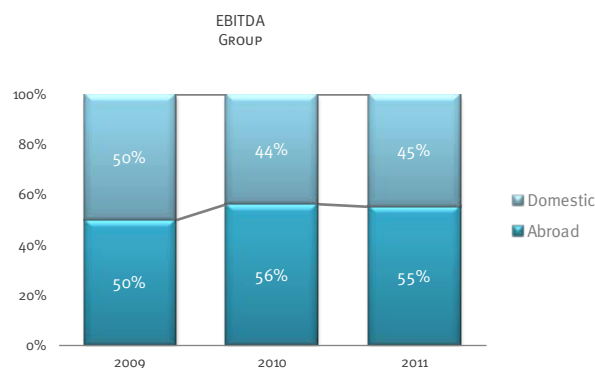
2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

The Engineering & Construction and the Environment & Services areas reported improvements in their EBITDA margins in 2011 (Engineering & Construction: 11.5% in 2011, compared with 10.2% in 2010; Environment & Services: 22.3%, compared with 19.7% in 2010), which, allied to growth of the turnover of the two areas, generated an excellent operating performance on a consolidated basis, with the GROUP EBITDA returning an increase of 24.7% (€296 million in 2011, compared with €237.3 million in 2010).



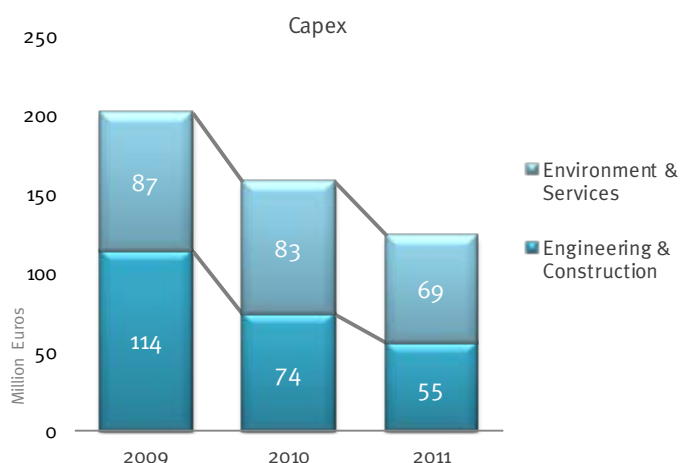
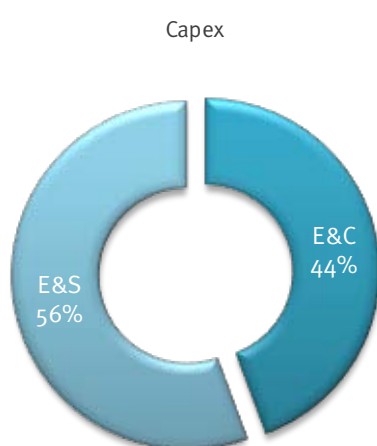
Operating margins have improved in recent years, most notably the area of Engineering & Construction, largely as a result of continuous effort made in recent years in terms of rationalisation and optimisation of resources in their production activities.





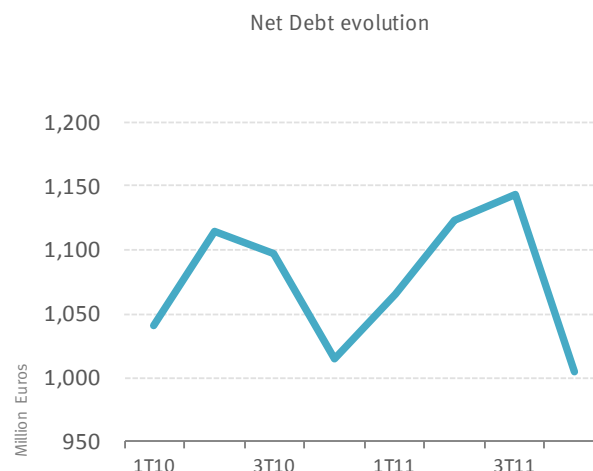
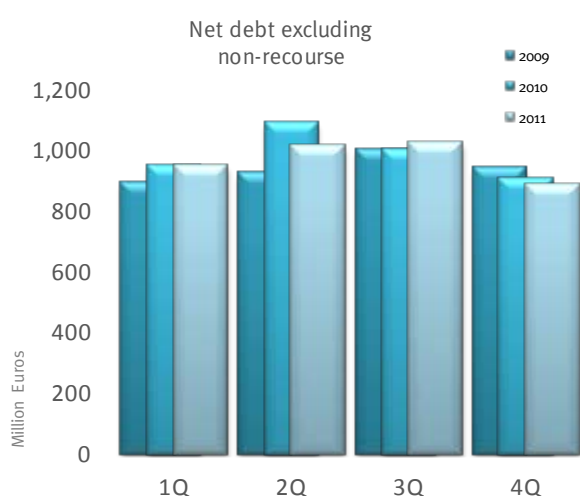
In 2011, business abroad accounted for 55% of the GROUP's total EBITDA, and, despite the increase between 2009 and 2010, it remained stable in 2011 compared to 2010. In terms of business areas, the EBITDA mix has remained stable since 2009 (Engineering & Construction: 67%; Environment & Services: 33%).

Chapter 3 of this report provides a detailed review of the results of and business undertaken by each Group area in 2011.



In 2011, consolidated net investment amounted to €124 million, with emphasis on investment in the Environment & Services area, totalling €69 million (mostly includes investment in maintenance and expansion at the water supply and sewerage concessions, in particular INDAQUA MATOSINHOS, VILA DO CONDE AND FEIRA). The Engineering & Construction area totalled about €55 million, with an emphasis on Central Europe and Peru, at €23 million and €10 million respectively.

Investment in maintenance totalled €48 million, of which about €11 million in the fourth quarter, in line with the amounts for the previous periods. The investment in expansion amounted to approximately €75 million.

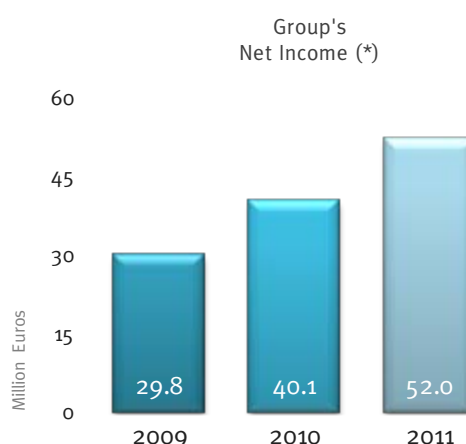
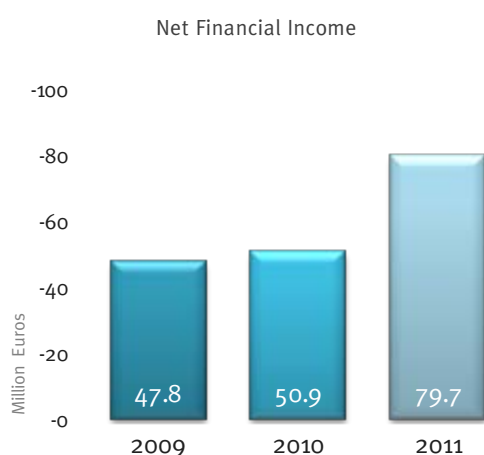


2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

In 2011, despite a moderate level of investment, total net debt fell slightly compared to that in 2010 (2011: €1.005 billion; 2010: €1.015 billion). Still, the downward trend in debt throughout 2010 and 2011 should be underscored.

Corporate debt (with recourse) amounted to €883 million (2010: €907 million). Of this sum, €586 million were allocated to the GROUP's operating activity, the remainder (€222 million) being in respect of investment in associates, which do not contribute to EBITDA, and in non-core assets. By business area, €280 million were allocated to the Engineering & Construction area and the sum of €350 to the Environment & Services area. Emphasis should be given to the decrease of corporate debt during 2011, in the sum of €23.6 million.

Additionally, GROUP debt also includes debt without recourse (contracted within the scope of project finance business, not therefore enforceable on the equityholder), originated by the consolidation of the water and basic sanitation, and port concessionaire companies. In December 2011, the amount of debt without recourse stood at about €121 million (2010: €108 million).

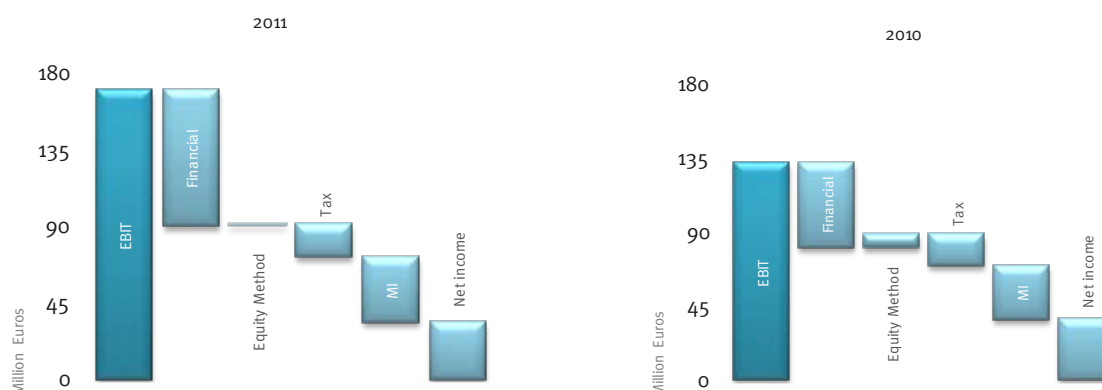


2009: Pro forma data (using the equity method in the recognition of financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15); Net profit attributable to the Group: does not include Martifer's gains / losses and other non-recurring effects

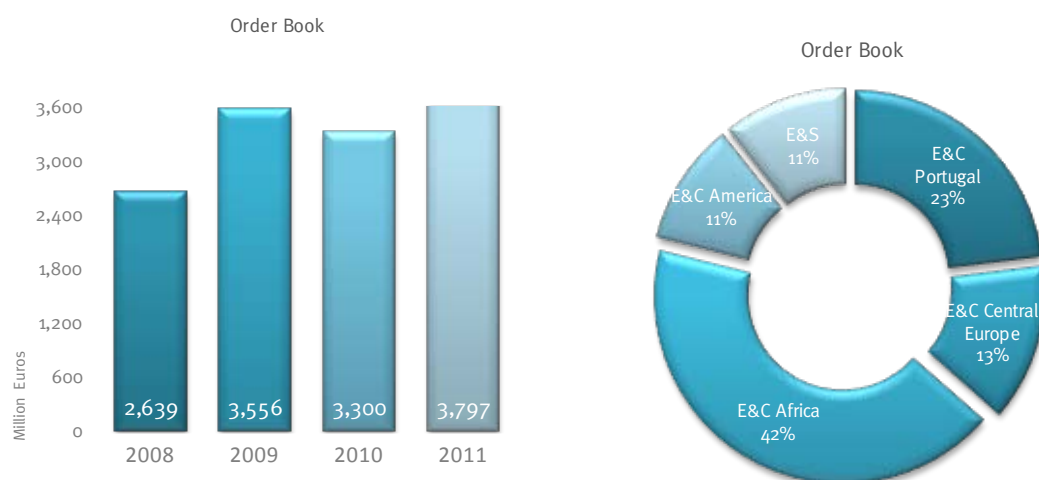
Net financial income made a negative contribution to GROUP profits in the sum of €79.7 million (2010: a negative sum of €50.9 million), an increase of about 56.5% over 2010. This was the result of the €22.8 million increase of net interest expense, mainly due to the strong pressure brought to bear on the financial institutions with a view to

strengthening their capital ratios, with a consequent increase of spreads.

As a result of this operational and financial performance, income before taxes amounted to €90.3 million (2010: €88.3 million) and net profit to €71.1 euros, of which €33.4 million attributable to the GROUP. The net profit attributable to the GROUP, adjusted for the MARTIFER results amounted to €52 million (2010: €40.1 million, including other non-recurring effects).



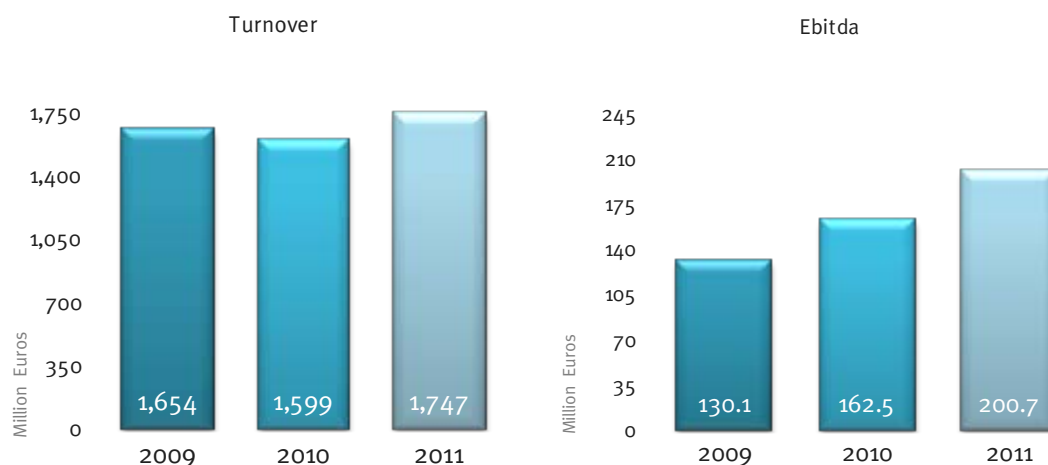
In 2011, the balance of gains and losses in associated companies (Equity Method in the chart) made a positive contribution of €0.6 million (2010: €7.5 million). The 2011 figure essentially comprises two effects of opposite signs: the GROUP's share of the MARTIFER GROUP's results, a negative sum of €18.6 million (2010: negative in the sum of €20.6 million) and the Group's share of ASCENDI GROUP's results, a positive sum of €19.9 million.



The order book at the end of 2011 amounted to about €3.8 billion, of which €3.4 billion belongs to Engineering & Construction area. In 2011, the GROUP strengthened its portfolio in the markets of Africa, Latin America and Central Europe. In the aggregate analysis of all foreign markets, the order book stood in December 2011 at about €2.6 billion (2010: €1.7 billion), accounting for over 68% of the total portfolio of the Group. As usual, the order book for Environment & Services is only related with services contracts secured in the Waste and Multi-services segments. The GROUP does not consider in its order book predictable income stemming from the water and sewerage concession contracts (which now has greater weight in consolidated turnover) and from the management of ports.

### 3. Business areas

#### Engineering & Construction

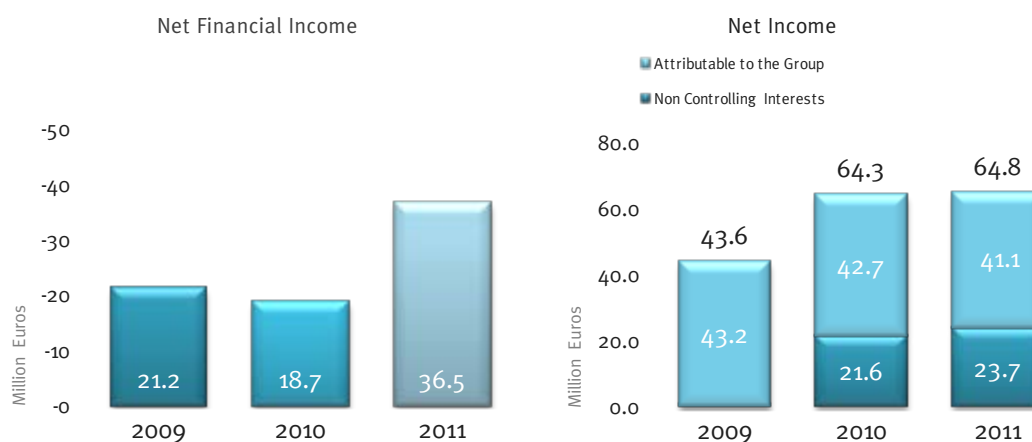


2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

The turnover of the MOTA-ENGIL GROUP in the Engineering & Construction area stood €1.747 billion in 2011 (2010: €1.599 billion), an increase of 9.2% over 2010.

This performance was essentially the result of the combination of the following factors: the good performance of the Central Europe and America segments (with increases of turnover of €142 million and €65 million respectively), which together contributed to an increase of about 13% of the area's turnover; and the less favorable performance of the Portugal and Africa segments (decrease of €4.6 million and €51 million respectively), which contributed to a decrease of about 4% of turnover in the Engineering & Construction area.

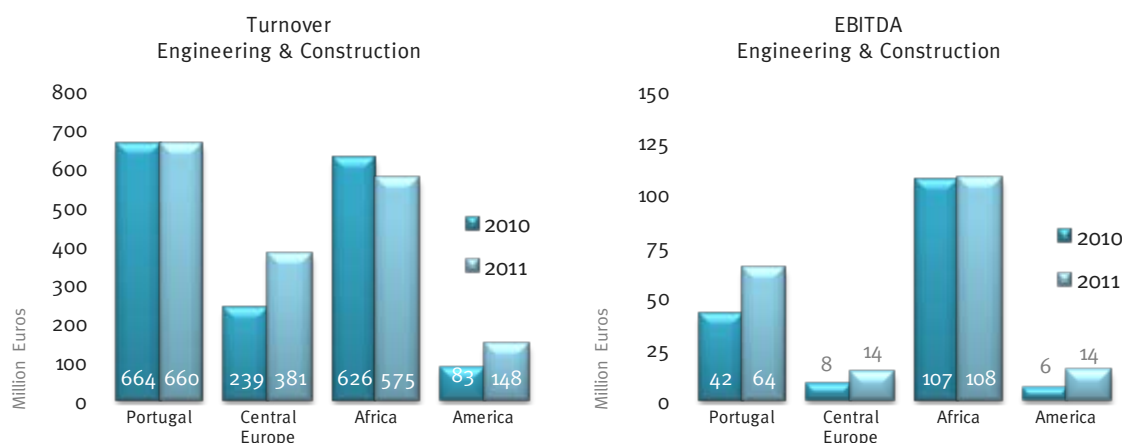
In terms of the business area operating profit, the EBITDA margins grew when compared to 2010 (11.5% in 2011, and 10.2% in 2010), while the EBITDA increased by about 24% (€200.7 million in 2011, compared to €162.5 million in 2010).



2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

The Net Financial Income made a negative contribution to the GROUP'S NET profit in the sum of €36.5 million (2010: a negative sum of €18.7 million), an increase of about 94.8% over 2010.

As a result of this operational and financial performance, Income before taxes amounted to €82.1 million (2010: €74 million) and the Net Profit amounted to €64.8 million (of which €41.1 million attributable to the GROUP), remaining roughly the same as in 2010 (€64.3 million).



2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

In the Portugal segment, although the level of activity in 2011 was unchanged, it proved possible to increase the EBITDA margin to 9.8% (2010: 6.4%), providing a growth in EBITDA terms in the sum of €22 million.

The business in Central Europe had an exceptional growth in 2011 (59%), and the turnover in that market amounted in 2011 to €381 million (2010: €239 million). Its order book at the end of 2011 (€508 million) provides a good expectation for this area performance in 2012. The slight improvement of operating margins (2011: 3.7%; 2010: 3.3%), coupled with increased turnover, allowed the EBITDA of this market to almost double (2011: €14 million; 2010: €7.8 million).

The turnover of the Africa segment amounted to €575 million (2010: €626 million). The decrease continues to be due to the evolution of the Angola market, where it has not yet proved possible to get back to the expected production levels; however, it still has an excellent order book (€735 million), allowing it to look forward to a recovery from the delays experienced in the works in progress. In contrast, growth of the contribution of other markets in Africa (especially Mozambique) continues to confirm yet another year of excellent performance in this part of the world. Additionally, the new mix lead to an EBITDA margin of nearly 19%.

Similarly, in America, there was a sharp improvement of the margins (EBITDA margin of 9.8% in 2011, compared with 7% in 2010), accompanied by significant growth of turnover at a rate that is expected to be even stronger next year, given the size of the order book, both in Peru and in Mexico.

The guidelines of the GROUP'S 2013 AMBITION PLAN calling for diversification of the business and of the risk, are being implemented successfully, and the following are underscored in the Engineering & Construction area: completion of the implementation of MOTA-ENGIL ANGOLA; strong order book in Africa (€1.611 billion); consolidation of MOTA-ENGIL CENTRAL EUROPE with historical results; diversification of the business in Peru; and also the approach to the markets of Brazil and Colombia.

## Portugal

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

The Civil Construction and Public Works sector has been in a deep crisis for several years in Portugal, with weak demand, excess capacity and vastly reduced margins. Influenced by an unfavourable economic environment, the result of the sovereign-debt crisis and of the demanding austerity plan implemented by the Portuguese government, the sector once again saw, during 2011, a sharp drop of its business.

The year under review had the worst record in living memory, with the latest estimates suggesting a drop in production of about 9.4% (6.5% contraction in 2009), the result of reductions in activity of 17 % in housing, 8.5% in non-residential buildings and 5% in civil engineering.

Unlike previous years, when public investment was used as a major instrument for boosting the national economy, since 2010 we have witnessed a trend of using this instrument rather for the consolidation of public accounts. In 2011 there was a sharp reduction of public investment and the total value of calls for tender issued fell 29.7%, a contraction of €1.2 billion, from the figure of €1.3 billion put out to tender in 2010.

Portuguese banks are still having great borrowing difficulties, which consequently leads to major constraints in financing the economy and to a decrease of private investment. The Engineering & Construction companies are confronted at one and the same time with a strong deleveraging pressure and a significant increase of borrowing costs. On the other hand, the housing market, the most penalised by the financial crisis, is suffering from an unprecedented decline of new mortgage loans.

Despite this prolonged, systemic and profound crisis, the GROUP views 2012 with a moderate optimism. The internal reorganisation of the segment, which provided the respective companies with greater operational, economic, financial and management efficiency, allows us to face the current economic and financial situation in the certainty that Portugal came out stronger after the recovery of the sector.

In 2011, the turnover of the segment in Portugal (excluding Spain and Ireland) amounted to €48 million, a figure, even so, slightly higher than in 2010 (€41 million), reflecting the good order book achieved in preceding years. Alongside the maintenance of this level of activity, operating profitability continued to perform well, the result both of the quality of the portfolio that has been secured in the highway area and in civil construction, and also of the resource-rationalisation policies that have been implemented. In the wake of the difficulties experience in 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 2011 the Portuguese market accounted for just 37% of the Group's construction business (2010: 40%).

There was also an alteration of the type of works, with a growth of highway works and a focus of production on larger contracts involving fewer buildings yards than in previous years. Besides the construction of the Douro Interior and the Pinhal Interior the following contracts stand out because of their importance:

- Remodelling and Expansion of Bom Sucesso Market in Porto;
- Fórum Sintra Shopping Mall;
- Nissan Battery Factory;
- Foz Tua Dam;
- Loures and Terceira Island Hospitals;
- Venda Nova III Hydroelectric Power Plant;
- New Coach Museum.

Several hydraulic infrastructures were also carried out for EDIA, as were various contracts for the Refurbishment of Schools for Parque Escolar, which stand out in general panorama, due to the meeting of completion deadlines and quality targets.

In the real-estate sector, emphasis is given to the lease of the Báltico building located at Parque da Nações in Lisbon. This undertaking, with about 15,000 m<sup>2</sup> of leasable area, fully adapted to the needs of the tenant, was



occupied in its entirety, and a 15-year lease has been signed.

## Europa Central

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

The construction industry in Poland has witnessed rapid growth since 2007/2008, due mainly to the European Football Championship (Euro 2012), public investment in infrastructure supported by Community funds and the growing property market. Nevertheless, 2011 was a year of slowdown of public investment in highway infrastructure, with particular focus on the main motorways and projects related with Euro 2012. This slowdown announced during the closing months of 2010 and was confirmed by the review of the National Highway Construction Programme review, which has postponed several projects.

Despite the recent trend of decline in new contracts for the construction of motorways and expressways, the major investments in the reconstruction, renovation and modernisation of regional and local highways are expected to continue. Additionally, the Polish authorities are studying the issue of calls for tenders for highway works in the for of PPPs, which also include maintenance and reconstruction/modernisation services.

The sustained improvement in the residential and commercial construction sector enlarges the range of opportunities to expand and consolidate the business of MOTA-ENGIL CENTRAL EUROPE. Significant investments are also expected in projects related to energy and environmental infrastructure, justifying the goal of diversification defined for this segment.

In this context, MOTA-ENGIL CENTRAL EUROPE maintained a strong order book in 2011, having secured two major new contracts for two sections of the S8 Expressway. In parallel, in the wake of a strategy of geographic expansion and diversification, the Company has been successful in consolidating its business in several regions of Poland, and has developed business in new segments, such as civil construction and environmental works.

MOTA-ENGIL CENTRAL EUROPE has a solid portfolio that includes major highway contracts and several medium-sized contracts in various segments and regions of the country, of a value superior than €500 million. In 2011, turnover in Poland amounted to €362 million, an impressive growth of 89% compared to the figure of €191 million for 2010. Indeed, the weight of Poland in the Engineering & Construction business increased from 12% in 2010 to 21% in 2011.

The following contracts in Poland contributed to the excellent performance in 2011:

- S7 Expressway Skarzysko Kamienna – Wystepa section;
- Bridge over the River Vistula at Sandomierz;
- S8 Expressway Jezewo – Białyłystok;
- S8 Expressway Wrocław - Olesnica;
- Przemysl Bypass;
- Dobczyce Bypass;
- S3 Expressway Miedzyrzec – Swiebodzin;
- S3 Expressway Miedzyrzec – Swiebodzin.

Under the strategic plan established in 2010, the main aim of the activities undertaken by the real-estate area during 2011 was the creation of a portfolio of residential projects for the major centres of operations of MOTA-ENGIL CENTRAL EUROPE, with emphasis in the following:

- Kilinskiego Project, Lodz – the architectural plans and conceptual works were drawn up in order to obtain the building permit;
- Dmowskiego Project, Wrocław – the project was changed to "residential" in 2011 and the design work has already begun so as to obtain the building permit;
- Wilanow Project, Warsaw – the only residential housing project developed in Poland during 2011;



- Mierova Project, Bratislava – construction has been concluded and the occupancy permit for the multipurpose project was received in August. Over 50% of the 184 apartments were sold during the year;
- Devonska Project, Prague – construction has begun of this residential complex of 145 apartments, scheduled for completion early in 2013;
- Steinerova Project, Prague – construction has been concluded and the occupancy permit for the multipurpose project was received in December. About 35% of the 49 apartments were sold off-plan during the year;
- Jeremiasova Project, Prague – the architectural plans and conceptual works were drawn up in order to obtain the building permit.

## Africa

The Engineering & Construction area does business in the following African countries: Angola, Mozambique, Malawi, São Tome e Príncipe and Cape Verde, which together account for 33% of the business area activity.

The African market is a natural market for the MOTA-ENGIL GROUP which has done business in the continent during several decades, especially in Angola, where it has been in business for more than 65 years. The activity in Angola, Mozambique and Malawi is fairly representative, and it is one of the largest companies of the sector in each market, thus putting GROUP in an excellent position to benefit from the enormous growth potential of these markets.

Economic growth reached in the last couple of years in Sub-Saharan Africa has been fuelled by natural resources and high commodity prices. Economic growth drove Governments to invest in infrastructures, a prerequisite to propel private investment and to develop other sectors of activity such as Agriculture, Industry, Trade or Tourism.

Unlike Europe, funding is available in these markets therefore fuelling economic growth and supporting both large amounts of public and private investment, namely in the mining industry. These massive amounts of private investment coupled with the ambitious Public Works programmes aiming at overcoming the lack of proper infrastructures offer a huge potential for the construction activity.

The Brazilian company Vale, the world's second-largest mining and the biggest private company of Latin America agreed with the governments of Malawi and Mozambique the construction of the Nacala Corridor Railway, linking up the coal mines of Moatize with the port of Nacala. The construction of the 145.11 km of railway line in Malawi was awarded to MOTA-ENGIL for an amount in excess of US\$ 700 million. Indeed, the Malawi portfolio totals €62 million, mainly supported by private mining companies.

Mozambique has benefited from substantial foreign investment in recent years and strong support from the development organisations, which has driven the construction of infrastructure in the country. In fact, this market has assumed growing importance for MOTA-ENGIL which, in 2011, increased its turnover by 86%. The year was marked by the completion of the Pan-African Games Village in Maputo. The works, which took place in 10 months, involved the construction of basic infrastructure such as roads, 848 apartments, a large raised water tank, the ceremonies park and the Olympic pool.

In Angola, MOTA-ENGIL'S main foreign market, 2011 was the first year of the business of MOTA-ENGIL ANGOLA, a company that resulted from a partnership between the GROUP, with 51% of the equity capital, and a consortium led by the Angolan oil company Sonangol, with 49% of the equity capital. Indeed, the year of the company's start-up was one of the structuring of the new company, marked by the transfer of assets and investments to MOTA-ENGIL ANGOLA.

The activity of the GROUP in Angola fell 14% in 2011 due to the delay to the start by the promoters. This reduction was, however, offset by an increase of the EBITDA margin, the result of efficiency measures and cost reduction. On the other hand, the order book grew significantly, increasing by around €91 million compared to 2010, reflecting the award of major public and private works, such as:

- Project for the construction of the Calueque for the Ministry of Energy and Water, in Angola, with a duration of 25 months for a sum of US\$164 million;
- Sonangol Expansion Project (Perol Stations) in Angola, with a duration of 12 months for a total of US\$ 107 million;

- IMOLAP Project - Lots 1 and 3, property development construction stage, in Angola, with a duration of 24 months for a total of US\$ 99 million;
- Financial City Project - Finishing - Phase 3, for Finicapital in Angola, with a duration of 18 months at a total amount of US\$73 million.

The turnover of the Africa segment in 2011 fell by 8% to €75 million (2010: €26 million) reflecting the delay to the start of several works in Angola. Nevertheless, the operating profitability of the segment was extremely good, up from 17.1% in 2010 to 18.8% in 2011, a growth of operating profit in absolute terms to €07.9 million. Also noteworthy was the order book of this segment, the highest ever, at approximately €1.611 billion in 2011 (2010: €20 million), underpinning the excellent growth prospects for the GROUP in this market.

## America

The Engineering & Construction area does business in the following countries of America: Mexico, Peru, Colombia, which together account for 8% of the activity of the business area.

The year under review was excellent for the business of MOTA-ENGIL in Peru, and the stability of markets and strong economic growth of the country have enabled the GROUP to continue to develop its strategy for growth and diversification of the company. The business, previously more focused on earthmoving work for the mining industry, has gradually diversified into other sectors such as highway construction and implementation of multi-year infrastructure maintenance and repair works. This focus on diversification of activity has decisively contributed to the excellent performance of the business in the country in 2011, generating turnover of €14 million (2010: €6 million).

The order book has also grown significantly, supporting the GROUP's strong expectations for this market. In 2011 the order book amounted to €44 million, a growth of 74% compared to the portfolio in 2010, highlighting the award of the following:

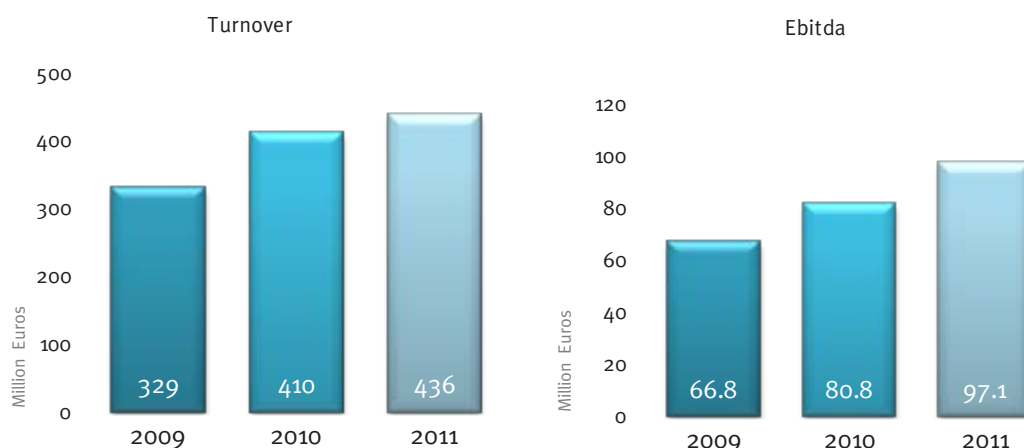
- Construction of a Gold leaching and processing basin in the region of La Libertad totalling US\$ 83 million;
- Construction and rehabilitation of access roads to a mine in the Cusco region, amounting to 494 million nuevos soles (about €125 million).

In Mexico, the construction of the "Perote-Banderilla y Libramiento de Xalapa" motorway continues. In 2011 an addendum to the concession contract was signed, increasing the investment and providing for the enlargement of the motorway to an A4 profile. Construction will be undertaken by the MOTA-ENGIL and Isolux Corsán Groups through a special-purpose held of a 50-50 basis. The value of the new construction contract is approximately €75 million.

The GROUP also has a strategic goal of broadening its presence in the America business segment, particularly in Brazil and Colombia. Both markets have good growth rates and strong economic investment plans for public infrastructure, which makes them a priority for the international expansion project for Engineering & Construction business area. Through its branch in Colombia, the GROUP is actively taking part in public calls for tenders, while in Brazil the GROUP is planning to invest in acquiring a majority holding in a company operating in the Brazilian market.

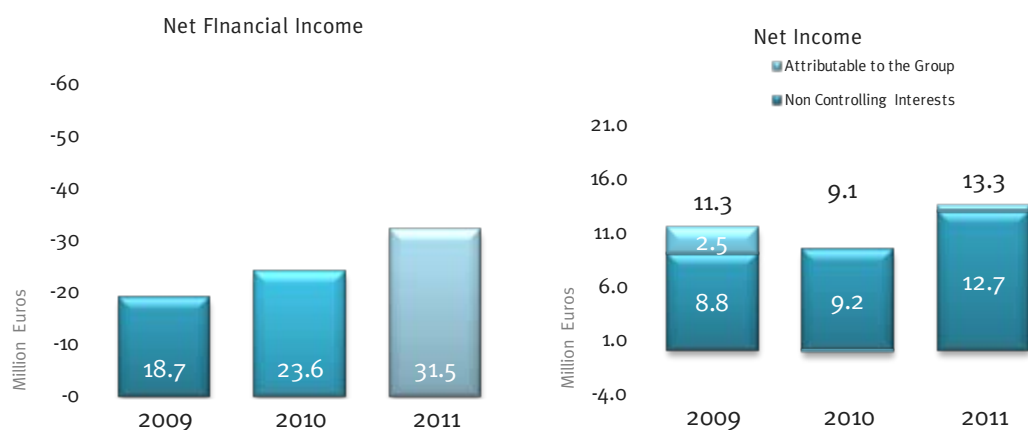
The America business segment increased its turnover in 2011 by 78% to €48 million (2010: €3 million). The performance of operating profit in 2011 was also good, with EBITDA standing at €4.5 million, compared to €3.8 million in 2010.

## Environment & Services



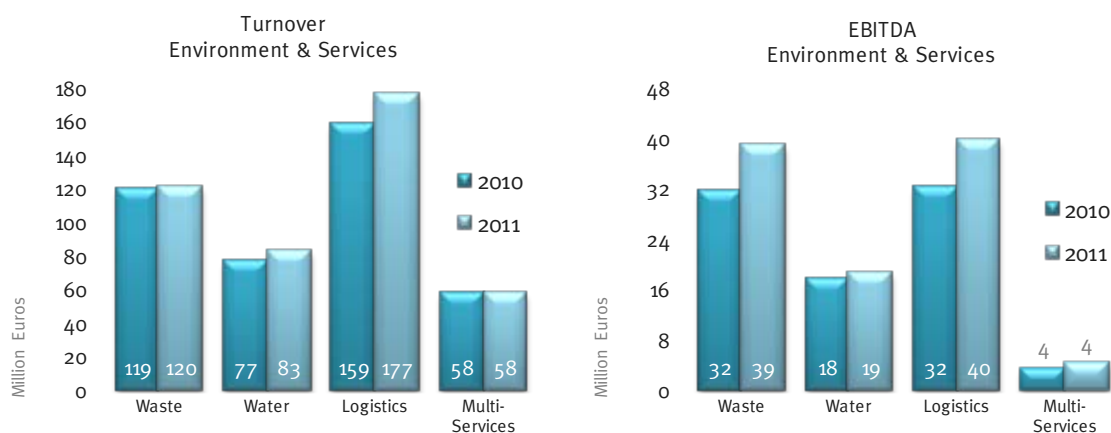
2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

The business of the Environment & Services area performed well in 2011, in terms both of turnover and of operating profit. Turnover in 2011 amounted to €436 million (2010: €410 million), a growth of around 6%. This growth, coupled with growth of the EBITDA margins (2011: 22.3%; 2010: 19.7%) caused significant improvements in terms of operating performance, with the EBITDA growing by about 20% (2011: €97.1 million; 2010: €80.8 million).



2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

The Net Financial Income of the business area made a negative contribution to GROUP profits in the sum of €31.5 million (2010: a negative sum of €23.6 million), an increase of about 33.8% over 2010. As a result of this operational and financial performance, Income before taxes amounted to €23 million (2010: €21.6 million) and total net profit to €13.3 million (2010: €9.1 million), of which €12.7 million relating to non-controlling interests.



2009: Pro forma data (use of the equity method in recognising the financial interests in joint ventures and retrospective application of IFRIC 12 and IFRIC 15).

The Logistics segment continued to account for the greater part of this business area, about 41% of its turnover. This is followed by Waste, with a relative weight of 28%. These two segments together account for about 68% of the total of the Environment & Services area in terms of turnover (2010: 67%) and 81% in terms of operating profitability measured by the EBITDA (2010: 75%).

## Waste

In 2011 the Waste business returned a growth of 6%, its turnover up from €119.2 million in 2010 to €120.5 million in 2011. In EBITDA terms the margins improved (32.3% in 2011, compared to 26.6% in 2010), contributing to the growth of EBITDA by about 22.5% compared to last year (2011: €38.9 million; 2010: €31.7 million).

The Waste business segment has been consolidated within the SUMA Group, incorporating more than three dozen companies that complement their activities in a strategic alliance whose goal is to offer multiple solutions within the scope of the Waste life cycle. SUMA has a unique profile in the domestic market, with over 15 years of leadership in its area of action and recognised competence in the field of Integrated Waste Management. The focus on service diversification and specialisation in activities with greater development potential, including the industrial waste and treatment market, provide a more comprehensive offer of services. The option of internationalisation in this business segment highlights the ambition for growth and allows the development of the organisation, with more ambitious and simultaneously sustainable prospects.

The global crisis is not foreign to the Waste Sector in Portugal and its effects on activities related with this sector have emphasised the difficulty of growth and investment that have lasted for many years. All strategic development initiatives in this area have not produced the desired effects on the growth of the business and on the expected incentive for private enterprise, and are not promoting an approach of the national reality to the reference values of the European Union. Despite developments in terms of innovation and implementation of best practices and the effort demonstrated by the private sector in the Waste segment, the path to progress in Portugal will be a long one, with internationalisation as an alternative for enterprising companies.

Structured on the values of service to the environment and contributing to the welfare of the population, SUMA views itself as reference player in the solid-waste collection and urban-cleaning market. The economic result of its business made the biggest contribution to the results of this segment, while also making the largest contribution in terms of turnover. It is worth noting the growth in the industrial-waste market, with major contributions by the firms CORREIA & CORREIA, ENVIROIL AND TRIU.

The ambitious project to internationalise the Waste sector is becoming increasingly prominent, with an increase of turnover mainly through the firm Vista Waste, which provides waste-collection and urban-cleaning services in Angola. Together with Ekosrodowisko in Poland, which provides services involving waste collection and urban-cleaning, snow-clearing, cleaning interiors and maintenance of green spaces, the relative weight of turnover abroad now accounts for about 25% of turnover total. With the extension of its business to the markets of Central Europe

and Africa, SUMA is seeking to apply the know-how acquired proving excellent services to local populations in Portugal, the aim being to make its quality known abroad. Leadership of the privatised Portuguese market in the solid urban waste segment has been consolidated for more than a decade, and by the end of 2011 SUMA had a 53% market share, involving a population of 2.2 million to which it provides services. With regard to the solid urban waste management and treatment segment, SUMA does business in 36 municipalities, serving over 600,000 inhabitants. Abroad, with contracts in effect during 2011, the population covered stands at 485,000 in 11 municipalities in Poland and 900,000 inhabitants in three municipalities of Angola.

Human resources, a key factor of success in this business, total 3,099 workers, inside and outside Portugal. Through a policy of organisational innovation and definition of motivational strategies, the intention is to increase productivity and the commitment to the Group culture. Investment in logistic means suited to the needs of the services requires careful analysis of the issues of quality, efficiency and safety, allowing the company to be equipped with resources ensuring the best performance, both at production and at environmental level. The equipment now involves more than 1,130 light and heavy vehicles, supplemented by more than 2,400 items of light production equipment. A total of 73,000 containers have been distributed, demonstrating the size of the Group.

The success of this project is corroborated by several certifications and accreditations awarded in respect of integrated management systems set up in Group companies. The policies of innovation, a spirit of initiative and change, dynamism and development result from the relentless pursuit of efficiency and excellence in the activities that are undertaken. Evaluation of the benchmarks leads to a finding of growth and continuity, which allows us to face the future with optimism and with the commitment required to met the established goals based on the sustained consolidation of leadership in Portugal and sustainable growth in international markets.

By the end of 2011, in order to align the interests of MOTA-ENGIL and Grupo Leão, Suma disposed of its stake in Geo Vision, having swapped it for an additional stake in Concessão Rodovias do Tietê (CRT), increasing its stake in the latter concession from 40% to 50%. As of December 31st, 2011 the authorizations from both the financing entities and the grantor were still pending.

## 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 Indaqua Sub-Group, the first three of which are engaged only in water-supply service. 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.

The lives of these concessions vary between 25 and 50 years and the PPP has an unlimited life, involving the management of about 210,000 customers and 4,400 kilometers of water-supply and sewage networks.

In the international market Indaqua has controlled Vista Water since 2009, a company operating in the Angolan market, which, in 2011, has a technical-assistance contract under way for the "Water for All" programme for the Energy and Waters Ministry. During the year it was awarded a contract in respect of technical-assistance services for the creation and start-up of Águas de Saurimo e Dundo and the contract for the training in operation and maintenance of the basic sanitation infrastructures, a programme sponsored by the European Union.

Also within the international market, a consortium that includes Indaqua was awarded, during the 2nd half of 2011, the upgrade, operation and maintenance of the Macao Wastewater Treatment Plant, having started these activities in October 2011.

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

The evolution of the domestic market in 2011 was not favorable to Indaqua's growth prospects in that few calls for tender were issued and those that were successively postponed. This notwithstanding, Indaqua had more than 210,000 customers in December 2011, an increase of some 3.9% compared to 2010, while the volume of water billed amounted to about 23 million cubic metres. Sewerage user numbers in December 2011 amounted to about



142,000, an increase of about 3.8% compared to 2010, the total volume billed amounting to around 15.2 million cubic metres.

The investment in Portugal amounted to €42 million, the larger part invested in infrastructure, involving the construction of sundry works as defined in the investments plans of the concessionaire companies.

On the domestic market, and in view of the State's financial debility, Indaqua believes that as from 2012, some calls for tender will be issued for municipal concessions or for participation in municipal companies and it will submit bids in all of them, provided they are seen to be sustainable from an economic and financial standpoint.

For 2011, in the international market, Indaqua expects that it will take part in calls for tender in Peru in the field of operation and maintenance of basic sanitation infrastructures, and will continue to seek new geographic markets where it will be able to put to good use the skills acquired over the years on the domestic market.

## 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 (Lisbon, 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 that will serve Lisbon 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, located in northern Peru. The concession was awarded in 2009 to a consortium controlled by the GROUP (TERMINALES PORTUARIOS EUROANDINOS) and on the 35-year concession of the Ferrol container terminal, in Galicia, awarded in July 2011 to Terminal de Contenedores de Ferrol, a company wholly owned by TCL (Terminal de Contentores de Leixões). TRANSITEX has also seen a growing international role. It is a cargo-forwarding agency that handles door-to-door deliveries of containers, operating in countries such as Spain, Mozambique, Mexico, Brazil, Colombia and Peru.

As a result of the corporate restructuring started in previous years and completed in 2011, the Logistics segment has today a simpler and more efficient corporate structure. Several mergers of companies and swaps of shareholdings led to the concentration of the activity in a single company and put all the companies of the latter segment under the umbrella of Tertir.

Against a background of little economic activity in Portugal, the export sector played a positive role in 2011, returning an annual growth of about 15%. Port terminals took advantage of Portugal's foreign trade, handling about 796,000 containers, compared to 716,000 in 2010. For 2012 and 2013 the outlook of the Portuguese government and of the European Commission is one of ongoing growth of exports, opening up the way to increasing the focus on the various businesses linked to the logistics value chain.

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

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, the arbitral tribunal considered that there were no legal grounds for this revocation.

During the year the Logistics segment continued to account for biggest share of the activity of this business area. With a growth of 10.9% over 2010, the segment generated turnover in the sum of €177 million (2010: €159 million). In EBITDA terms the margins improved significantly (22.5% in 2011, compared to 20.3% in 2010) and for this reason the EBITDA grew by about 23% compared to last time, to stand at €39.7 million (2010: €32.3 million). This performance reflects the growth of Portuguese exports in 2011, which had a direct impact on port activity and on road and rail transport.

## Multi-Serviços

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 is made of the activities of the industrial and buildings maintenance segments, through MANVIA. This company also operates in the field of pipeline rehabilitation through MANVIA CONDUTAS. In 2011, there was considerable growth of MANVIA's business, its turnover in excess of €20 million, and it also saw remarkable growth of its profitability and order book. The order book increased about 20%, to €74 million. From an operational standpoint, the focus is on a continuation of the very satisfactory performance of the maintenance of the “Metro do Porto” for the concessionaire company PROMETRO, SA.

Another field of intervention is landscape architecture and the design, construction and maintenance of green spaces and golf courses, through VIBEIRAS and ÁREAGOLFE respectively. VIBEIRAS is also involved in the international market, particularly in Angola through VBT, in Mozambique through VIBEIRAS MOÇAMBIQUE and in Morocco through a branch.

Despite the difficulties of the domestic market, VIBEIRAS was also able to grow, its turnover standing at €23.4 million. Furthermore, it was successful in securing a quite interesting order book for 2012. In terms of outlook for the green spaces business, VBT should be highlighted for having reached its break-even point during the year and with a very promising portfolio of orders for the company in 2012.

Mention is also made of the involvement in the car-park concessions market through EMSA and PARQUEGIL, companies that have car parks under concessions in several Portuguese cities.

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

Overall, in 2011, the activities of the Multi-Services segment generated turnover in the sum of €58.5 million, a growth of 1.6% over 2010, while the EBITDA rose to €4.3 million, a growth of approximately 7% compared to that for 2010.

## Ascendi Group

ASCENDI GROUP is the result of a partnership entered into by the MOTA-ENGIL GROUP and the Banco Espírito Santo Group, in final of 2006, for the transport-concessions area.

The process of putting together stakes started in 2010 through the share capital increase of ASCENDI GROUP fully subscribed by ESCONCESSÕES through the transfer of the stake holdings owned by the latter in Norte, Costa de Prata, Beiras Litoral e Alta, and Grande Porto concessions. In 2011 the process of transferring stakes proceeded, namely with the acquisition of a stake in Vialitoral and CRT – Concessionária Rodovias do Tietê (Brazil).

Still within the scope of the corporate reorganization of ASCENDI GROUP, ASCENDI IGI - INOVAÇÃO E GESTÃO DE INFRA-ESTRUTURAS, SA was constituted, a company fully owned by ASCENDI O&M and ASCENDI CONCESSÕES DE TRANSPORTES, SGPS was incorporated in ASCENDI GROUP.

## Evolution of the concessions and assets portfolios

The ASCENDI GROUP has not yet transferred all the assets since the necessary permits involve a complex bureaucratic process.

The transfer of the other holdings is scheduled to take place during 2012, as planned. The following table reflects the current portfolio and the one that is planned once the whole share-transfer process has been finalised.



| Concessionaire                                    | Present Holding <sup>(1)</sup> | Planned Holding <sup>(1)</sup> | km           | Ending | Investment (€mn) |
|---|--------------------------------|--------------------------------|--------------|--------|------------------|
| Lusoponte – Concessionária para a Travessia Tejo  | 38.02%                         | 38.02%                         | 19.5         | 2030   | 897              |
| Ascendi – Auto-Estradas do Norte                  | 74.87%                         | 74.87%                         | 175          | 2029   | 1,272            |
| Scutvias – Auto-Estradas da Beira Interior, SA    | -                              | 22.23%                         | 178          | 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%                          | 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>1608</b>  |        | <b>8491</b>      |
| <b>Spain</b>                                      |                                |                                |              |        |                  |
| Auvisa – Autovía de Los Viñedos                   | -                              | 50.00%                         | 75           | 2033   | 210              |
| Autopista Madrid – Toledo                         | -                              | 15.00%                         | 81           | 2040   | 600              |
| <b>Total Spain</b>                                |                                |                                | <b>156</b>   |        | <b>810</b>       |
| <b>Latin America</b>                              |                                |                                |              |        |                  |
| Mexico – Concesionaria Autopista Perote – Xalapa  | 30.00%                         | 50.00%                         | 60           | 2038   | 389              |
| Brazil – Concessionária Rodovias do Tietê         | 40.00%                         | 50.00%                         | 415          | 2039   | 470              |
| <b>Total Latin America</b>                        |                                |                                | <b>475</b>   |        | <b>859</b>       |
| <b>Africa</b>                                     |                                |                                |              |        |                  |
| Mozambique – Nova Ponte de Tete                   | 40.00%                         | 40.00%                         | 701          | 2039   | 151              |
| <b>Total Africa</b>                               |                                |                                | <b>701</b>   |        | <b>151</b>       |
| <b>Railway Concessions</b>                        |                                |                                |              |        |                  |
| MTS – Metro, Transportes do Sul                   | 18.09%                         | 24.89%                         | 20           | 2032   | 338              |
| <b>TOTAL</b>                                      |                                |                                | <b>3,046</b> |        | <b>10,854</b>    |

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

### Increase of holdings in Portugal

Under the reorganisation of the holdings and lending continuity to the strategy of strengthening its presence in Portugal, the ASCENDI GROUP increased its asset portfolio on April 14, 2011, and now holds 4.75% of the firm Vialitoral – Concessões Rodoviárias da Madeira. The company is headquartered in Funchal and was incorporated on August 24, 1999, having as its sole corporate object the operation and maintenance of the stretch of the ER 101 highway between Ribeira Brava and Caniçal on the island of Madeira, under an exclusive public-service concession, with no toll charges for its users ("SCUT").

### Electronic Toll Collection (Ascendi O&M)

ASCENDI O&M was the vehicle company that, in 2010, invested in the new electronic toll-collection system generally known as Multi-Lane Free-Flow, to allow tolls to be collected from drivers using the Costa de Prata and Greater Porto SCUT concessions (previously toll-free). The system went into full operation in October 2010 and 2011 was a year of consolidation of operations, of stabilisation of the IT platform and of perfecting the exchange of information with Estradas de Portugal, SA, and other business partners. The success of these projects has been

recognised nationally and internationally through the award of two prizes, including the IDC - CIO Awards 2011 – one of the 10 best technology projects developed in Portugal in 2011 – and the SAP Quality Awards 2011 - Gold Award, considered the best Iberian project for the implementation of technological solutions for new businesses.

During 2011 electronic toll-collection subsystems were put into operation along the Beiras Litoral and Alta and Interior North concessions, where ASCENDI operates the collection system, and also along the Pinhal Interior sub-concession.

With the new highways opened, ASCENDI O&M, SA, is currently managing a total of 104 collection points that involve processing nearly 1 million transactions per day.

#### Ascendi IGI – Inovação e Gestão de Infra-estruturas

This company was set up in November 2011 and is wholly owned by ASCENDI O&M. Its corporate object includes research, development, product and services in respect of infrastructure management, operation, maintenance and technical assistance, and operation of toll-collection systems, as well as the support services in risk management and transfer.

#### Ascendi Douro Interior

In the Douro Interior Sub-concession activity continued as scheduled, with the completion of a very significant part of the planned work and subsequent coming into service of several stretches throughout the year. It is a work of great local and regional significance, consisting essentially of a highway profile along Main Route 2 (IP2), between Macedo de Cavaleiros and Celorico Macedo da Beira), and Complementary Route 5 (IC5) between Murça and Miranda Douro. It has, at its southern end, at the link-up with the A25 at Celorico, a stretch of about 20 km with a motorway cross-section with two lanes in each direction. Of the 242 km planned to be built as part of the sub-concession, 23 km came into service in July, 57 km in September and 54 in November which, together with the 46 km that were already in service, made a total of 180 km in operation.

Work is still in progress on two sections of the IC5, namely Nozelos - Mogadouro, 46 km, and Carlão - Pombal, 16 km. The latter is of particular technical complexity as it includes a very significant engineering work – the Bridge over the River Tua – the deck of which was successfully completed in January 2012.

#### Ascendi Pinhal Interior

Along In the Pinhal Interior Sub-concession activity continued as scheduled, involving both improvements to the National and Regional Highway network under concession and, principally, a significant advance to the work on the sections to be built from scratch. The sub-concession involves a total of 520 km, divided into 30 sections. Essentially, it comprises a north-south axis with a Motorway profile – the IC3, another East-West axis (the IC8) which crosses the former and has an Expressway profile and, lastly, a set of National and Regional highways in the Pinhal Interior region. The new construction is essentially along the IC3, at the eastern end of the IC8 between Proença-a-Nova and Perdigão, and also along the National Highway 238 between Cernache do Bonjardim and Oleiros. At the end of 2011 about 124 km were under construction.

#### Brazil - Concessão Rodovias do Tietê (CRT)

In its third year of operation, CRT has focused primarily on continued investment in the highway network under concession, in addition to improving its management model, aiming for excellence in the services, operating safe, smart highways managed by a trained and motivated team.

Of the major investments, emphasis is given to the start of work on Piracicaba, which will contribute to the development of the municipality, through the flow of traffic and industrial production, as well as having been the key point for the installation of the Hyundai plant in the city. It started also the twofold widening of 59 km of the SP-308 and of 31 km of the SP-101, major access highways from the interior to the city of São Paulo, besides the replacement of pavement over more than 400 km of highways.

In-house, the construction of new head office was completed, providing better working conditions for the whole team, in addition to the setting up of a new management model (BPM), which aims to build a distinctive environment based on best management practices, corporate governance, project management and business-process management.

By the end of 2011, in order to align the interests of Mota-Engil and Grupo Leão, Suma disposed of its stake in Geo Vision, having swapped it for an additional stake in CRT, increasing its stake in the latter concession from 40% to 50%. As of December 31st, 2011 the authorizations from both the financing entities and the grantor were still pending.

## Mexico - Concesionaria Autopista Perote-Xalapa (Copexa)

In Mexico negotiations with the concessor were finalised in July 2011, in respect of the enlargement of the cross-section from 2x1 to 2x2 lanes, and at the same time the life of the concession was extended from 30 to 45 years. For the purpose, a subordinated loan was contracted with Fonandin amounting to over 2.8 billion Mexican pesos. This alteration will increase the concession's service level and will allow the entire connecting link between Vera Cruz and Mexico City (via Xalapa) to have a 2x2 cross section, increasing the traffic potential of this concession.

## Moçambique – Estradas do Zambeze

The year under review was characterised by the start of the construction of the new Tete Bridge with the construction of the footings of the bridge and approach viaducts. The funding of these activities was carried out by means of the Concessional Credit Line (first draw-down in March 2011), of an increase of the company's equity capital in the sum of €1.2 million, and of the transfer, as from May 2011, of the Concessor's revenue from charging border fees in the zone of influence of the Concession (borders with Malawi, Zambia and Zimbabwe). In October 2011 a formal start was made to the process of highway assistance and monitoring along the 700 kilometres of highways in the province of Tete.

## New projects

In order to ensure continued growth of ASCENDI's business, to create value for its equityholders and to strengthen its presence in the global economies, in addition to the focus on its present markets (Latin America and Africa), ASCENDI decided to invest in emerging Asian markets, particularly in India. Thus, in consortium with Essar Projects Limited it took part in three pre-qualifications: Six Laning of Agra-Etawah Bypass Section, Six Laning of Chandikhole-Paradeep Section and Six Laning of Gundugolanu to Rajahmundry Section. ASCENDI was one of the companies selected for the Six Laning of Agra-Etawah Bypass Section project and expects to be pre-qualified for the other two projects.

## 4. Mota-Engil on the stock market

The financial crisis in the euro area that had marked 2010 has deteriorated noticeably, requiring that the European Union and the IMF grant financial aid to Greece, Ireland and Portugal. In this connection, the Greek and Portuguese bond markets have performed very negatively, despite the efforts of the European Central Bank to curb the rise in rates, which involved massive purchase of government bonds of these countries. The contagion to other European markets, namely Spain and Italy, a reality that marked the first half of the year, eventually dissipated during the last quarter of the year. At the same time, the risks of instability in the Middle East swelled, first with the popular revolts in North Africa and later with the growing tension between the United States and Syria and Iran. During the year, were also significant downward revisions of the economic growth of the world's major economies, with a particular focus on the Euro area.

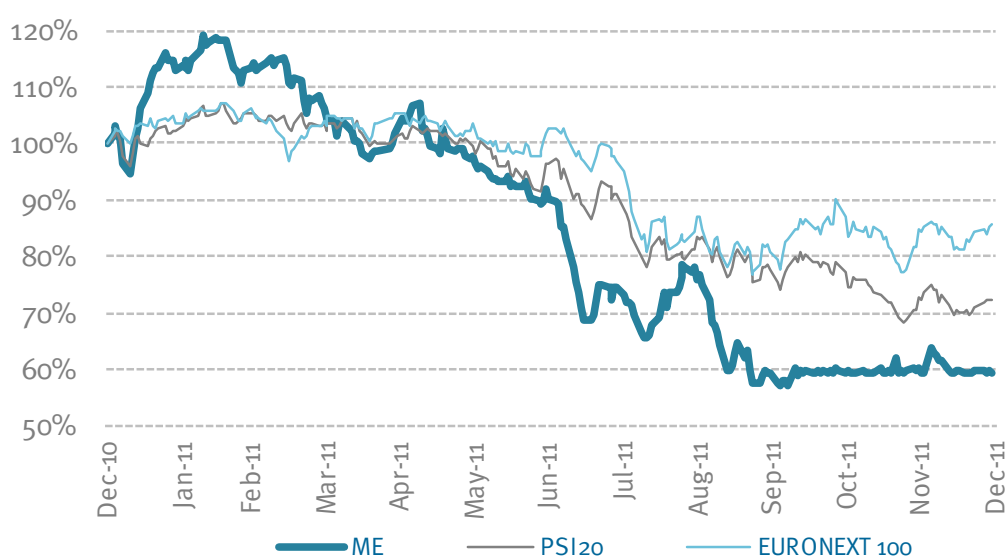
This extremely unfavourable background in which investors showed little interest in shares of the "peripheral countries" of Europe and have proved particularly reluctant to invest in companies in the construction and public works sector, MOTA-ENGIL shares returned a negative annual performance of 41% over the previous year, a year in which they had already dropped by 56%.

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

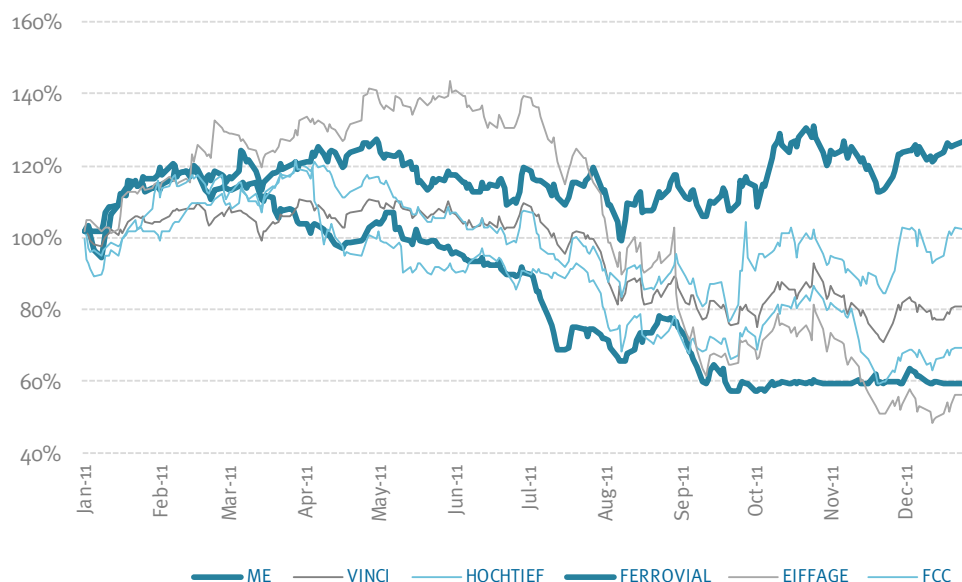
|                   | 1st half 2011 | 2nd half 2011 | Total performance 2011 | 1st half 2010 | 2nd half 2010 | Total performance 2010 |
|-------------------|---------------|---------------|------------------------|---------------|---------------|------------------------|
| Mota-Engil shares | -59%          | 19%           | -41%                   | -46%          | -10%          | -56%                   |
| PSI-20            | -128%         | 100%          | -28%                   | -17%          | 6%            | -10%                   |
| EURONEXT 100      | -114%         | 100%          | -14%                   | -9%           | 10%           | 1%                     |

The performance of the share price is shown in the following charts:

Performance of share price 2011

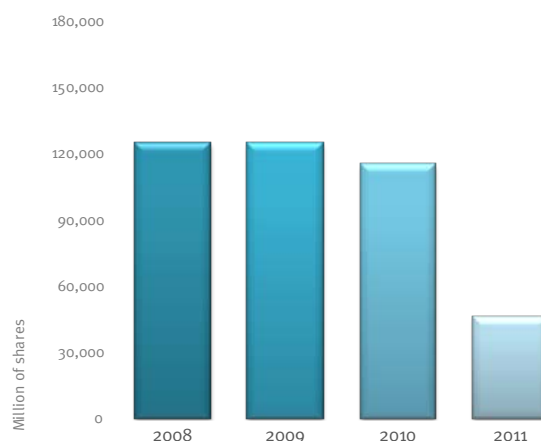
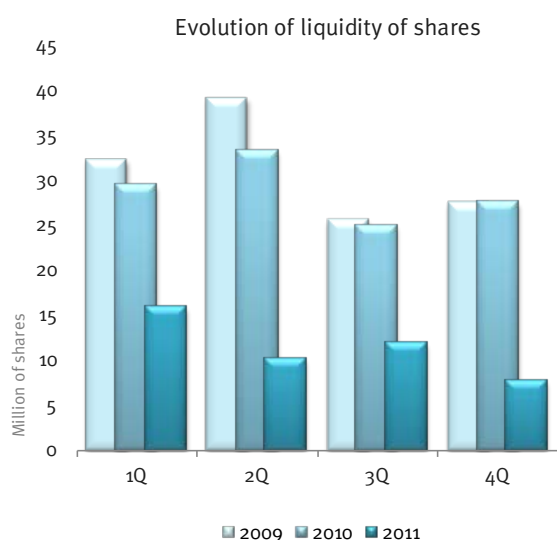


## Performance of share price 2011



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 €1,25 and €3.30 (the closing price of the shares on December 31, 2011, stood at €1.035).

With regard to volume, 46 million shares were traded in 2011, 60% less than the previous year. The evolution of liquidity is shown in the following charts:



The company paid out a gross dividend of 11 cents per share during the first half, providing a dividend yield of 7.4% 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 Corporative 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

With the aim of performing overall management of its People, promoting transverse development its Human Resources regardless of the business area and country in which they are performing their duties, the MOTA-ENGIL GROUP's 'Human Capital Development' strategy has maintained its guidelines, ensuring the necessary alignment with the business strategy and cycle.

The year under review was therefore marked by continuity of the work of definition, implementation and consolidation of Corporate Human Resources Policies and Models developed for the GROUP, as well as Corporate Human Resources Programmes and Projects applicable to the MOTA-ENGIL GROUP.

This work is based on the 4 strategic human resources axes established under the '2013 Ambition' Plan:

1. Identify, develop & manage talent within the Group;
2. Promote staff internationalisation & mobility;
3. Cultivate meritocracy;
4. Foster a homogeneous, shared culture.

Implementation of the strategic human resources axes defined is achieved through the development and implementation of human resources initiatives, of which the following may be highlighted:

### Identify, develop & manage talent within the Group

Continuing the work of developing the talent that characterises the Group's corporate university, the MOTA-ENGIL ACTIVE SCHOOL, through its Leadership and Management School, invested in 2011 in the development of skills considered critical to the success of the business and of its People, investing in a targeted way in fostering Management Programmes and Seminars focusing on soft skills.

### Promote staff internationalisation & mobility

The strategy for the development of the GROUP's business increased, during 2011, the importance of the strategic axis directed at the promotion of staff internationalisation and mobility.

In this connection, and to support the creation and development of a global business based on a set of processes and tools that promote proper management of employee mobility within the Group, 2011 saw an increase of the work undertaken under the International Mobility Policy, ensuring the extension of its validity and life and implementation in the various markets in which MOTA-ENGIL operates.

In parallel, the focus on internal mobility of employees has also proved to be highly relevant, leading to the Corporate Recruitment and Integration Model concept, a new HR Corporate Standard for MOTA-ENGIL. Among other areas of activity, this model allowed a definition of assumptions, rules and procedures to promote internal staff mobility and rotation, ensuring response to the Group's needs through capitalising on existing resources and taking advantage of potential internal synergies while ensuring retention of Talent within MOTA-ENGIL.

### Cultivate meritocracy

Under the strategic 'Cultivating Meritocracy' axis, 2011 was marked by the enlargement of the scope of the Corporate Performance Management Model and of the Remuneration policy of the MOTA-ENGIL GROUP. The purpose of the former is to support the development, management and recognition of its People's performance, while the remuneration policy's mission is to reward individual and team performance, ensuring fairness and the ability to attract, mobilise and retain the talent needed for the management of the business.

### Foster a homogeneous, shared culture

The MOTA-ENGIL ACTIVE SCHOOL, through its Culture and Values School, plays an extremely important role in promoting a homogeneous, shared culture within MOTA-ENGIL, to the extent that it constitutes a transverse action within the Group and is a school that is "made from the inside to the inside", with the aim of disseminating and strengthening the MOTA-ENGIL Culture and Values in the employees of the various different business units and markets where the Group carries on its business.

Looking to address the need to monitor key business indicators that, on the one hand, reflect the strategic priorities and concerns of the Group in the matter of human resources and, secondly, to contribute to the support and leverage of the business goals, the HR Reporting project was developed during 2011, which aims to act as a tool for the monitoring, promotion and strengthening of human resources priorities at strategic, corporate and organisational level.

The coming year will necessarily lend continuity to the development of Corporate Human Resources Policies, Models, Programmes and Projects to enable transverse management of the Group's People. The focus on the strategic human resources axes will ensure alignment with the strategy and needs of the market and of the business.

## 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 €40,292,308:

- a) To legal reserve 5% or €2,014,615.40;
- 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 1.74%;
- c) For distribution to equityholders, a total of €22,509,926.45, or 11 cents per share, subject to tax;
- d) To free reserves, the remainder, or €15,067,766.00.

## 9. The Outlook for 2012

Implementation of the strategic lines defined by the Group's 2013 AMBITION strategic development plan, allows us to predict that in 2012 it will be possible to maintain the growth of the consolidated businesses, reinforcing their internationalisation and diversification.

The recently-announced reorganisation of the Group will, in 2012, open up the way to growth, improved operational efficiency and value creation.

In this way, and in line with its strategic goals, the MOTA-ENGIL GROUP predicts the following for 2012:

- Growth of Consolidated Turnover by more than 15%, underpinned by a strong foreign order book;
- Maintenance of the margins in Portugal, despite the reduction of Turnover;
- Stabilisation of margins in Central Europe, with a continuation of the activity;
- Strong growth of Turnover in Africa, with sustained margins in a geographically diverse portfolio;
- Stabilisation of the margins in America, with maintenance of the growth rates;
- Ascendi Group making a contribution to Group Profits of less than €10 million;
- An order book of more than €3.5 billion, underpinned by international business.

Attention is drawn 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 2012. Therefore, the actual performance achieved in 2012 may differ substantially from these predictions. Additionally, MOTA-ENGIL 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

In 2012, until the issue of this report, the following relevant fact occurred, details of which are adequately disclosed, as a disclosure of privileged information, in the websites of MOTA-ENGIL and CMVM:

- MOTA-ENGIL, SGPS, SA announces the award of works in Africa worth 900 million euros.

“MOTA-ENGIL informs the increase of its order book in Africa with the award of new contracts amounting to 1.2 billion dollars (about 900 million Euros).

The following awards contributed to this amount:

- Construction of 145.11 km of railway line in Malawi for the mining company Vale S.A. to be completed in 27 months. The project amounts to 703 million dollars (540 million Euros) and is part of the Nacala Corridor, a infrastructure of the Vale's Moatize coal mining project. Vale is the world's second largest mining company and the largest Latin American private company. Headquartered in Brazil and with operations in 38 countries, the company currently employs over 126 000 people.
- Construction of Calueque dam in Angola for the Ministry of Energy and Water. The works should be completed in 25 months and Mota-Engil's stake amounts to 164 million dollars (126 million Euros) of a total of 225 million dollars.
- Sonangol's Expansion Project (gas stations) in Angola, to be completed in 12 months and amounting to 107 million dollars (82 million Euros).
- Project IMOLAP - Lots 1 and 3, for the construction of a real estate project in Angola, to be completed in 24 months and amounting to 99 million dollars (76 million Euros).
- Financial City Project, for Finicapital in Angola, to be completed in 18 months and amounting to 73 million dollars (56 million Euros).
- Solar Village Project, to Sonangol Holdings, in Angola, to be completed in 10 months and amounting to 26 million dollars (20 million Euros).

MOTA-ENGIL keeps growing in this market, with a total present backlog of 1.6 billion 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 12, 2012

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 (Chief Financial Officer)

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

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

Luís Filipe Cardoso da Silva  
Member of the Board of Directors

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

Carlos António Vasconcelos Mota dos Santos  
Member of the Board of Directors and  
Member of the Executive Committee

Pedro Manuel Teixeira Rocha Antelo  
Member of the Board of Directors

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





MOTAENGIL, SGPS, S.A.

CONSOLIDATED  
REPORT &  
ACCOUNTS  
**2011**

## **2.** CONSOLIDATED FINANCIAL INFORMATION





## Separate Consolidated Income Statement For The Year Ended December 31, 2011 & 2010

|   | NOTES           | YEAR                 |                    | 4TH QUARTER        |                    |
|---|-----------------|----------------------|--------------------|--------------------|--------------------|
|   |                 | 2011<br>EURO         | 2010<br>EURO       | 2011<br>EURO       | 2010<br>EURO       |
|   |                 | (audited)            | (audited)          | (unaudited)        | (unaudited)        |
| Sales & services rendered                       | 3 and 4         | 2,176,072,110        | 2,004,550,902      | 619,620,160        | 541,639,191        |
| Other revenues                                  |                 | 94,107,256           | 121,758,147        | 38,500,473         | 64,331,691         |
| Cost of goods sold, mat. cons. & Subcontractors | 5               | (1,174,263,751)      | (1,175,693,906)    | (357,390,336)      | (352,984,489)      |
| <b>Gross profit</b>                             |                 | <b>1,095,915,615</b> | <b>950,615,143</b> | <b>300,730,297</b> | <b>252,986,393</b> |
| Third-party supplies & services                 | 6               | (415,750,469)        | (340,420,025)      | (113,943,254)      | (88,649,243)       |
| Wages and salaries                              | 7               | (373,488,767)        | (358,586,804)      | (83,805,584)       | (93,855,274)       |
| Other operating income / (expenses)             | 8               | (10,719,064)         | (14,314,425)       | (6,447,545)        | (3,592,057)        |
|   | 4               | <b>295,957,315</b>   | <b>237,293,889</b> | <b>96,533,914</b>  | <b>66,889,819</b>  |
| Depreciation & Amortization                     | 4, 9, 17 and 18 | (91,195,469)         | (86,379,789)       | (19,591,331)       | (21,641,704)       |
| Provisions and impairment losses                | 10              | (35,377,966)         | (19,168,089)       | (30,099,133)       | (16,799,804)       |
| <b>Operating profit</b>                         | 4               | <b>169,383,880</b>   | <b>131,746,011</b> | <b>46,843,450</b>  | <b>28,448,311</b>  |
| Financial income & gains                        | 4 and 11        | 81,185,867           | 79,324,988         | 30,484,777         | 28,776,858         |
| Financial costs & losses                        | 4 and 11        | (160,899,960)        | (130,252,581)      | (44,180,441)       | (31,402,855)       |
| Gains / (losses) on associated companies        | 4 and 12        | 630,094              | 7,506,187          | (2,669,019)        | 5,174,157          |
| Income Tax                                      | 4 and 13        | (19,221,542)         | (18,967,917)       | (5,505,230)        | (117,634)          |
| <b>CONSOLIDATED NET PROFIT OF THE YEAR</b>      |                 | <b>71,078,339</b>    | <b>69,356,688</b>  | <b>24,973,537</b>  | <b>30,878,837</b>  |
| Attributable:                                   |                 |                      |                    |                    |                    |
| to non-controlling interests                    | 4               | 37,646,285           | 32,406,014         | 13,494,222         | 24,670,125         |
| <b>to the Group</b>                             | 4 and 15        | <b>33,432,054</b>    | <b>36,950,674</b>  | <b>11,479,315</b>  | <b>6,208,712</b>   |
| Earnings per share:                             |                 |                      |                    |                    |                    |
| basic   | 15              | 0.1727               | 0.1908             | 0.0593             | 0.0315             |
| diluted   | 15              | 0.1727               | 0.1908             | 0.0593             | 0.0315             |

To be read with the Notes to the Consolidated Financial Statements

## Statement of Consolidated Comprehensive Income For The Year Ended December 31, 2011 & 2010

|  | YEAR                |                   | 4TH QUARTER         |                    |
|--|---------------------|-------------------|---------------------|--------------------|
|  | 2011<br>EURO        | 2010<br>EURO      | 2011<br>EURO        | 2010<br>EURO       |
|  | (audited)           | (audited)         | (unaudited)         | (unaudited)        |
| <b>CONSOLIDATED NET PROFIT FOR THE PERIOD</b>  | <b>71,078,339</b>   | <b>69,356,688</b> | <b>24,973,537</b>   | <b>30,878,837</b>  |
| <b>Other comprehensive income</b>  |                     |                   |                     |                    |
| Exchange differences stemming from transposition of financial statements expressed in foreign currencies | 268,601             | 825,549           | 17,029,858          | 1,247,207          |
| Variation, net of tax, of the fair value of financial derivatives  | (8,536,077)         | 1,684,353         | (1,668,888)         | 4,233,169          |
| Variation, net of tax, of the fair value of mineral resources and others                                 | (3,241,575)         | 6,632,284         | (5,303,180)         | 6,632,284          |
| 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 (Note 19)                | (103,912,910)       | (22,912,864)      | (102,402,766)       | (14,610,040)       |
| Other changes in comprehensive income  | -                   | -                 | -                   | -                  |
| <b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>   | <b>(44,343,622)</b> | <b>38,191,801</b> | <b>(67,371,439)</b> | <b>28,381,458</b>  |
| Attributable:  |                     |                   |                     |                    |
| to non-controlling interests   | 31,126,145          | 31,463,649        | 16,244,920          | 30,290,537         |
| <b>to the Group</b>  | <b>(75,469,767)</b> | <b>6,728,152</b>  | <b>(83,616,359)</b> | <b>(1,909,080)</b> |

To be read with the Notes to the Consolidated Financial Statements

## Statement of Consolidated Financial Position as at December 31, 2011 & 2010

|   | NOTES | 2011<br>EURO         | 2010<br>EURO         |
|---|-------|----------------------|----------------------|
|   |       | (audited)            | (audited)            |
| <b>ASSETS</b>                                       |       |                      |                      |
| <b>Non-current</b>                                  |       |                      |                      |
| Goodwill  | 16    | 135,372,921          | 135,309,629          |
| Intangible fixed assets                             | 17    | 307,517,983          | 264,980,820          |
| Tangible fixed assets                               | 18    | 564,556,702          | 569,058,903          |
| Financial investments under the equity method       | 19    | 216,573,611          | 336,920,636          |
| Available for sale financial assets                 | 20    | 5,448,764            | 20,678,852           |
| Investment properties                               | 21    | 62,947,053           | 88,614,797           |
| Customers & other debtors                           | 23    | 156,525,091          | 80,680,939           |
| Deferred tax assets                                 | 13    | 50,631,819           | 47,869,265           |
|   |       | <b>1,499,573,944</b> | <b>1,544,113,841</b> |
| <b>Non-current Assets Held for Sale</b>             | 38    | <b>86,340,429</b>    | <b>67,807,496</b>    |
| <b>Current</b>                                      |       |                      |                      |
| Inventories   | 22    | 242,360,589          | 203,023,766          |
| Customers   | 23    | 921,214,752          | 1,008,220,486        |
| Other debtors                                       | 23    | 364,422,378          | 303,982,065          |
| Other current assets                                | 23    | 175,695,222          | 127,927,830          |
| Derivative financial instruments                    | 26    | 469,508              | 464,598              |
| Cash & cash equivalents without recourse            | 23    | 9,305,697            | 8,636,101            |
| Cash & cash equivalents with recourse               | 23    | 224,914,409          | 191,990,001          |
|   |       | <b>1,938,382,555</b> | <b>1,844,244,847</b> |
| <b>TOTAL ASSETS</b>                                 | 4     | <b>3,524,296,928</b> | <b>3,456,166,184</b> |
| <b>LIABILITIES</b>                                  |       |                      |                      |
| <b>Non-current</b>                                  |       |                      |                      |
| Debt without recourse                               | 25    | 128,719,799          | 112,974,953          |
| Debt with recourse                                  | 25    | 543,231,584          | 584,034,666          |
| Sundry Creditors                                    | 27    | 237,537,318          | 231,298,170          |
| Provisions  | 28    | 88,151,934           | 71,774,463           |
| Other non-current liabilities                       | 29    | 26,186,042           | 16,929,087           |
| Deferred tax liabilities                            | 13    | 30,302,950           | 32,482,904           |
|   |       | <b>1,054,129,627</b> | <b>1,049,494,243</b> |
| <b>Current</b>                                      |       |                      |                      |
| Debt without recourse                               | 25    | 1,988,542            | 3,413,463            |
| Debt with recourse                                  | 25    | 565,040,296          | 514,952,264          |
| Suppliers   | 27    | 478,149,258          | 482,169,565          |
| Derivative financial instruments                    | 26    | 27,700,288           | 13,684,750           |
| Sundry Creditors                                    | 27    | 500,827,625          | 441,011,161          |
| Other current liabilities                           | 29    | 481,636,706          | 470,710,839          |
|   |       | <b>2,055,342,715</b> | <b>1,925,942,042</b> |
| <b>TOTAL LIABILITIES</b>                            | 4     | <b>3,109,472,342</b> | <b>2,975,436,285</b> |
| <b>SHAREHOLDERS' EQUITY</b>                         |       |                      |                      |
| Equity capital                                      | 24    | 204,635,695          | 204,635,695          |
| Reserves  | 24    | 74,923,859           | 170,120,973          |
| <b>Consolidated net profit for the year</b>         |       | <b>33,432,054</b>    | <b>36,950,674</b>    |
| <b>OWN FUNDS ATTRIBUTABLE TO THE GROUP</b>          |       | <b>312,991,608</b>   | <b>411,707,342</b>   |
| Non-controlling interests                           |       | 101,832,978          | 69,022,557           |
| <b>TOTAL SHAREHOLDERS' EQUITY</b>                   |       | <b>414,824,586</b>   | <b>480,729,899</b>   |
| <b>TOTAL SHAREHOLDERS' EQUITY &amp; LIABILITIES</b> |       | <b>3,524,296,928</b> | <b>3,456,166,184</b> |

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         |
| <b>BALANCE AS AT JANUARY 1, 2010 RESTATED</b>                       | <b>204,635,695</b> | <b>(22,558,792)</b> | <b>87,256,034</b> | <b>45,586,328</b>              | <b>(1,841,058)</b>                     | <b>(8,361,134)</b>  |
| 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 (ME Angola and others) | -                  | -                   | -                 | -                              | -                                      | -                   |
| Alterations to the consolidation perimeter                          | -                  | -                   | -                 | -                              | -                                      | -                   |
| <b>BALANCE AS AT DECEMBER 31, 2010</b>                              | <b>204,635,695</b> | <b>(22,626,520)</b> | <b>87,256,034</b> | <b>27,702,096</b>              | <b>4,791,226</b>                       | <b>(5,527,456)</b>  |
| <b>BALANCE AS AT JANUARY 1, 2011</b>                                | <b>204,635,695</b> | <b>(22,626,520)</b> | <b>87,256,034</b> | <b>27,702,096</b>              | <b>4,791,226</b>                       | <b>(5,527,456)</b>  |
| Total comprehensive income for the period                           | -                  | -                   | -                 | -                              | (3,241,575)                            | (4,510,044)         |
| Dividend distribution   | -                  | -                   | -                 | -                              | -                                      | -                   |
| Other distributions of results                                      | -                  | -                   | -                 | -                              | -                                      | -                   |
| Acquisition of own shares   | -                  | (122,705)           | -                 | -                              | -                                      | -                   |
| Transfers for other reserves  | -                  | -                   | -                 | -                              | -                                      | -                   |
| Alterations to the consolidation perimeter                          | -                  | -                   | -                 | -                              | -                                      | -                   |
| <b>BALANCE AS AT DECEMBER 31, 2011</b>                              | <b>204,635,695</b> | <b>(22,749,225)</b> | <b>87,256,034</b> | <b>27,702,096</b>              | <b>1,549,652</b>                       | <b>(10,037,500)</b> |

To be read with the Notes to the Consolidated Financial Statements

## Changes in Equity December 31, 2011 & 2010

| CURRENCY<br>TRANSLATION<br>RESERVE | OTHER RESERVES     | NET PROFIT        | OWN FUNDS<br>ATTRIBUTABLE TO<br>SHAREHOLDERS | OWN FUNDS<br>ATTRIBUTABLE TO<br>NON-CONTROLLING<br>INTERESTS | SHAREHOLDERS'<br>EQUITY |
|------------------------------------|--------------------|-------------------|--|--|-------------------------|
| <b>(31,263,466)</b>                | <b>(3,456,971)</b> | <b>72,612,478</b> | <b>342,609,114</b>                           | <b>50,201,624</b>  | <b>392,810,738</b>      |
| 277,722                            | (22,081,975)       | 36,950,674        | <b>6,728,152</b>                             | 31,463,649   | <b>38,191,801</b>       |
| -                                  | (21,302,947)       | -                 | <b>(21,302,947)</b>                          | (10,263,362)   | <b>(31,566,309)</b>     |
| -                                  | (837,163)          | -                 | <b>(837,163)</b>                             | (87,628)   | <b>(924,791)</b>        |
| -                                  | -                  | -                 | <b>(67,728)</b>                              | -  | <b>(67,728)</b>         |
| -                                  | 72,612,478         | (72,612,478)      | -  | -  | -                       |
| -                                  | 83,655,930         | -                 | <b>83,655,930</b>                            | (3,029,893)  | <b>80,626,037</b>       |
| -                                  | 921,986            | -                 | <b>921,986</b>                               | 738,166  | <b>1,660,152</b>        |
| <b>(30,985,744)</b>                | <b>109,511,336</b> | <b>36,950,674</b> | <b>411,707,342</b>                           | <b>69,022,557</b>  | <b>480,729,899</b>      |
| <b>(30,985,744)</b>                | <b>109,511,336</b> | <b>36,950,674</b> | <b>411,707,342</b>                           | <b>69,022,557</b>  | <b>480,729,899</b>      |
| 2,461,777                          | (103,611,979)      | 33,432,054        | <b>(75,469,767)</b>                          | 31,126,145   | <b>(44,343,622)</b>     |
| -                                  | (21,299,303)       | -                 | <b>(21,299,303)</b>                          | (4,505,557)  | <b>(25,804,860)</b>     |
| -                                  | (795,786)          | -                 | <b>(795,786)</b>                             | (32,139)   | <b>(827,925)</b>        |
| -                                  | -                  | -                 | <b>(122,705)</b>                             | -  | <b>(122,705)</b>        |
| -                                  | 36,950,674         | (36,950,674)      | -  | -  | -                       |
| -                                  | (1,028,173)        | -                 | <b>(1,028,173)</b>                           | 6,221,972  | <b>5,193,799</b>        |
| <b>(28,523,967)</b>                | <b>19,726,769</b>  | <b>33,432,054</b> | <b>312,991,608</b>                           | <b>101,832,978</b>   | <b>414,824,586</b>      |

## Statement of Consolidated Cash-Flows For the Years Ended December 31, 2011 & 2010

|   | NOTES | 2011<br>EURO         | 2010<br>EURO         |
|---|-------|----------------------|----------------------|
| <b>OPERATING ACTIVITY</b>                                       |       |                      |                      |
| Cash receipts from customers                                    |       | 2,214,911,902        | 2,010,583,485        |
| Cash paid to suppliers  |       | (1,601,953,259)      | (1,482,038,133)      |
| Cash paid to employees  |       | (351,744,481)        | (326,646,590)        |
| <b>Cash generated from operating activities</b>                 |       | <b>261,214,162</b>   | <b>201,898,762</b>   |
| Income tax paid/received  |       | (19,714,829)         | (24,795,034)         |
| Other receipts/payments generated by operating activities       |       | 12,126,789           | 31,496,212           |
| <b>NET CASH FROM OPERATING ACTIVITIES (1)</b>                   |       | <b>253,626,122</b>   | <b>208,599,940</b>   |
| <b>INVESTING ACTIVITY</b>                                       |       |                      |                      |
| <b>Cash receipts from:</b>                                      |       |                      |                      |
| Financial assets  | 37    | 1,193,229            | 2,021,692            |
| Tangible fixed assets   |       | 8,114,967            | 16,087,390           |
| Investment grants   |       | 5,216,022            | -                    |
| Interest and similar incomes                                    |       | 16,404,450           | 18,852,211           |
| Dividends   |       | 4,056,624            | 7,752,202            |
|   |       | <b>34,985,292</b>    | <b>44,713,495</b>    |
| <b>Cash paid in respect of:</b>                                 |       |                      |                      |
| Financial assets  | 37    | (2,151,013)          | (33,443,172)         |
| Intangible fixed assets   |       | (45,978,215)         | (2,278,766)          |
| Tangible fixed assets   |       | (96,373,080)         | (142,542,166)        |
|   |       | <b>(144,502,308)</b> | <b>(178,264,104)</b> |
| <b>NET CASH FROM INVESTING ACTIVITIES (2)</b>                   |       | <b>(109,517,016)</b> | <b>(133,550,609)</b> |
| <b>FINANCING ACTIVITY</b>                                       |       |                      |                      |
| <b>Cash receipts from:</b>                                      |       |                      |                      |
| Loans obtained  |       | 61,022,208           | 149,563,778          |
|   |       | <b>61,022,208</b>    | <b>149,563,778</b>   |
| <b>Cash paid in respect of:</b>                                 |       |                      |                      |
| Loans obtained  |       | (37,417,333)         | (46,796,845)         |
| Amortization of finance lease contracts                         |       | (39,979,671)         | (26,867,605)         |
| Interest & similar expense                                      |       | (78,656,797)         | (60,962,160)         |
| Dividends   |       | (21,299,303)         | (21,302,947)         |
| Acquisition of treasury shares                                  |       | (122,705)            | (67,728)             |
|   |       | <b>(177,475,809)</b> | <b>(155,997,285)</b> |
| <b>NET CASH FROM FINANCING ACTIVITIES (3)</b>                   |       | <b>(116,453,601)</b> | <b>(6,433,507)</b>   |
| <b>Variation of cash &amp; cash equivalents (4)=(1)+(2)+(3)</b> |       | <b>27,655,505</b>    | <b>68,615,824</b>    |
| Variations caused by changes to the perimeter                   |       | 18,617               | 392,215              |
| Exchange rate effect  |       | 5,919,882            | 3,403,393            |
| <b>Cash &amp; cash equivalents at the beginning of the year</b> | 23    | <b>200,626,102</b>   | <b>128,214,670</b>   |
| <b>CASH &amp; CASH EQUIVALENTS AT THE END OF THE YEAR</b>       | 23    | <b>234,220,106</b>   | <b>200,626,102</b>   |

To be read with the Notes to the Consolidated Financial Statements



## o. Introduction

The principal business of MOTA-ENGIL, SGPS, SA, having its registered office at Edifício Mota, Rua do Rêgo 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 Appendix.

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

## 1. Accounting policies

### 1.1. Bases 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.

The following standards, interpretations, amendments and revisions adopted ("endorsed") by the European Union, enforceable in the financial year started on January 1, 2011, were first adopted by MOTA-ENGIL GROUP in the year ended December 31, 2011:

| Standard   | Date of Issue | Date of Application <sup>(1)</sup> | Adopted by the EU |
|--|---------------|------------------------------------|-------------------|
| <b>Amendments</b>  |               |                                    |                   |
| IAS 32 – Financial Instruments: Presentation - classification of rights issues         | 08/10/2009    | 01/02/2010                         | Yes               |
| IFRIC 14 - Prepayments of a minimum funding requirement                                | 26/11/2009    | 01/01/2011                         | Yes               |
| IFRS 1 - Limited exemption from comparative IFRS 7 disclosures for first time adopters | 28/01/2010    | 01/07/2010                         | Yes               |
| IFRS 8 – Operating segments  | 04/11/2009    | 01/01/2010                         | Yes               |
| <b>New Standards/Interpretations</b>   |               |                                    |                   |
| IFRIC 19 – Extinguishing Financial Liabilities with Equity Instruments                 | 25/11/2009    | 01/07/2010                         | Yes               |
| <b>Revisions</b>   |               |                                    |                   |
| IAS 24 – Related party disclosures   | 04/11/2009    | 01/01/2011                         | Yes               |
| <b>Improvements</b>  |               |                                    |                   |
| Improvements of the international financial reporting standards – 2010                 | 06/05/2010    | 30/06/2010 / 31/12/2010            | Yes               |

<sup>1)</sup> Years started on or after the stated date

The effect on the financial statements of the GROUP for the year ended December 31, 2011, arising from the standards, interpretations, amendments and revisions set out above, when applicable, was not significant.

As of the date of approval of these financial statements the IASB and IFRIC have issued the following accounting standards, interpretations, amendments and revisions, mandatory only for fiscal years beginning after January 1, 2011, some of which hadn't been approved ("endorsed") by the European Union yet:

| Standard  | Date of Issue | Date of Application <sup>(1)</sup> | Adopted by the EU |
|---|---------------|------------------------------------|-------------------|
| <b>Amendments</b>   |               |                                    |                   |
| IFRS 7 - Financial Instruments: Disclosures - disclosures on transition to IFRS 9                       | 07/10/2010    | 01/07/2011                         | Yes               |
| IAS 1 - Presentation of Financial Statements - Presentation of items of other comprehensive income      | 16/06/2011    | 01/07/2012                         | No                |
| IAS 12 - Income Taxes - Recovery of revalued non-depreciable assets                                     | 20/12/2010    | 01/01/2012                         | No                |
| IAS 19 - Employee benefits  | 16/06/2011    | 01/01/2013                         | No                |
| IAS 32 - Financial Instruments: Presentation - offsetting of financial assets and financial liabilities | 16/06/2011    | 01/01/2014                         | No                |
| IFRS 1 - Limited exemption from comparative IFRS 7 disclosures for first time adopters                  | 20/12/2010    | 01/07/2011                         | No                |
| IFRS 7 - Financial Instruments: Disclosure - Transfers of financial assets                              | 16/12/2011    | 01/01/2013                         | No                |
| IFRS 7 - Financial Instruments: Disclosures - disclosures on transition to IFRS 9                       | 16/12/2011    | 01/01/2015                         | No                |
| <b>New Standards/Interpretations</b>  |               |                                    |                   |
| IFRIC 20 - Removal costs during production of a surface mine  | 19/10/2011    | 01/01/2013                         | No                |
| IFRS 10 - Consolidated financial statements   | 12/05/2011    | 01/01/2013                         | No                |
| IFRS 11 - Joint agreements  | 12/05/2011    | 01/01/2013                         | No                |
| IFRS 12 - Disclosure of interests in other entities   | 12/05/2011    | 01/01/2013                         | No                |
| IFRS 13 - Fair value: measurement and disclosure  | 12/05/2011    | 01/01/2013                         | No                |
| IFRS 9 - Financial Assets - Classification and measurement  | 12/11/2009    | 01/01/2013                         | No                |
| <b>Revisions</b>  |               |                                    |                   |
| IAS 27 - Separate financial statements  | 12/05/2011    | 01/01/2013                         | No                |
| IAS 28 - Investments in associates and joint ventures   | 12/05/2011    | 01/01/2013                         | No                |

1) Years started on or after the stated date

On December 31, 2011, with the exception of mandatory standards in 2011, the GROUP is not applying any of the above, and the effects of applying them were not fully determined as of this date.

The consolidated financial statements are presented in euros since this is the main currency of the GROUP's operations. The financial statements of subsidiaries that use foreign currency have been translated into euros 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 made on the basis of 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 GROUP' board of directors believes that they will be approved without alteration.

## 1.2. Bases of consolidation

The consolidation methods employed by the GROUP are as follows:

### a) GROUP companies

The financial holdings in companies in which the GROUP directly or indirectly holds more than 50% of the voting rights at General Meetings and/or holds the power to control their financial and operational policies (definition of control used by the GROUP), have been included in the consolidated financial statements using the full consolidation method. The equity and net profit or loss of these companies corresponding to third-party holdings in them, are presented in the consolidated statement of financial position (under equity) and in the consolidated income statements (included in the consolidated net profit) respectively, under the non-controlling interests sub-heading.

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

The results of affiliates acquired or sold during the year are included in the income statement from the date of the acquisition of control or the date of sale (transfer of control), such effects always referred to January 1 of each year.

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, 2011 & 2010, there were no enterprises 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 using the equity method, 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 variations of the 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 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 when there are signs that the asset could be impaired, any loss being recorded in the income statement. Where impairment losses recognised in previous periods no longer exist they are reversed.

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 losses are similarly eliminated, but only up to the point at which the loss does not show that the transferred asset is impaired.

As and when necessary adjustments are made to the subsidiaries' financial statements subsidiaries to bring their

accounting policies into line with those used by the GROUP.

#### c) Joint ventures

As from January 1, 2010, financial interests in joint ventures are consolidated in the attached financial statements using the equity method. In accordance with the equity method, financial holdings are recorded at acquisition cost adjusted for the value corresponding to the GROUP's participation in the changes of equity (including net profit) of these companies, with a contra entry under gains or losses for the period and for dividends received, net of accumulated impairment losses.

Classification of financial interests in joint ventures is determined on the basis of:

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

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

#### d) Incorporated joint ventures (ACEs)

Given the very singular nature of Incorporated Joint Ventures (ACEs), mainly engaged in construction activity, have very specific purposes and are limited in time, their results are included in the consolidated income statement heading by heading, in the proportion of the control attributable to the GROUP.

### 1.3. Main valuation criteria

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

#### i) Goodwill

Differences between the acquisition price of the financial investments in GROUP companies (subsidiaries), plus the value of the non controlling interests and the amount attributed to the fair value of the identifiable assets and liabilities of these companies on their acquisition date, when positive, are recorded under Goodwill and, when negative, they are recorded directly in the income statement. Differences between the acquisition price of the financial investments in associates and joint ventures and the amount attributed to the fair value of the identifiable assets and liabilities of these companies on their acquisition date, when positive, are carried under "Equity method financial investments" and, when negative, following revaluation, they are recorded directly in the income statement.

Additionally, differences between the cost of investments in subsidiaries headquartered abroad and the fair value of the identifiable assets and liabilities of such subsidiaries are recorded in the reporting currencies of the subsidiaries and are translated into the GROUP's reporting currency (euros) at the exchange rates ruling on the balance sheet date. Currency translation differences generated are recorded under the Currency translation reserve.

Goodwill generated prior to the date of transition to the IFRS continues to be carried at the net book value, determined in accordance with the Official Accounting Plan, and was subject to impairment tests on that date. Additionally, and in accordance with the alternative provided for in IFRS 1- First time adoption of the International Financial Reporting Standards, the Mota-Engil, SGPS, has not retroactively applied the provisions of IAS 21 - Effects of Changes of Foreign Exchange Rates to the goodwill generated prior to January 1, 2004, and therefore, from then on, it has measured such goodwill in the reporting currency of the subsidiaries, translated into euros at the rate then ruling.

On a transaction-by-transaction basis (for each business combination), the GROUP will opt to measure any non-controlling interest in the acquired company either at fair value or as the proportional part of the non-controlling interest in the identifiable net assets of the company acquired. Until January 1, 2011, non-controlling interests were measured solely according to the proportion of the fair value of the assets and liabilities acquired.

The value of contingent future payments is recognised as a liability at the moment of the business combination in accordance with its fair value, and any alteration to the value initially recognised is recorded as a contra-entry to the value of Goodwill, though only if it occurs within the remeasurement period (12 months after acquisition date) and if it is related with events prior to the acquisition date, otherwise it will be taken to profit & loss.

Purchase or sale transactions involving interests in enterprises already controlled, without leading to loss of control, are treated as transactions between equityholders, affecting only the equity headings, with no impact on Goodwill or on the income statement.

Additionally, at the time a sales transaction generates a loss of control, the entity's assets and liabilities are derecognised and any retained interest in the divested entity is remeasured at fair value and any gain or loss on the sale is taken to profit or loss.

Until January 1, 2004, Goodwill was written down over the estimated period of recovery of the investments, and amortisation was recorded in the income statement under Depreciation. As from January 1, 2004, in accordance with IFRS 3 – Business Combinations, the GROUP suspended amortisation of Goodwill and subjected it to impairment tests.

Annually, and with reference to the accounts close date, Mota-Engil, SGPS, performs formal impairment tests on the Goodwill. If its carrying amount of the goodwill is greater than the recoverable amount, an impairment loss is recognised and recorded in the income statement under Other operating costs. The amount recoverable is the higher of the net selling price and of the value-in-use. The net selling price is the amount that would be obtained from the sale of the asset at arm's length, less the costs directly attributable to the sale. The value in use is the present value of the estimated future cash expected to arise from the ongoing use of the asset and from its sale at the end of its useful life. The amount recoverable is estimated for each asset, individually, or, should this not be possible, for the cash-generating unit to which the asset belongs.

Impairment losses in respect of goodwill are not revertible.

## ii) Intangible Assets

Intangible fixed assets are carried at cost less accumulated amortisation and any impairment losses, and they are recognised only if it is probable 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 comprises the concession operating rights (stemming from the adoption of IFRIC 12 and from the processes of allocation of fair value to the assets acquired in business combination processes), which are amortised using the straight-line method over the life of the concessions, and software, which is amortised using the straight-line method over a period of three to six years.

The operating rights stemming from the adoption of IFRIC 12 refer to the concession contracts of the Logistics and Water segments, both included in the Environment & Services area, in which the GROUP:

- a) Has no control over the infrastructures they built (or will build) and currently operates, to the extent that the concessor controls the use of infrastructures, the conditions under which services are provided and the fact that infrastructures revert to the concessor at the end of concession;
- b) Receives a right (licence) to charge users in return for the construction, operation and maintenance services in respect of the infrastructures for the provision of public service, which is dependent on the volume of use of infrastructures by their users.

Consequently, in accordance with the provisions of IFRIC 12, the GROUP's concessions business falls within the Intangible Asset model, and the GROUP has adopted the following accounting policies in this connection:

- a) The revenue and costs related with the construction service are processed in accordance with IAS 11 – Construction contracts. Therefore, all costs incurred with the construction of the infrastructures operated by the GROUP are recorded as costs in the income statement for the period to which they refer. The remuneration receivable in consideration of the construction services provided is recorded as income for the



period to which it refers in accordance with the percentage-of-finishing method, calculated as the ratio between the total construction costs incurred and the total estimated construction costs to be incurred, with a contra-entry of an Intangible Asset ("Concessions Operating Licences").

- b) The Concessions Operating Licences are written down as from the moment they are available for use and on a systematic basis over the life of the concession, using the straight-line method or the production-unit method, as appropriate.
- c) Revenue and other income related with the operation and maintenance service are dealt with in accordance with IAS 18 – Revenue. Costs incurred annually with the operation and maintenance of the infrastructures are recorded as costs for the period to which they refer. Contractual obligations to maintain or to re-establish a certain capacity for the infrastructure so as to provide the public service (notably major repairs) are recorded in accordance with IAS 37 – Provisions, Contingent Liabilities and Contingent Assets, that is, each year a liability is created in accordance with the present best estimate of the expenditure required to fulfil the obligation, with a contra-entry of a cost in the income statement.
- d) Borrowing costs attributable to the agreement (concession contract), shall be capitalised during its construction phase, in accordance with IAS 23 - Borrowing Costs.
- e) Where agreements on the one hand, call for, in addition to the initial construction improvement (upgrade), in consideration of the licence received, and, on the other, whose future economic benefits cannot be directly related with the improvement services themselves, a single intangible asset is recognised for both construction services (initial and improvement). In this case, to the extent that there is an unconditional obligation to provide infrastructure improvement construction services, the whole of the intangible asset is recognised at the time of the initial construction in accordance with IAS 11 and IAS 18, including the fair value of the improvement construction services to be provided in the future.
- f) All costs related with the agreement and that cannot be dissociated from it shall be added to the intangible asset ("Concession Operating Licences") at fair value.

Research costs are recognised as costs for the year in which they are incurred, whereas formation costs and equity-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 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 statement of financial position, 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 opted not to apply this policy to real estate held in African countries, in some Central European countries and in Peru, and it carries this real estate at acquisition cost less any subsequent depreciation and/or accumulated impairment losses.

Adjustments caused by revaluations of premises are taken to equity. If a tangible fixed asset that was positively revalued in subsequent periods 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 period with a contra-entry under net profit for the period.

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.

### iv) Land assigned to quarrying operations

Land assigned to quarrying operations, as well as some related costs (costs incurred with the licensing and start-up of the quarries and to costs to be incurred with the restoration of the landscape,) is carried at a revalued value, which is the fair value as of the revaluation date less any subsequent accumulated depreciation and/or impairment losses.



In situations in which the fair value determined in the valuations is slightly greater than that carried in the statement of financial position, the GROUP, for reasons of prudence, does not update to their fair value the assets subject to valuation. The valuations are performed periodically by specialised external experts in a manner such that the revalued amount does not materially differ from the fair value of the respective quarry. Depreciation of these assets is undertaken in accordance with the quantity of aggregates 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. Where a quarry that was positively revalued in subsequent periods 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 period with a contra-entry under net profit for the period.

#### v) Other tangible assets

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

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

Tangible assets in progress comprise fixed assets still at the construction/ development stage. They are carried at acquisition 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 a 10 |
| Office equipment  | 4 a 10 |
| Transport equipment   | 3 a 10 |
| Tools & utensils  | 3 a 6  |

Other tangible assets 3 a 10

Subsequent spending on the replacement of components of fixed assets by the GROUP are 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 betterment or improvement of the items of tangible fixed assets are recorded as a cost for the period in which they are incurred.

Depreciation and amortisation of tangible and intangible assets are charged to "amortisation" on a monthly basis in the income statement. Any alteration to the estimated useful lives of the tangible assets is undertaken prospectively.

#### vi) Leases

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

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

Tangible assets acquired under finance lease contracts, as well as the respective liabilities, are recorded using the financial method, recognising the tangible assets and the respective accumulated depreciation, as defined in indents iii) and v) hereabove, and the debts pending settlement in accordance with the contractual financial plan. Additionally, the interest included in the amount of the rents and the depreciation of the tangible assets are recognised as cost in the income statement for the period to which they refer.

In operational leases payments owed are recognised as a cost in the income statement on a straight-line 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, 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 under construction, are recorded at their fair value determined by an annual valuation performed by independent, specialised entities or are 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 year, recorded under the Variation of the value of investment properties.

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) Held-for-sale non-current assets

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 statement of financial position 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 at fair value through profit or loss", "Loans and receivables", "Investments held to maturity", "Available-for-sale investments available for sale" and "Borrowings and accounts payable." 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 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 receivables: loans and receivables are non-derivative financial assets having fixed or variable reimbursements that are not quoted in active, liquid markets. These financial instruments arise when the GROUP provides cash, goods or services directly to a debtor with no intention of negotiating the debt. "Loans and receivables" 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 is carried in the statement of financial position under "Customers" and under "Other debtors";

- Available-for-sale investments: these include financial assets, other than derivatives, that are designated as available 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. "Available-for-sale investments" 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 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 available-for-sale investments are recorded under equity under the "Fair Value Reserve - Available-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, at the time at which 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 carried 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 in which investments are involved is not an active/liquid market (unquoted investments), the GROUP records them at cost less any accumulated impairment losses. 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 available-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 which the GROUP sets aside a specific "Accumulated impairment losses" 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 effective interest-rate method, 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 under 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 effective interest-rate method.

d) Payables

Accounts payable, included under "Sundry creditors" that do not bear interest, are recorded at their nominal value, which is substantially the same as its fair value, since the discount effect is considered immaterial.

e) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified in accordance with the contractual substance of the transaction. The Group considers equity 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 trading purposes. Use of financial derivatives instruments is duly authorised by the board of directors of the GROUP.

The derivative financial instruments used by the GROUP defined as cash-flow hedges involve solely interest-rate and exchange-rate hedges in respect of borrowings. The amount of the borrowings, the interest payment dates and the repayment plans of the borrowings underlying the interest-rate hedging instruments are similar to the conditions established for the contracted borrowings.

The criteria employed by the GROUP in classifying derivatives instruments as cash-flow hedges 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 and exchange-rate hedges 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 under equity under "Fair value reserves – derivatives", and are transferred to profit & loss for the period when the instrument that is hedged affects results.

Accounting of derivatives instruments is discontinued when the instrument falls due or is sold. In those situations in which the derivative instrument is no longer qualified as a hedge instrument, accumulated differences of fair value deferred in the consolidated statement of comprehensive income under "Fair value reserves - derivatives" are transferred to profit & loss 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 derivative instruments that, through contracted with a view to economic hedging, do not comply with all the requirements of IAS 39 – Financial Instruments: Recognition and measurement: with regard to the possibility of qualification for accounting as hedges, the respective variations of the 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 receivables 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 & 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 the average acquisition cost or of their 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 in work in progress

The GROUP recognises the results of its 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.

With regard to construction contracts executed by companies or branches located in African countries, the income is recorded on the basis of the bills of quantities of work done. Positive or negative differences compared to the billing are calculated contract-by-contract and are presented under sub-headings Production not billed or Billing in advance, included under Other current assets and Other current liabilities. The impact of the adoption of this policy, compared with that described in the preceding paragraph, does not have a materially relevant effect on the attached financial statements.

Variations of the work compared to the revenue agreed in the contract are recognised during the period in which it is probable that the customer will approve the amount of revenue generated by the variation and it can be measured reliably.

Claims for reimbursement of costs not included in the contract price are included in the contract revenue 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 and public works

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

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

Relevant costs of real-estate undertakings are determined taking into account the direct construction costs as well as all costs associated with drawing up the plans and with licensing the works. Costs imputable to the financing, supervision and inspection of the undertaking are also added to the cost of real-estate undertakings, provided they are in progress.

For the purpose of capitalisation of the financing charges and the costs of the supervision and inspection of the undertaking, it is deemed to be in progress if a decision of the entities involved is awaited or it is under construction. Should the undertaking not be at one of these stages, it is deemed to be stopped and the capitalisation referred to above is suspended.

In accordance with IFRIC 15, sales of the real-estate business are recognised when all the risks associated with the asset are substantially transferred to the buyer (that is, at the time of the signature of the deed of the property).

#### d) Other activities

Revenue from sales and services is generally recognised when they are made or provided or with reference to the



degree of completion of the transaction at the reporting date, provided that all the following conditions are met: i) the amount of revenue can be measured reliably, ii) it is probable that future economic benefits associated with the transaction will flow to the GROUP; iii) the costs incurred or to be incurred with the transaction can be measured reliably; iv) the stage of completion of the transaction at the reporting date can be reliably measured.

Interest income is recognised using the effective interest method, provided it is probable that economic benefits will flow to the GROUP and their amount can be measured reliably.

Dividend income is recognised when the GROUP's right to receive the respective amount is established.

#### xiv) 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, and it includes 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.

#### xv) Assets, liabilities and transactions in foreign currency

All foreign-currency transactions shall be recorded in the working currency at the time of initial recognition by applying to the amount in foreign currency the spot exchange rate between the working currency and the foreign currency as at the transaction date.

At the end of each reporting period: a) monetary items in foreign currency are translated using the closing rate, b) non-monetary items measured in terms of historical cost in a foreign currency are translated using the rate exchange on the transaction date, and c) non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates ruling on the date when the fair value was determined.

Exchange-differences arising on the settlement of monetary items or on translating monetary items at rates other than those that were translated on initial recognition during the period or in previous financial statements shall be recognised in profit or loss for the period in which they occur, unless they result from a monetary item that forms part of the net investment in foreign operational unit. In this case, such exchange differences are recognised initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

In preparing the consolidated financial statements, the results and financial position of the entities included in the consolidation perimeter, whose working currencies are other than a currency of a hyperinflationary economy are translated into euros using the following procedures: a) the assets and liabilities for each statement of financial position presented are translated at the closing rate on balance sheet date; b) income and expenses for each statement of comprehensive income or separate income statement presented are translated at the average annual rates, and c) all resulting exchange differences are recognised in other comprehensive income, affecting the heading "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.

Goodwill and adjustments to the fair value of the assets and liabilities of foreign enterprises are treated as assets and liabilities in foreign currencies and are translated into euros using the exchange rates ruling on the balance sheet date.

The financial statements of participated undertakings expressed in foreign currencies are translated into euros.

The exchange rates used to translate into euros the accounts of Group companies, joint ventures and foreign associates were as follows:

| CURRENCY EXCHANGE          |           | YEAR END  |           | AVERAGE   |           |
|----------------------------|-----------|-----------|-----------|-----------|-----------|
|                            |           | 2011      | 2010      | 2011      | 2010      |
| Czech Crown                | EUR / CZK | 25.79     | 25.06     | 24.60     | 25.26     |
| Argellian Dinar            | EUR / DZD | 98.36     | 99.28     | 102.04    | 97.62     |
| S. Tomé and Príncipe Dobra | EUR / STD | 24,500.00 | 24,500.00 | 24,500.00 | 24,500.00 |
| US Dollar                  | EUR / USD | 1.29      | 1.34      | 1.40      | 1.32      |
| Cape Verde Escudo          | EUR / CVE | 110.27    | 110.27    | 110.27    | 110.27    |
| Hungarian Forint           | EUR / HUF | 314.58    | 277.95    | 280.67    | 276.51    |
| Angola Kwanza              | EUR / AOK | 133.93    | 121.83    | 132.42    | 121.25    |
| Malawian Kwacha            | EUR / MWK | 212.34    | 202.10    | 219.91    | 199.20    |
| Mozambique Metical         | EUR / MZN | 34.96     | 43.65     | 40.28     | 45.44     |
| Romania New Leu            | EUR / RON | 4.32      | 4.26      | 4.24      | 4.22      |
| Peruvian New Soles         | EUR / PEN | 3.49      | 3.75      | 3.85      | 3.69      |
| Mexican Peso               | EUR / MXN | 18.05     | 16.55     | 17.42     | 16.71     |
| Colombian Peso             | EUR / COP | 2,508.23  | 2,565.50  | 2,593.69  | 2,449.20  |
| South Africa Rand          | EUR / ZAR | 10.48     | 8.86      | 10.14     | 9.34      |
| Brazilian Real             | EUR / BRL | 2.42      | 2.22      | 2.34      | 2.32      |
| Polish Zloty               | EUR / PLN | 4.46      | 3.98      | 4.14      | 4.00      |

#### xvi) Income tax

Since January 2011 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 of 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 made 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.

#### xvii) Borrowing costs

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 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.

#### xviii) Provisions

Provisions are recognised when and only when the GROUP has a present obligation (legal or implicit) resulting from a past event and that it is probable that, to fulfil 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.

#### xix) Pensions

Liabilities for defined-benefit pension plans awarded to some past and present employees of the GROUP, are determined in accordance with the Projected Unit Credit Method using the actuarial and financial assumptions best suited to the plan in question.

#### xx) State subsidies

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 tangible assets are recorded as deferred income and are recognised in the income statement over the estimated useful life of the assets in question.

#### xxi) Impairment/adjustment of assets other than 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 an impairment loss is recognised and is recorded in the income statement under "Other operating costs". The amount recoverable is the higher of the 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 periods 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 receivables 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 the inventories, any reductions to their net realisable value are calculated on the basis of market values and on several stock-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.

#### xxii) 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 28. Provisions, respectively).

#### xxiii) 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.

#### xxiv) 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.

#### xxv) Judgements 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 periods ended December 31, 2011 & 2010, include:

- fair value and useful lives of the tangible assets, namely land, buildings and quarries;
- impairment tests performed on goodwill and on intangible assets;
- recognition of provisions and impairment losses for receivables;
- recognition of costs and income generated by works in progress;
- outcome of court proceedings and tax claims filed against the GROUP;
- determination of the fair value of 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 profit & loss in a prospective manner, in accordance with the provisions of IAS 8.

#### xxvi) 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, cash paid to suppliers, cash paid to personnel and others related with operating activity. The cash flows included under investing activities include, in particular, acquisitions and disposals of investments in participated companies and receipts payments arising from the sale and purchase 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.

## xxvii) Management of capital invested

The fundamental aim of capital management with 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 attributable to the equityholders includes the fully subscribed and paid up equity 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, notably those imposed by law, the free reserves, the asset-valuation 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 fulfilment 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 capital requirement arises from Article 35 of the Companies Code, which requires that the equity of a company be greater than half its contributed capital. Within the GROUP there are no cases of ongoing failure to comply with this rule, in that, in those cases in which compliance therewith might episodically be called into question, measures are adopted that, applied to the specific case, are seen to be most appropriate.

Capital requirements imposed contractually mainly involve financing contracts with banks. Therefore, in more relevant financing transactions, covenants are sometimes established that are linked with ratios that relate the capital structure with the GROUP's operational 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 the various countries in which it does business. Both in the construction of public works and in obtaining permits for the construction, operation and maintenance of public infrastructures, the GROUP is confronted with conditions of access to these markets that are strictly regulated and supervised. 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 manner 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.

## xxviii) Financial-risk management

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



## 2. Companies included in the consolidation

As at December 31, 2011, the companies included in the consolidation and the respective consolidation methods, registered offices, business, proportion of contributed 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 2011 are stated in Note 35. Perimeter changes.

## 3. Sales & services rendered

The breakdown of sales and services rendered during the years to December 31, 2011 & 2010, is as follows:

|                      | 2011                 | 2010                 |
|----------------------|----------------------|----------------------|
| Sales of merchandise | 35,312,186           | 41,051,593           |
| Sales of products    | 64,519,811           | 80,339,491           |
| Services rendered    | 2,076,240,113        | 1,883,159,818        |
|                      | <b>2,176,072,110</b> | <b>2,004,550,902</b> |

During 2011 and 2010 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 MOTA-ENGIL SERVIÇOS PARTILHADOS, SA.

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.

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

| 2011  | ENGINEERING & CONSTRUCTION | ENVIRONMENT & SERVICES | OTHERS, ELIMINATIONS & INTRA-GROUP | MOTA-ENGIL GROUP  |
|---|----------------------------|------------------------|------------------------------------|-------------------|
| Sales & services rendered                         | 1,746,862,591              | 435,511,931            | (6,302,412)                        | 2,176,072,110     |
| EBITDA  | 200,688,048                | 97,079,207             | (1,809,940)                        | 295,957,315       |
| Amortizations                                     | (57,523,611)               | (31,581,597)           | (2,090,261)                        | (91,195,469)      |
| Operating profit                                  | 118,762,898                | 54,521,184             | (3,900,202)                        | 169,383,880       |
| Net financial income                              | (36,522,806)               | (31,524,626)           | (11,666,661)                       | (79,714,093)      |
| Gains / (losses) on associated companies          | (131,322)                  | (29,881)               | 791,297                            | 630,094           |
| Income tax  | (17,295,562)               | (9,648,635)            | 7,722,655                          | (19,221,542)      |
| Consolidated net profit of the year attributable: |                            |                        |                                    |                   |
| to Non-controlling interests                      | 23,742,652                 | 12,736,423             | 1,167,210                          | 37,646,285        |
| <b>to the Group</b>                               | <b>41,070,556</b>          | <b>581,619</b>         | <b>(8,220,121)</b>                 | <b>33,432,054</b> |



| 2010  | ENGINEERING &<br>CONSTRUCTION | ENVIRONMENT &<br>SERVICES | OTHERS,<br>ELIMINATIONS &<br>INTRA-GROUP | MOTA-ENGIL<br>GROUP |
|---|-------------------------------|---------------------------|--|---------------------|
| Sales & services rendered                         | 1,599,023,363                 | 410,056,169               | (4,528,630)                              | 2,004,550,902       |
| EBITDA  | 162,493,522                   | 80,776,843                | (5,976,476)                              | 237,293,889         |
| Amortizations                                     | (54,664,597)                  | (29,784,034)              | (1,931,158)                              | (86,379,789)        |
| Operating profit                                  | 94,520,925                    | 46,832,721                | (9,607,635)                              | 131,746,011         |
| Net financial income                              | (18,744,732)                  | (23,563,524)              | (8,619,337)                              | (50,927,593)        |
| Gains / (losses) on associated companies          | (1,809,670)                   | (1,716,451)               | 11,032,308                               | 7,506,187           |
| Income tax  | (9,623,763)                   | (12,465,306)              | 3,121,152                                | (18,967,917)        |
| Consolidated net profit of the year attributable: |                               |                           |  |                     |
| to Non-controlling interests                      | 21,604,079                    | 9,166,568                 | 1,635,367                                | 32,406,014          |
| <b>to the Group</b>                               | <b>42,738,681</b>             | <b>(79,128)</b>           | <b>(5,708,879)</b>                       | <b>36,950,674</b>   |

As at December 31, 2011, sales and services rendered between business segments are carried under "Other, eliminations and intra-group", and are immaterial.

Gains/(losses) on associate companies during 2011 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. (Note 12).

During the years ended December 31, 2011 & 2010, 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 by business segments is as follows:

|                                 | ASSETS               |                      | LIABILITIES          |                      |
|---------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                 | 2011                 | 2010                 | 2011                 | 2010                 |
| Engineering & Construction      | 2,411,860,261        | 2,251,434,226        | 1,972,816,662        | 1,855,489,748        |
| Environment & Services          | 1,014,770,852        | 948,215,590          | 951,598,434          | 874,810,666          |
| Holding, others and adjustments | 97,665,815           | 256,516,368          | 185,057,246          | 245,135,871          |
|                                 | <b>3,524,296,928</b> | <b>3,456,166,184</b> | <b>3,109,472,342</b> | <b>2,975,436,285</b> |

The GROUP's investments and amortisation by business segments are as follows:

|                                 | NET INVESTMENT     |                    | DEPRECIATION & AMORTIZATION |                   |
|---------------------------------|--------------------|--------------------|-----------------------------|-------------------|
|                                 | 2011               | 2010               | 2011                        | 2010              |
| Engineering & Construction      | 55,461,438         | 74,534,000         | 57,523,611                  | 54,664,597        |
| Environment & Services          | 68,710,301         | 83,342,573         | 31,581,597                  | 29,784,034        |
| Holding, others and adjustments | 661,029            | 3,177,427          | 2,090,261                   | 1,931,158         |
|                                 | <b>124,832,768</b> | <b>161,054,000</b> | <b>91,195,469</b>           | <b>86,379,789</b> |

The activity of the GROUP is internationalized and it does business in the Iberian Peninsula, Central Europe (mainly Poland), Africa (including Angola, Mozambique, Malawi and Cape Verde) and America (Peru and Mexico). Thus, 4 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 |                      |
|------------------------------------|---------------------------|----------------------|
|                                    | 2011                      | 2010                 |
| Iberian Peninsula                  | 1,037,517,760             | 1,030,392,529        |
| Central Europe                     | 382,460,239               | 241,305,923          |
| Africa                             | 614,826,540               | 653,900,113          |
| America                            | 162,966,211               | 96,503,560           |
| Others, eliminations & intra-Group | (21,698,640)              | (17,551,223)         |
|                                    | <b>2,176,072,110</b>      | <b>2,004,550,902</b> |

As at December 31, 2011 & 2010, the GROUP's sales and provision of services involved a wide range of customers, none of which accounted for over 12% of the GROUP's total turnover.

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

|                                    | ASSETS               |                      | NET INVESTMENT     |                    |
|------------------------------------|----------------------|----------------------|--------------------|--------------------|
|                                    | 2011                 | 2010                 | 2011               | 2010               |
| Iberian Peninsula                  | 2,436,925,532        | 2,465,855,192        | 76,704,520         | 126,127,665        |
| Central Europe                     | 428,472,610          | 364,106,855          | 18,557,900         | 14,045,426         |
| Africa                             | 1,152,456,328        | 996,526,129          | 18,137,501         | 12,973,599         |
| America                            | 177,164,284          | 143,683,796          | 11,432,848         | 7,907,121          |
| Others, eliminations & intra-Group | (670,721,826)        | (514,005,788)        | (1)                | 189                |
|                                    | <b>3,524,296,928</b> | <b>3,456,166,184</b> | <b>124,832,768</b> | <b>161,054,000</b> |

## 5. Cost of merchandise and of subcontracts

The breakdown of the cost of goods, materials consumed and subcontracts during the years ended December 31, 2011 & 2010, is as follows:

| 2011   | MERCHANDISE       | RAW &<br>SUBSIDIARY<br>MATERIALS & | TOTAL                |
|--|-------------------|------------------------------------|----------------------|
| Opening stocks   | 38,286,426        | 47,947,573                         | 86,233,999           |
| Variation of perimeter, transfers and regularization             | 4,773,164         | (6,884,843)                        | (2,111,679)          |
| Purchases  | 30,984,730        | 429,837,681                        | 460,822,411          |
| Closing stocks   | (38,624,395)      | (53,198,943)                       | (91,823,338)         |
|  | <b>35,419,925</b> | <b>417,701,468</b>                 | <b>453,121,393</b>   |
| Subcontracts   |                   |                                    | 721,142,358          |
| <b>COST OF GOODS SOLD, MATERIALS CONSUMED &amp; SUBCONTRACTS</b> |                   |                                    | <b>1,174,263,751</b> |

| 2010   | MERCHANDISE       | RAW &<br>SUBSIDIARY<br>MATERIALS & | 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)         |
|  | <b>11,890,051</b> | <b>319,483,878</b>                 | <b>331,373,929</b>   |
| Subcontracts   |                   |                                    | 844,319,977          |
| <b>COST OF GOODS SOLD, MATERIALS CONSUMED &amp; SUBCONTRACTS</b> |                   |                                    | <b>1,175,693,906</b> |

As at December 31, 2010, the transfers under "Goods" are justified by the transfer of inventories of a building for lease to the heading "Investment Property" (see Note 21), for which, during period, the GROUP signed a promissory lease contract with a third party.

## 6. Third-party Supplies & Services

The breakdown of third-party supplies & services during the years ended December 31, 2011 & 2010, is as follows:

|                                       | 2011               | 2010               |
|---------------------------------------|--------------------|--------------------|
| Leases & rents                        | 174,537,190        | 110,075,410        |
| Specialised works                     | 60,204,656         | 51,294,119         |
| Transport, travel and board & lodging | 40,004,708         | 40,907,708         |
| Maintenance & repairs                 | 37,334,491         | 32,471,384         |
| Fuel                                  | 27,230,995         | 18,571,860         |
| Insurance                             | 10,072,525         | 10,342,994         |
| Commissions & fees                    | 6,419,202          | 7,641,397          |
| Water & electricity                   | 9,985,546          | 8,008,271          |
| Utensils & office equipment           | 7,344,370          | 10,705,961         |
| Vigilance & security                  | 8,261,066          | 8,014,909          |
| Communications                        | 5,616,315          | 6,388,499          |
| Advertising & publicity               | 2,335,480          | 2,637,415          |
| Other supplies & services             | 26,403,925         | 33,360,098         |
|                                       | <b>415,750,469</b> | <b>340,420,025</b> |

The Heading "Leases & rents" refers essentially to the rental of equipment, machinery, vehicles and facilities rents, the increase of which increased compared to 2010 results primarily from the contribution made as a result of the increased business in the Engineering & Construction area in Poland and Peru.

"Leases & rents" as at December 31, 2011 & 2010 include the amounts of €10,794,039 and €11,260,887 concerning rents of operational lease transactions, respectively.

The Group's main operational leases relate essentially to the rental of machinery and equipment by the construction companies as well as rental of premises, the hire of vehicles and hardware.

Operating lease payments falling due are as follows:

| MATURITY              | 2011              | 2010              |
|-----------------------|-------------------|-------------------|
| 1 year                | 7,665,393         | 11,294,669        |
| Between 2 and 5 years | 11,920,110        | 17,320,401        |
| more than 5 years     | 948,953           | 2,367,800         |
|                       | <b>20,534,456</b> | <b>30,982,870</b> |

The GROUP's main operational lease contracts are essentially 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, 2011 & 2010, is as follows:

|                                   | 2011               | 2010               |
|-----------------------------------|--------------------|--------------------|
| Remuneration                      | 294,473,829        | 279,196,220        |
| Social security charges:          |                    |                    |
| Pensions & other benefits granted | 2,953,038          | 1,231,040          |
| Other                             | 76,061,900         | 78,159,544         |
|                                   | <b>373,488,767</b> | <b>358,586,804</b> |

Liabilities for Pension and Retirement Plans are detailed in Note 31.

As at December 31, 2011 & 2010, "Other" essentially includes costs borne in respect of Social Security, meal & sickness subsidies, and workmen's compensation insurance.

### Final number of employees

The final number of personnel in the service of the GROUP during 2011 & 2010 is broken down as follows:

|                       | 2011          | 2010          |
|-----------------------|---------------|---------------|
| Management            | 101           | 126           |
| Employees             | 8,951         | 8,417         |
| Workers               | 11,601        | 10,861        |
|                       | <b>20,653</b> | <b>19,404</b> |
| Companies in Portugal | 7,756         | 8,123         |
| Companies abroad      | 11,119        | 5,221         |
| Branch offices        | 1,778         | 6,060         |
|                       | <b>20,653</b> | <b>19,404</b> |

The reduction of employees assigned to GROUP Branches is justified by the transfer of the Engineering & Construction of the branch in Angola MOTA ENGIL - ENGENHARIA E CONSTRUÇÃO, SA to MOTA ENGIL ANGOLA, SA.

## 8. Other operating income /(costs)

The breakdown of operating income and costs during the years ended December 31, 2011 & 2010, is as follows:

|  | 2011                | 2010                |
|--|---------------------|---------------------|
| Donations                                  | (1,194,089)         | (1,192,718)         |
| Gains/(losses) on the sale of fixed assets | 1,316,175           | 4,801,721           |
| Taxes                                      | (10,139,840)        | (17,585,165)        |
| Operating subsidies                        | 1,128,411           | 1,617,629           |
| Own work capitalised                       | 16,583,495          | 6,407,007           |
| Other income/(costs)                       | (18,413,216)        | (8,362,899)         |
|  | <b>(10,719,064)</b> | <b>(14,314,425)</b> |

The heading "Own works capitalised" includes mainly the figures for the construction of real estate projects by the GROUP in the Czech Republic and rehabilitation of the headquarters in Angola.

## 9. Depreciation

Depreciation for the years ended December 31, 2011 & 2010, is as follows:

|  | 2011              | 2010              |
|--|-------------------|-------------------|
| <b>Amortization of intangible fixed assets for the year (Note 17):</b> |                   |                   |
| Development costs  | 383,675           | 289,365           |
| Software & other rights  | 1,521,665         | 1,743,193         |
| Concession Operation Licenses  | 10,399,383        | 9,933,081         |
|  | <b>12,304,723</b> | <b>11,965,639</b> |
| <b>Depreciation of tangible fixed assets for the year (Note 18):</b>   |                   |                   |
| Land & buildings   | 7,101,190         | 6,592,870         |
| Equipment  |                   |                   |
| Engineering & Construction   | 50,803,185        | 49,792,320        |
| Environment & Services   | 19,227,293        | 16,663,226        |
| Other & eliminations   | 614,521           | 416,437           |
| Other tangible fixed assets  | 1,144,557         | 949,297           |
|  | <b>78,890,746</b> | <b>74,414,150</b> |
|  | <b>91,195,469</b> | <b>86,379,789</b> |

## 10. Provisions and impairment losses

The breakdown of provisions and impairment losses for the years ended December 31, 2011 & 2010, is as follows:

|   | 2011               | 2010               |
|---|--------------------|--------------------|
| <b>Provisions (Note 28. Provisions)</b>                               |                    |                    |
| Engineering & Construction  | 15,897,545         | 11,494,714         |
| Environment & Services  | 2,544,265          | 2,648,371          |
|   | <b>18,441,810</b>  | <b>14,143,085</b>  |
| <b>Impairment losses</b>  |                    |                    |
| stocks (Note 22. Stocks)  |                    |                    |
| Engineering & Construction  | 5,496,870          | 222,803            |
| Environment & Services  | 2,605,828          | -                  |
| Goodwill (Nota 16. Goodwill)  |                    |                    |
| Environment & Services  | 1,475,566          | -                  |
|   | <b>9,578,264</b>   | <b>222,803</b>     |
| trade receivables and other debtors (Note 23. Other financial assets) |                    |                    |
| Engineering & Construction  | 10,644,289         | 7,018,270          |
| Environment & Services  | 6,702,011          | 1,792,085          |
| Other & elimination   | 1                  | 1,700,000          |
|   | <b>17,346,301</b>  | <b>10,510,355</b>  |
| <b>Reversal of provisions and impairment losses</b>                   |                    |                    |
| Engineering & Construction  | (7,637,165)        | (5,427,786)        |
| Environment & Services  | (2,351,245)        | (280,368)          |
|   | <b>(9,988,409)</b> | <b>(5,708,154)</b> |
| <b>TOTAL OF PROVISIONS AND IMPAIRMENT LOSSES</b>                      | <b>35,377,966</b>  | <b>19,168,089</b>  |

The increase under "Impairment losses on inventories" is justified by the impairment recorded by subsidiary PTT in respect of a plot of land and by impairments in respect of plots of land in the ENGINEERING & CONSTRUCTION area.

The increase under "Goodwill impairment losses" is justified almost entirely by the impairment in the SUMA SUB-GROUP.

## 11. Financial profit /(loss)

The breakdown of financial results for the years ended December 31, 2011 & 2010, is as follows:

|   | 2011                | 2010                |
|---|---------------------|---------------------|
| <b>FINANCIAL INCOME &amp; GAINS</b>                     |                     |                     |
| <b>Loans and accounts receivable:</b>                   |                     |                     |
| Interest income   | 20,920,573          | 22,583,614          |
| Payments discounts received                             | 904,165             | 736,721             |
| Exchange gains  | 49,609,420          | 53,676,019          |
| <b>Gains on sales of financial investments</b>          | 2,814               | 363,288             |
| <b>Other financial assets &amp; liabilities:</b>        |                     |                     |
| Income of real estate                                   | 2,729,641           | 455,582             |
| Income from equity investments                          | 12,157              | 14,619              |
| Fair Value Gains - Financial Instruments                | 342,875             | -                   |
| Other financial income & gains                          | 6,664,222           | 1,495,145           |
|   | <b>81,185,867</b>   | <b>79,324,988</b>   |
| <b>FINANCIAL COSTS &amp; LOSSES</b>                     |                     |                     |
| <b>Loans and accounts payable:</b>                      |                     |                     |
| Interest losses   | 81,418,188          | 60,319,604          |
| Payments discounts received                             | 95,200              | 28,671              |
| Exchange losses   | 50,014,431          | 50,643,030          |
| <b>Impairment losses in financial investments</b>       | 2,114,378           | -                   |
| <b>Losses on investment properties:</b>                 |                     |                     |
| Depreciation of investment in real-estate (Note 1-vii)) | -                   | 125,643             |
| <b>Other financial assets &amp; liabilities:</b>        |                     |                     |
| Fair Value losses - Financial Instruments               | 3,290,267           | -                   |
| Other financial costs & losses                          | 23,967,496          | 19,135,633          |
|   | <b>160,899,960</b>  | <b>130,252,581</b>  |
|   | <b>(79,714,093)</b> | <b>(50,927,593)</b> |

The heading "Impairment losses on financial investments" relates primarily to the hedging of risks associated with the financial investment in Cerâmica de Boialvo.

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

The heading "Real-estate income" includes mainly income from properties located in Portugal.

The breakdown of "Interest expense" as at December 31, 2011 & 2010, is as follows:

| 2011   | WITH RECOURSE     | WITHOUT RECOURSE | TOTAL             |
|--|-------------------|------------------|-------------------|
| <b>Non-convertible bond loans</b>                            | 4,060,428         | -                | 4,060,428         |
| <b>Amounts owe to credit institutions:</b>                   | -                 | -                | -                 |
| Bank loans   | 18,789,578        | 6,506,981        | 25,296,559        |
| Overdraft facilities   | 11,668,461        | -                | 11,668,461        |
| Guaranteed accounts  | 10,058,233        | -                | 10,058,233        |
| <b>Other loans obtained:</b>                                 | -                 | -                | -                 |
| Commercial paper issues                                      | 10,613,156        | -                | 10,613,156        |
| Other  | 1,008,308         | -                | 1,008,308         |
|  | <b>56,198,164</b> | <b>6,506,981</b> | <b>62,705,145</b> |
| <b>Other interest expense(factoring, leasing and others)</b> | 16,895,043        | 1,818,000        | 18,713,043        |
|  | <b>73,093,207</b> | <b>8,324,981</b> | <b>81,418,188</b> |



| 2010   | WITH RECOURSE     | WITHOUT RECOURSE | TOTAL             |
|--|-------------------|------------------|-------------------|
| <b>Non-convertible bond loans</b>                            | 4,064,272         | -                | 4,064,272         |
| <b>Amounts owe to credit institutions:</b>                   |                   |                  | -                 |
| Bank loans   | 13,736,385        | 5,492,026        | 19,228,411        |
| Overdraft facilities   | 9,103,262         | -                | 9,103,262         |
| Guaranteed accounts  | 4,343,722         | -                | 4,343,722         |
| <b>Other loans obtained:</b>                                 |                   |                  | -                 |
| Commercial paper issues                                      | 5,028,332         | -                | 5,028,332         |
| Other  | 2,745,445         | -                | 2,745,445         |
|  | <b>39,021,418</b> | <b>5,492,026</b> | <b>44,513,444</b> |
| <b>Other interest expense(factoring, leasing and others)</b> | 14,902,303        | 903,857          | 15,806,160        |
|  | <b>53,923,721</b> | <b>6,395,883</b> | <b>60,319,604</b> |

The breakdown of financial charges capitalised as at December 31, 2011 & 2010, is as follows:

|              | 2011             | 2010             |
|--------------|------------------|------------------|
| Fixed assets | 2,789,084        | 3,084,656        |
| Inventories  | 3,590,301        | 2,484,720        |
|              | <b>6,379,385</b> | <b>5,569,376</b> |

For the purpose of capitalising financial charges at the acquisition cost of the assets under construction referred to above, as at December 31, 2011 & 2010, average rates of 6.8% and 6.2% respectively were used.

As at December 31, 2011 & 2010, the GROUP's sensitivity to interest-rate alterations is as follows:

|   | ESTIMATED IMPACT |                  |
|---|------------------|------------------|
|   | 2011             | 2010             |
| Variation of financial profit & loss on a 1 p.p. alteration of the interest rate applied to the entire debt (excluding leasing and factoring) | 10,047,601       | 10,147,492       |
| Fixed-rate hedging  | (646,321)        | (829,559)        |
| Interest-rate derivatives instruments hedging   | (2,360,425)      | (3,751,156)      |
| <b>SENSITIVITY OF FINANCIAL PROFIT &amp; LOSS TO INTEREST-RATE VARIATIONS:</b>  | <b>7,040,855</b> | <b>5,566,777</b> |

As at December 31, 2011, the GROUP's assets and liabilities by currency are as follows:

| CURRENCY OF REGISTER             | 2011                 |                      | 2010                 |                      |
|----------------------------------|----------------------|----------------------|----------------------|----------------------|
|                                  | ASSETS               | LIABILITIES          | ASSETS               | LIABILITIES          |
| Euro (EUR)                       | 2,263,596,912        | 2,206,123,405        | 2,438,374,800        | 2,225,108,266        |
| Czech Crown (CZK)                | 16,352,342           | 16,344,056           | 19,238,866           | 18,190,216           |
| Argellian Dinar (DZD)            | 2,417,504            | 205,646              | 4,208,761            | 2,240,213            |
| S. Tomé and Príncipe Dobra (STD) | 5,218,556            | 4,514,202            | 5,769,988            | 4,990,104            |
| US Dollar (USD)                  | 802,638,047          | 546,042,974          | 590,282,424          | 409,528,938          |
| Cape Verde Escudo (CVE)          | 12,122,051           | 7,995,281            | 14,134,281           | 11,566,984           |
| Hungarian Forint (HUF)           | 7,402,566            | 8,916,184            | 18,785,707           | 17,982,416           |
| Angola Kwanza (AOK)              | 40,435,759           | 26,879,812           | 26,576,216           | 21,745,882           |
| Mozambique Metical(MZM)          | 136,875,868          | 114,086,875          | 84,966,989           | 81,010,980           |
| Romenia New Leu (RON)            | 550,338              | 2,536,142            | 4,802,842            | 5,836,551            |
| Mexican Peso (MXN)               | 1,788,986            | 60,179               | 21,065,078           | 110,560              |
| South Africa Rand (ZAR)          | -                    | 886,346              | -                    | 385,538              |
| Brazilian Real (BRL)             | 321,072              | 103,860              | 43,119,576           | 22,649,506           |
| Polish Zloty (PLN)               | 219,273,183          | 173,850,406          | 163,595,022          | 133,613,450          |
| Malawian Kwacha (MWK)            | 15,303,744           | 926,971              | 21,245,634           | 20,476,680           |
|                                  | <b>3,524,296,928</b> | <b>3,409,472,342</b> | <b>3,456,166,184</b> | <b>2,975,436,285</b> |

As at December 31, 2011, 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)            | 519,595    | 2,178,887 |
| of Polish Zloty (PLN) to Euro (EUR)         | 20,037     | 470,473   |

## 12. Gains & losses on associate companies

The breakdown of gains on associates during the years ended December 31, 2011 & 2010, is as follows:

| GAINS ON ASSOCIATE COMPANIES                     | 2011              | 2010              |
|--|-------------------|-------------------|
| Asinter  | 203,768           | 212,455           |
| Auto Sueco Angola                                | 2,124,893         | 322,488           |
| Cimertex & C <sup>a</sup>                        | 1,640,345         | 2,657,601         |
| Cimertex Angola                                  | 977,827           | -                 |
| Ascendi Group                                    | 19,859,480        | 14,995,201        |
| Suma Group                                       | 269,907           | 374,826           |
| Haçor  | 154,381           | -                 |
| Soltysowska                                      | 142,375           | 484,285           |
| STM  | 94,329            | 163,425           |
| Tersado  | 192,542           | 233,435           |
| Vortal   | 310,466           | 486,921           |
| Reclassification from other comprehensive income | -                 | 17,394,209        |
| Other  | 1,213,784         | 185,917           |
|  | <b>27,184,098</b> | <b>37,510,762</b> |

During 2010, following the process of concentrating the highway concessions in the ASCENDI GROUP, with the consequent dilution of the equity capital of this company, the MOTA-ENGIL GROUP carried out reclassification to the income statement of the proportionate share (40%) of gains and losses recorded in previous years carried under other comprehensive income, essentially associated with the fair value reserves and exchange-rate 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 associate companies during the years ended December 31, 2011 & 2010, is as follows:

| LOSSES ON ASSOCIATE COMPANIES           | 2011              | 2010              |
|---|-------------------|-------------------|
| Grossiman                               | -                 | 4,385,796         |
| Geovision Group                         | -                 | 578,882           |
| Martifer Group                          | 18,600,131        | 20,585,271        |
| Obol Invest Group                       | 174,531           | 232,858           |
| SLPP Group                              | 173,588           | 1,012,716         |
| Haçor                                   | -                 | 132,803           |
| HL - Sociedade Gestora do Edifício      | 236,321           | 515,434           |
| Ibercarga                               | 1,148,217         | 1,478,033         |
| Mota-Engil Opway Mexicana               | 3,453,841         | -                 |
| Probigalp                               | 2,010,770         | 223,498           |
| Other                                   | 756,605           | 859,285           |
|   | <b>26,554,004</b> | <b>30,004,575</b> |
| GAINS / (LOSSES) ON ASSOCIATE COMPANIES | <b>630,094</b>    | <b>7,506,187</b>  |

Following the acquisition of 50% stake in GROSSIMAN during 2011, this subsidiary has been consolidated using the full consolidation method.

During 2011 the GEOVISION GROUP was recorded as a non-current asset held for sale (Note 38).

### 13. Income tax

The breakdown of and movements under Deferred Tax Assets and Liabilities as at December 31, 2011 & 2010, in accordance with the temporary differences giving rise thereto, are as follows:

| DEFERRED TAX ASSETS                            | 2010              | EFFECT IN RESULTS | EFFECT IN RESERVES | 2011              |
|--|-------------------|-------------------|--------------------|-------------------|
| Provisions not accepted for tax purposes       | 16,097,547        | 2,787,455         | -                  | 18,885,002        |
| Accrued costs not accepted for tax purposes    | 4,386,776         | (1,115,227)       | -                  | 3,271,549         |
| Tax losses                                     | 15,621,452        | 613,829           | (1,231,042)        | 15,004,239        |
| Reduction of depreciation not accepted for tax | 1,547,812         | 88,195            | -                  | 1,636,007         |
| Fair value of derivatives (Note 26)            | 3,607,759         | -                 | 2,251,371          | 5,859,130         |
| Other  | 6,607,919         | 624,917           | (1,256,944)        | 5,975,892         |
|  | <b>47,869,265</b> | <b>2,999,169</b>  | <b>(236,615)</b>   | <b>50,631,819</b> |

| DEFERRED TAX LIABILITIES                   | 2010              | EFFECT IN RESULTS | EFFECT IN RESERVES | 2011              |
|--|-------------------|-------------------|--------------------|-------------------|
| Revaluation of fixed assets                | 10,568,929        | (45,779)          | (1,599,405)        | 8,923,745         |
| Losses on incorporated joint ventures      | -                 | -                 | -                  | -                 |
| Deferred capital gains tax                 | 672,857           | 323               | -                  | 673,180           |
| Depreciation not accepted for tax purposes | 2,498,260         | 907,358           | -                  | 3,405,618         |
| Fair value on incorporated joint ventures  | 8,557,279         | (422,989)         | -                  | 8,134,290         |
| Untaxed accrued income                     | 2,533,523         | (235,022)         | (12,688)           | 2,285,813         |
| Other                                      | 7,652,056         | 2,195,570         | (2,967,322)        | 6,880,304         |
|  | <b>32,482,904</b> | <b>2,399,461</b>  | <b>(4,579,415)</b> | <b>30,302,950</b> |

As at December 31, 2011 & 2010, the effect on the income statement of the entry of deferred tax assets and liabilities was positive in the sums of €99,708 and €0,984,529, the effect on equity amounting to €4,342,800 and negative in the sum of €5,265,998, respectively.

As at December 31, 2011, 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 |
|------------------------|-------------------|---------------------|
| <b>Year booked:</b>    |                   |                     |
| up to & including 2007 | 9,077,381         | 2,249,144           |
| 2008                   | 34,110,529        | 6,151,025           |
| 2009                   | 9,456,099         | 2,433,527           |
| 2010                   | 13,300,392        | 3,272,871           |
| 2011                   | 3,800,285         | 897,672             |
|                        | <b>69,744,686</b> | <b>15,004,239</b>   |
| <b>Time limit:</b>     |                   |                     |
| 2012                   | 4,225,305         | 1,054,419           |
| 2013                   | 2,719,690         | 656,293             |
| 2014                   | 15,972,118        | 3,996,061           |
| 2015                   | 12,715,387        | 3,151,217           |
| after 2016             | 34,112,186        | 6,146,249           |
|                        | <b>69,744,686</b> | <b>15,004,239</b>   |

As at December 31, 2011, 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, 2011, there were tax losses brought forward in the sum of €84,021,641, and the respective deferred tax assets have not been recorded for a matter of prudence.

|                        | TAX LOSSES        | DEFERRED TAX ASSETS |
|------------------------|-------------------|---------------------|
| <b>Year booked:</b>    |                   |                     |
| up to & including 2007 | 24,101,234        | 5,984,296           |
| 2008                   | 6,338,760         | 824,504             |
| 2009                   | 22,351,770        | 3,277,189           |
| 2010                   | 20,090,997        | 3,952,155           |
| 2011                   | 11,138,880        | 2,837,612           |
|                        | <b>84,021,641</b> | <b>16,875,756</b>   |
| <b>Time limit:</b>     |                   |                     |
| 2012                   | 19,182,946        | 4,739,967           |
| 2013                   | 8,362,242         | 2,054,875           |
| 2014                   | 5,986,092         | 796,850             |
| 2015                   | 6,596,330         | 939,439             |
| after 2016             | 43,894,031        | 8,344,625           |
|                        | <b>84,021,641</b> | <b>16,875,756</b>   |

The breakdown of income tax recognised during the years ended December 31, 2011 & 2010, is as follows:

|              | 2011              | 2010              |
|--------------|-------------------|-------------------|
| Current tax  | 19,821,250        | 29,952,446        |
| Deferred tax | (599,708)         | (10,984,529)      |
|              | <b>19,221,542</b> | <b>18,967,917</b> |

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

|  | 2011              | 2010                |
|--|-------------------|---------------------|
| <b>Current tax</b>   | 19,821,250        | 29,952,446          |
| <b>Deferred tax</b>  |                   |                     |
| Net reversion of taxes brought forward   | (613,829)         | (1,018,810)         |
| Deferred taxes related to amortising the fixed-asset revaluation reserves                          | (387,398)         | (877,877)           |
| Reversion of deferred taxes generated by temporary differences                                     | 2,030,736         | (9,309,812)         |
| Deferred taxes in respect of changes to the tax rates or of the introduction or abolition of taxes | (1,463,824)       | 213,703             |
| Other differences not previously recognised as deferred taxes                                      | (165,393)         | 8,267               |
|  | <b>(599,708)</b>  | <b>(10,984,529)</b> |
| <b>TAX OF THE YEAR</b>   | <b>19,221,542</b> | <b>18,967,917</b>   |
| <b>Real tax rate</b>   | <b>21.3%</b>      | <b>21.5%</b>        |

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

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

For companies not covered by the 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 came to be able to 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 came to mean that the tax rate used to calculate deferred tax on possible tax losses that can be carried forward is now 25%, while 26.5% is used for other temporary differences generated by recognition of the tax on the year's profit.

The State Budget Act for 2012 introduces the following alterations:

On the portion of taxable profit exceeding €1,500,000 subject to and not exempt from corporation tax calculated for taxpayers resident in Portuguese territory who primarily carry on a business of a commercial, industrial or agricultural nature and non-residents having a stable establishment in Portuguese territory, incur the additional charges set out in the following table:

- i) Taxable income between €1.5 million and €10 million: additional charge of 3%;
- ii) Taxable income exceeding €10 million: additional charge of 5%;

The part of the taxable profit in excess of €1,500,000, when greater than €10,000,000, is divided into two parts: one, equal to €8,500,000, to which the rate of 3% applies, the other equal that part of the taxable profit in excess of €10,000,000, to which the rate of 5% applies.

When the special taxation of groups of companies mechanism is applicable, the charges referred to in nº 1 are levied on the taxable profit determined in the individual tax returns of each company of the group, including that of the parent company.

As at December 31, 2011 & 2010, reconciliation between the nominal and real income tax rates was as follows:

|  | RATE         | TAX BASE     | TAX               |
|--|--------------|--------------|-------------------|
| Nominal rate & tax on income   | 26.50%       | 90,299,881   | 23,929,468        |
| Results of associates using the equity method  | -0.2%        | (630,094)    | (166,975)         |
| Difference between tax and book gains and losses                                       | 1.5%         | 5,200,087    | 1,378,023         |
| Tax losses of the year for which no deferred tax assets were recognised                | 1.2%         | 4,257,596    | 1,128,263         |
| Reversal of losses carried forward   | 0.1%         | 232,869      | 61,710            |
| Dividends not taxable  | 0.0%         | -            | -                 |
| Differentiated tax rates   | -14.9%       | (50,567,755) | (13,419,443)      |
| Gains on derivative instruments  | 0.0%         | 22,941       | 6,079             |
| Autonomous taxation & other costs (other than provisions), non fiscal & non revertible | 2.4%         | 8,056,726    | 2,135,032         |
| Other adjustments  | 4.6%         | 15,733,525   | 4,169,385         |
| <b>REAL RATE &amp; TAX ON INCOME</b>   | <b>21.3%</b> |              | <b>19,221,542</b> |

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 2008 to 2011 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, 2011.

## 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 €40,292,308:

- a) to legal reserve 5% or €2,014,615.40;
- 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 1.74%;
- c) for distribution to equityholders, a total of €0.11 per share, subject to tax, a total amount of €22,509,926.45;
- d) to free reserves, the remainder, or €15,067,766.15.

On April 28, 2011, a start was made to payment of the dividend of €0.11 per share in respect of fiscal 2010, a total of €22,509,926.45 having been paid.

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.

## 15. Earnings per share

The Company has issued only ordinary shares, and there is 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 2011 and 2010. The average number of ordinary shares during these years was affected only by the number of treasury shares as detailed in Note 24. Issued capital and reserves.

Determination of earnings per share in 2011 and 2010 was as follows:

|  |                  | 2011               | 2010               |
|--|------------------|--------------------|--------------------|
| Consolidated net profit/(loss) attributable to the Group | (I)              | 33,432,054         | 36,950,674         |
| Total number of ordinary shares                          | (II)             | 204,635,695        | 204,635,695        |
| Number of own shares at the year-end                     | (III)            | 11,101,379         | 11,005,456         |
| Weighted average number of own shares                    | (IV)             | <b>11,036,315</b>  | <b>10,990,910</b>  |
| <b>NUMBER OF SHARES OUTSTANDING</b>                      | <b>(II - IV)</b> | <b>193,599,380</b> | <b>193,644,785</b> |
| Earnings per share:                                      |                  |                    |                    |
| basic  | (I) / (II - IV)  | 0.1727             | 0.1908             |
| diluted  | (I) / (II - IV)  | 0.1727             | 0.1908             |



## 16. Goodwill

The breakdown of goodwill for the years ended December 31, 2011 & 2010, is as follows:

|  | 2011               |                         |  |                         | 2010               |
|--|--------------------|-------------------------|--|-------------------------|--------------------|
|  | GROSS GOODWILL     | IMPAIRMENTS OF THE YEAR | ALTERATIONS TO THE CONSOLIDATION PERIMETER | ACCUMULATED IMPAIRMENTS | NET GOODWILL       |
| Cecot                                    | 1,440,027          | -                       | -  | -                       | 1,440,027          |
| Corgimobil                               | 635,615            | -                       | -  | -                       | 635,615            |
| Eltor                                    | 2,601,556          | -                       | -  | -                       | 2,601,556          |
| Fatra                                    | -                  | -                       | -  | -                       | -                  |
| Indaqua Group                            | 5,618,187          | -                       | -  | -                       | 5,618,187          |
| Suma Group                               | 14,258,994         | (1,475,566)             | -  | (893,109)               | 11,890,319         |
| Tertir Group                             | 100,681,422        | -                       | -  | -                       | 100,681,422        |
| Lokemark                                 | 521,418            | -                       | -  | -                       | 521,418            |
| Manvia                                   | 1,072,318          | -                       | -  | (74,662)                | 997,656            |
| Mota-Engil Betão e Pré-Fabricados        | 1,053,337          | -                       | -  | (421,335)               | 632,002            |
| Mota-Engil Central Europe Slovakia       | 818,242            | -                       | -  | -                       | 818,242            |
| Mota-Engil Central Europe Poland         | 3,941,844          | -                       | -  | (928,847)               | 3,012,997          |
| Mota-Engil Central Europe Czech Republic | 1,162,396          | -                       | -  | -                       | 1,162,396          |
| PRD-M Lublin                             | 2,601,419          | -                       | -  | -                       | 2,601,419          |
| Tracevia                                 | 1,908,225          | -                       | -  | -                       | 1,908,225          |
| Others                                   | 892,696            | -                       | -  | (41,257)                | 851,439            |
|  | <b>139,207,697</b> | <b>(1,475,566)</b>      | <b>-</b>                                   | <b>(2,359,209)</b>      | <b>135,372,921</b> |

Movements under goodwill during the years ended December 31, 2011 & 2010, are as follows:

|   | % OF ACQUISITION | 2011               | 2010               |
|---|------------------|--------------------|--------------------|
| <b>GOODWILL AT THE BEGINNING OF THE YEAR</b>        |                  | <b>135,309,629</b> | <b>133,010,980</b> |
| <b>Increases of goodwill</b>                        |                  |                    |                    |
| Cecot   | 100%             | 1,440,027          | -                  |
| Eltor   | 100%             | 2,601,556          | -                  |
| Fatra   | 70%              | -                  | 1,035,945          |
| PRD-M Lublin  | 93%              | -                  | 2,917,516          |
| Suma Group (Sol-S Internacional)                    | 62%              | -                  | 30,472             |
|   |                  | <b>4,041,583</b>   | <b>3,983,933</b>   |
| <b>Impairment losses</b>                            |                  |                    |                    |
| Suma Group  |                  | (1,475,566)        | -                  |
|   |                  | <b>(1,475,566)</b> | <b>-</b>           |
| <b>Transfers</b>                                    |                  |                    |                    |
| Devonská (stocks)                                   |                  | -                  | (1,817,149)        |
| Transpolixos (lands)                                |                  | (751,927)          | -                  |
| Fatra (lands)                                       |                  | (1,035,945)        | -                  |
|   |                  | <b>(1,787,872)</b> | <b>(1,817,149)</b> |
| <b>Alterations to goodwill for currency updates</b> |                  |                    |                    |
| Suma Group (Ekosrodowisko)                          |                  | (22,832)           | 6,650              |
| Mota-Engil Central Europe Poland                    |                  | (366,106)          | 106,612            |
| Mota-Engil Central Europe Czech Rep.                |                  | (9,818)            | 18,603             |
| PRD-M Lublin  |                  | (316,097)          | -                  |
|   |                  | <b>(714,853)</b>   | <b>131,865</b>     |
| <b>GOODWILL AT THE END OF THE YEAR</b>              |                  | <b>135,372,921</b> | <b>135,309,629</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, 2011, 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:

| Assumptions                             | MOTA-ENGIL<br>CENTRAL EUROPE<br>POLAND | SUMA GROUP   | TERTIR GROUP   | INDAQUA GROUP  |
|---|--|--------------|----------------|----------------|
| Method used                             | Value in use                           | Value in use | Value in use   | Value in use   |
| Basis used                              | Forecasts                              | Forecasts    | Business Plans | Business Plans |
| Period used                             | 5 years                                | 5 years      | Useful life    | Useful life    |
| <b>Growth rate of cash-flows</b>        |  |              |                |                |
| Year n+1                                | -4%                                    | 15%          | n.a.           | n.a.           |
| Year n+3                                | 12%                                    | 1%           | n.a.           | n.a.           |
| Growth rate of cash-flows in perpetuity | 2.00%                                  | 2.00%        | n.a.           | n.a.           |
| Discount rate used                      | 11.51%                                 | 8.27%        | 10.50%         | 8.08%          |

In the year ended 31 December 2010, the GROUP came to record goodwill in accordance with the changes introduced by the new IFRS 3.

Value-in-use corresponds to the estimated present value of future cash flows, as determined on the basis of budgets and business plans duly approved by the Group's board of directors which, with the exception of those in respect of concession project, cover a period of five years, on average. Cash-flow projections beyond five years have been extrapolated using a fixed growth rate in perpetuity, which does not exceed the future average growth rate of the revenues of the sector in which the company operates.

For testing the impairment of goodwill of the TERTIR GROUP the projections used are supported by non-binding proposals of reputable economic groups.

Differences between the acquisition price of the financial investments in GROUP companies (subsidiaries), plus the value of the non controlling interests and the amount attributed to the fair value of the identifiable assets and liabilities of these companies on their acquisition date, when positive, are recorded under Goodwill and, when negative, they are recorded directly in the income statement.

The main assumptions used in the calculation of value in use mainly included: (i) the market share of the subsidiary, (ii) the growth prospects of the market where the subsidiary operates, (iii) regulatory changes that may influence the activity of the subsidiary, (iv) the level of investment needed, etc. Quantification of the said assumptions was undertaken on the basis of historic data and of the experience of the Group's board of directors. Nevertheless, these assumptions could be affected by phenomena of a political, economic or legal nature that are unpredictable at this time.

Transactions involving the purchase of interests in controlled entities and transactions for the sale of interests in entities that results in no loss of control are treated as transactions between equityholders affecting only the headings of equity, with no impact on Goodwill or results.

Acquisitions of financial holdings during 2011 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 MOTA-ENGIL GROUP acquired no materially significant financial holding between December 31, 2011, 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 2011 and 2010 is as follows:

|                               | ENGINEERING &<br>CONSTRUCTION | ENVIRONMENT &<br>SERVICES | OTHER &<br>ELIMINATIONS | MOTA-ENGIL<br>GROUP |
|-------------------------------|-------------------------------|---------------------------|-------------------------|---------------------|
| <b>2011</b>                   |                               |                           |                         |                     |
| Development costs             | 18,277                        | 1,176,257                 | (2)                     | 1,194,532           |
| Software & other rights       | 22,093,512                    | 924,388                   | (18,182,956)            | 4,834,944           |
| Concession Operation Licenses | -                             | 252,489,774               | 2,936,369               | 255,426,143         |
| Fixed assets in progress      | 103,331                       | 45,920,782                | 38,251                  | 46,062,364          |
|                               | <b>22,215,120</b>             | <b>300,511,201</b>        | <b>(15,208,338)</b>     | <b>307,517,983</b>  |
| <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>(17,325,808)</b>     | <b>264,980,820</b>  |

The breakdown of the gross values of intangible assets for the years ended December 31, 2011 & 2010, is as follows:

|                             | DEVELOPMENT<br>COSTS | SOFTWARE &<br>OTHER RIGHTS | CONCESSION<br>OPERATION<br>LICENSES | FIXED ASSETS IN<br>PROGRESS | OTHER INTANGIBLE<br>FIXED ASSETS | TOTAL              |
|-----------------------------|----------------------|----------------------------|-------------------------------------|-----------------------------|----------------------------------|--------------------|
| <b>2011</b>                 |                      |                            |                                     |                             |                                  |                    |
| Opening balance             | 5,463,168            | 13,703,962                 | 301,139,066                         | 15,938,021                  | -                                | 336,244,217        |
| Increases                   | 380,041              | 1,031,986                  | 14,100,694                          | 30,950,602                  | -                                | 46,463,323         |
| Disposals                   | -                    | (28,511)                   | (303,074)                           | (273,250)                   | -                                | (604,835)          |
| Write-offs                  | (333,539)            | (86,256)                   | (164,733)                           | -                           | -                                | (584,528)          |
| Exchange Differences        | (58,943)             | 24,084                     | -                                   | 64,795                      | -                                | 29,936             |
| Variation of perimeter      | 93                   | 1,314                      | -                                   | -                           | -                                | 1,407              |
| Transfers & other movements | (289,916)            | 1,524,377                  | 11,398,744                          | (617,804)                   | -                                | 12,015,401         |
|                             | <b>5,160,904</b>     | <b>16,170,956</b>          | <b>326,170,697</b>                  | <b>46,062,364</b>           | <b>-</b>                         | <b>393,564,921</b> |
| <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> |

As at December 31, 2011 & 2010, Concession operating licences essentially refers to the accounting in accordance with IFRIC 12 of the water/sewerage and port concessions operating rights.

As at December 31, 2011 & 2010, increases in the values carried under "Concession operating licences" and "Assets in progress" are justified mainly by the investment made in the Indaqua Sub-Group in the enlargement of the water/sewerage branch pipes, as well as by the capitalisation of charge already incurred related with the port of Paita.

The breakdown of the accumulated depreciation and impairment losses in respect of intangible assets for the periods ended December 31, 2011 & 2010, is as follows:

|                             | DEVELOPMENT COSTS  | SOFTWARE & OTHER RIGHTS | CONCESSION OPERATION LICENSES | FIXED ASSETS IN PROGRESS | OTHER INTANGIBLE FIXED ASSETS | TOTAL               |
|-----------------------------|--------------------|-------------------------|-------------------------------|--------------------------|-------------------------------|---------------------|
| <b>2011</b>                 |                    |                         |                               |                          |                               |                     |
| Opening balance             | (3,853,777)        | (10,049,656)            | (57,359,963)                  | -                        | -                             | (71,263,396)        |
| Increases                   | (383,675)          | (1,521,665)             | (10,399,383)                  | -                        | -                             | (12,304,723)        |
| Disposals                   | -                  | 22,375                  | 133,352                       | -                        | -                             | 155,727             |
| Write-offs                  | 59,126             | 86,256                  | 72,483                        | -                        | -                             | 217,865             |
| Exchange Differences        | 46,461             | (24,084)                | -                             | -                        | -                             | 22,377              |
| Variation of perimeter      | (93)               | (506)                   | -                             | -                        | -                             | (599)               |
| Transfers & other movements | 165,586            | 151,268                 | (3,191,043)                   | -                        | -                             | (2,874,189)         |
|                             | <b>(3,966,372)</b> | <b>(11,336,012)</b>     | <b>(70,744,554)</b>           | <b>-</b>                 | <b>-</b>                      | <b>(86,046,938)</b> |
| <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>NET VALUE</b>            |                    |                         |                               |                          |                               |                     |
| <b>2011</b>                 | <b>1,194,532</b>   | <b>4,834,944</b>        | <b>255,426,143</b>            | <b>46,062,364</b>        | <b>-</b>                      | <b>307,517,983</b>  |
| <b>2010</b>                 | <b>1,609,391</b>   | <b>3,654,306</b>        | <b>243,779,102</b>            | <b>15,938,021</b>        | <b>-</b>                      | <b>264,980,820</b>  |

Information relating to the net values of intangible assets allocated to each concession is as follows:

|               | 2011               | 2010               |
|---------------|--------------------|--------------------|
| Indagua Group | 157,427,464        | 143,196,942        |
| Tertir Group  | 95,062,311         | 97,524,609         |
| Other         | 2,936,368          | 3,057,551          |
|               | <b>255,426,143</b> | <b>243,779,102</b> |

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

| DESCRIPTION   | VALUE             |
|---|-------------------|
| Widening works extensions for water supply / sanitation (Indagua Group) | 34,195,384        |
| Construction of a new pier for containers (Paita - Peru)                | 2,021,332         |
| Site Sograin - NSRF Project (Socarpor Aveiro)                           | 2,583,359         |
| Improvement works of the Port of Leixões (TCL)                          | 5,369,494         |
|   | <b>44,169,569</b> |

In 2010, application of IFRIC 12 introduced several alterations to the provisions and interpretation of the standards previously in force, the impact of which on the financial statements of the Group's concessionaire companies occurred mainly: (i) in the reclassification to intangible assets of a part of the assets under concession in which the MOTA-ENGIL GROUP's concessionaire companies had and have an operating right in respect thereof and in which they assume the demand risk of the operation (intangible model): port concessions and water & sewerage concessions.

Concession operating licences 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 intangible assets is performed using the Business Plans of the companies in question, as mentioned in Note 16. Goodwill in respect of the goodwill impairment tests.

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

On December 31, 2010 & 2011, the carrying amount of intangible assets would not suffer significant changes if carried in accordance with the cost model.

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

|                            | TYPE             | DURATION<br>WITHOUT<br>PROROGATION | REVERSIBLE<br>ASSETS |
|----------------------------|------------------|------------------------------------|----------------------|
| <b>Indagua Group</b>       |                  |                                    |                      |
| Indagua Fafe               | Water            | 2020                               | no                   |
| Indagua Feira              | Water and sewage | 2049                               | yes                  |
| Indagua Matosinhos         | Water and sewage | 2032                               | yes                  |
| Indagua Santo Tirso/ Trofa | Water            | 2033                               | yes                  |
| Indagua Vila do Conde      | Water and sewage | 2048                               | yes                  |
| <b>Tertir Group</b>        |                  |                                    |                      |
| Liscont                    | Port             | 2042                               | yes                  |
| Socarpor Aveiro            | Port             | 2026                               | yes                  |
| Sotagus                    | Port             | 2019                               | yes                  |
| TCL                        | Port             | 2024                               | yes                  |
| Paíta                      | Port             | 2039                               | yes                  |

In July of 2010 the Assembly of the Republic repealed the Addendum to the Concession Agreement in respect of the Alcântara container terminal, which called for the extension of the concession contract until 2042. The said repeal was analysed by the Commercial Arbitration Centre, which on October 14 2011, dismissed the request for the annulment of the Addendum to the Concession Agreement for the Operation of the Right to Operate the Alcântara Container Terminal under the Public Service mechanism, lodged by "APL – Administração do Porto de Lisboa, SA" on the grounds of unconstitutionality of Act 14/2010 of July 23, which repealed the said Addendum. Additionally, part of the investments called for in the project to extend the concession contract did not have the assent of the Environment Ministry. In view of the decision rendered by the Commercial Arbitration Centre, the understanding of the Board of Directors that the life of the terminal concession expires in 2042, and therefore the Company is amortising the concession licence carried under "Intangible Assets", as well as the costs inherent in the process of preparing the Addendum referred to above carried under "Deferred Assets" until 2042 (Note 23).

## 18. Tangible assets

The breakdown of the net values of fixed assets per business area in respect of fiscal 2011 and 2010 is as follows:

|                                   | ENGINEERING &<br>CONSTRUCTION | ENVIRONMENT &<br>SERVICES | OTHER &<br>ELIMINATIONS | MOTA-ENGIL<br>GROUP |
|-----------------------------------|-------------------------------|---------------------------|-------------------------|---------------------|
| <b>2011</b>                       |                               |                           |                         |                     |
| Land & buildings                  | 190,100,160                   | 24,508,577                | 19,296,108              | 233,904,845         |
| Equipment                         | 198,837,265                   | 108,127,460               | 2,380,231               | 309,344,956         |
| Tangible fixed assets in progress | 10,058,097                    | 5,122,879                 | -                       | 15,180,976          |
| Other tangible fixed assets       | 3,215,129                     | 2,909,875                 | 921                     | 6,125,925           |
|                                   | <b>402,210,651</b>            | <b>140,668,791</b>        | <b>21,677,260</b>       | <b>564,556,702</b>  |
| <b>2010</b>                       |                               |                           |                         |                     |
| 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>22,530,447</b>       | <b>569,058,903</b>  |

The breakdown of the gross values of tangible assets for the years ended December 31, 2011 & 2010, is as follows:

|                             | LAND &<br>BUILDINGS | EQUIPMENT          | TANGIBLE FIXED<br>ASSETS IN<br>PROGRESS | OTHER FIXED<br>ASSETS | TOTAL                |
|-----------------------------|---------------------|--------------------|---|-----------------------|----------------------|
| <b>2011</b>                 |                     |                    |   |                       |                      |
| Opening balance             | 285,224,542         | 819,629,773        | 28,032,677                              | 11,957,193            | 1,144,844,185        |
| Increases                   | 10,300,011          | 50,683,038         | 29,847,132                              | 2,518,500             | 93,348,681           |
| Disposals                   | (8,101,169)         | (24,071,426)       | (7,021,008)                             | (1,175,199)           | (40,368,802)         |
| Write-offs                  | (3,592,307)         | (17,344,586)       | (350,331)                               | (303,358)             | (21,590,582)         |
| Revaluation                 | (4,591,742)         | -                  | -                                       | -                     | (4,591,742)          |
| Exchange Differences        | 139,665             | (1,357,315)        | (455,285)                               | 67,365                | (1,605,570)          |
| Variation of perimeter      | 209,372             | 854,060            | 22,843                                  | -                     | 1,086,275            |
| Transfers & other movements | 12,784,260          | 27,896,195         | (34,895,052)                            | 2,083,819             | 7,869,222            |
|                             | <b>292,372,632</b>  | <b>856,289,740</b> | <b>15,180,976</b>                       | <b>15,148,320</b>     | <b>1,178,991,668</b> |
| <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> |



The breakdown of the values of accumulated depreciation and impairment losses in respect of tangible fixed assets for the periods ended December 31, 2011 & 2010, is as follows:

|                             | LAND &<br>BUILDINGS | EQUIPMENT            | TANGIBLE FIXED<br>ASSETS IN<br>PROGRESS | OTHER FIXED<br>ASSETS | TOTAL                |
|-----------------------------|---------------------|----------------------|---|-----------------------|----------------------|
| <b>2011</b>                 |                     |                      |   |                       |                      |
| Opening balance             | (58,818,919)        | (509,794,140)        | -                                       | (7,172,223)           | (575,785,282)        |
| Increases                   | (7,101,190)         | (70,644,999)         | -                                       | (1,144,557)           | (78,890,746)         |
| Disposals                   | 1,206,032           | 23,266,075           | -                                       | 408,782               | 24,880,889           |
| Write-offs                  | 2,111,793           | 13,865,790           | -                                       | 59,082                | 16,036,665           |
| Exchange Differences        | (29,000)            | 49,270               | -                                       | (30,975)              | (10,705)             |
| Variation of perimeter      | (33,107)            | (690,058)            | -                                       | -                     | (723,165)            |
| Transfers & other movements | 4,196,604           | (2,996,721)          | -                                       | (1,142,504)           | 57,379               |
|                             | <b>(58,467,787)</b> | <b>(546,944,784)</b> | <b>-</b>                                | <b>(9,022,395)</b>    | <b>(614,434,966)</b> |
| <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            |
| Exchange Differences        | (89,368)            | (3,362,432)          | -                                       | 1,662                 | (3,450,138)          |
| Variation of perimeter      | (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>NET VALUE</b>            |                     |                      |   |                       |                      |
| <b>2011</b>                 | <b>233,904,845</b>  | <b>309,344,956</b>   | <b>15,180,976</b>                       | <b>6,125,925</b>      | <b>564,556,702</b>   |
| <b>2010</b>                 | <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>   |

As at December 31, 2011 & 2010, the variation carried as revaluations under Land & buildings is essentially warranted by the revaluation to fair value of the land assigned to the quarrying operations.

As at December 31, 2011, the amount carried under perimeter variations refers almost entirely to subsidiaries Eltor and Cecot, which during the period ended December 31, 2011, were consolidated for the first time.

As at December 31, 2010, the amount recorded under perimeter variation is almost all related with participated company Bergamon, which came to be consolidated using the full consolidation method following acquisition of control of the company.

As at December 31, 2011, the increase recorded under Write-offs is justified by the large number of items written off by subsidiaries in Portugal of the Engineering and Construction area, within the scope of the process of merging these companies into Mota-Engil Engenharia that will occur during 2012.

As at December 31, 2011, the amount carried under "Transfers and other movements" refers mainly to the transfer undertaken in respect of the Port of Nsanje (Malawi).

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 (Biscske Plaza) | 1,291,710        |
| Maputo Sunrise Condominium                  | 3,852,314        |
| "24 de Julho" Condominium                   | 2,719,776        |
| Land for construction of Landfill           | 1,031,506        |
|   | <b>8,895,306</b> |

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, 2011 & 2010, the sums of €45,270,213 and €51,294,089, net of depreciation, carried under "Land & buildings" are in respect of quarry operations. To obtain the fair value of the quarries several factors are taken into account, such as the area under licence, 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 33. Exploitation of mineral resources.

As at December 31, 2011 & 2010, the following tangible fixed assets, net of depreciation and of accumulated impairment losses, owned by MOTA-ENGIL ENGENHARIA, were located at branches abroad:

|                      | 2011              | 2010              |
|----------------------|-------------------|-------------------|
| Angola               | 27,710,324        | 30,049,536        |
| Cape Verde           | 217,213           | 66,739            |
| Hungary              | 47,136            | -                 |
| Ireland              | 3,875,058         | 4,842,568         |
| Malawi               | 21,739,891        | 17,478,315        |
| Mozambique           | 8,804,462         | 8,080,081         |
| Poland               | 539,025           | 622,627           |
| Romania              | 20,271            | 68,719            |
| S. Tomé and Príncipe | 105,832           | 153,983           |
|                      | <b>63,059,212</b> | <b>61,362,568</b> |

Land and buildings are carried at their revalued cost. The valuation method used by the real-estate valuers 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       |
|-----------------------------------|--------------------|-------------------|--------------------|
| <b>2011</b>                       |                    |                   |                    |
| Land & buildings                  | 203,798,119        | 30,106,726        | 233,904,845        |
| Equipment                         | 309,055,925        | 289,031           | 309,344,956        |
| Tangible fixed assets in progress | 15,180,976         | -                 | 15,180,976         |
| Other tangible fixed assets       | 6,123,214          | 2,711             | 6,125,925          |
|                                   | <b>534,158,234</b> | <b>30,398,468</b> | <b>564,556,702</b> |
| <b>2010</b>                       |                    |                   |                    |
| 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> |

During 2011 the GROUP, as a matter of prudence, did not record the effect on the attached financial statements of the updating of the valuations immovables where the fair value determined by the valuations is materially higher than the carrying amount.

As at December 31, 2011 & 2010, except for assets acquired under finance leases and for fixed assets allocated to concessions, 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 tangible assets is performed using the Business Plans of the companies in question, as mentioned in Note 16. Goodwill in respect of the goodwill impairment tests.

## 19. Financial investments under the equity method

As at December 31, 2011 & 2010, the breakdown of the figures for financial investments under the equity method is as follows:

|                                       | 2011               | 2010               |
|---------------------------------------|--------------------|--------------------|
| <b>Engineering &amp; Construction</b> |                    |                    |
| Auto Sueco Angola                     | 12,675,231         | 9,085,418          |
| Berd                                  | 1,658,375          | 1,170,619          |
| Cimertex Angola                       | 2,645,753          | 1,362,358          |
| Cimertex & Companhia                  | 10,363,510         | 10,059,923         |
| Crespo                                | 2,358,339          | 1,761,885          |
| Obolinvest Group                      | 21,610,579         | 26,551,107         |
| Mamaia                                | 2,153,337          | 2,270,894          |
| Mota-Engil Opway Mexicana (Mex)       | 4,976,284          | -                  |
| Probigalp                             | -                  | 1,680,375          |
| Soltysowska                           | 634,081            | 542,403            |
| Other                                 | 714,160            | 627,784            |
| <b>Environment &amp; Services</b>     |                    |                    |
| Águas de S. João                      | 4,188,875          | -                  |
| Geo Vision Group                      | -                  | 40,798,809         |
| Suma Group subsidiaries               | 2,513,514          | 2,286,127          |
| SLPP Group                            | -                  | 1,217,338          |
| Parquegil                             | 472,881            | 453,630            |
| STM                                   | -                  | 177,684            |
| Tersado                               | 1,067,931          | 1,195,170          |
| Vortal                                | 2,836,129          | 2,068,818          |
| Other                                 | 710,601            | 20,283             |
| Ascendi Group                         | 49,407,956         | 116,744,862        |
| Martifer Group                        | 95,130,081         | 116,843,043        |
| Other                                 | 455,994            | 2,106              |
|                                       | <b>216,573,611</b> | <b>336,920,636</b> |

During 2010 and 2011, movement under the value of financial investments under the equity method was as follows:

| 2011                                  | OPENING BALANCE    | EFFECT ON PROFIT & LOSS | EFFECT ON RESERVES <sup>(1)</sup> | TRANSFERS AND VARIATION OF PERIMETER | ACQUISITIONS/ DISPOSALS | CLOSING BALANCE    |
|---------------------------------------|--------------------|-------------------------|-----------------------------------|--------------------------------------|-------------------------|--------------------|
| <b>Engineering &amp; Construction</b> |                    |                         |                                   |                                      |                         |                    |
| Auto Sueco Angola                     | 9,085,418          | 2,124,893               | 1,464,920                         | -                                    | -                       | 12,675,231         |
| Berd                                  | 1,170,619          | (220,471)               | 708,227                           | -                                    | -                       | 1,658,375          |
| Cimertex Angola                       | 1,362,358          | 977,827                 | 305,568                           | -                                    | -                       | 2,645,753          |
| Cimertex & Companhia                  | 10,059,923         | 1,640,345               | (1,336,759)                       | -                                    | -                       | 10,363,510         |
| Crespo                                | 1,761,885          | (472)                   | 596,926                           | -                                    | -                       | 2,358,339          |
| Obolinvest Group                      | 26,551,107         | (174,531)               | (4,765,997)                       | -                                    | -                       | 21,610,579         |
| Mamaia                                | 2,270,894          | (573)                   | (116,984)                         | -                                    | -                       | 2,153,337          |
| Mota-Engil Opway Mexicana (Mex)       | -                  | (3,453,841)             | -                                 | 8,430,125                            | -                       | 4,976,284          |
| Probigalp                             | 1,680,375          | (2,010,770)             | 330,395                           | -                                    | -                       | -                  |
| Soltysowska                           | 542,403            | 142,375                 | (50,697)                          | -                                    | -                       | 634,081            |
| Other                                 | 627,784            | 843,897                 | (757,521)                         | -                                    | -                       | 714,160            |
| <b>Environment &amp; Services</b>     |                    |                         |                                   |                                      |                         |                    |
| Águas de S. João                      | -                  | 171,600                 | -                                 | 4,017,275                            | -                       | 4,188,875          |
| Geo Vision Group                      | 40,798,809         | -                       | -                                 | (40,798,809)                         | -                       | -                  |
| Suma Group subsidiaries               | 2,286,127          | 269,907                 | (42,521)                          | -                                    | -                       | 2,513,514          |
| SLPP Group                            | 1,217,338          | (173,588)               | (1,043,750)                       | -                                    | -                       | -                  |
| Parquegil                             | 453,630            | 20,866                  | (1,615)                           | -                                    | -                       | 472,881            |
| STM                                   | 177,684            | 94,329                  | (272,013)                         | -                                    | -                       | -                  |
| Tersado                               | 1,195,170          | 192,542                 | (319,781)                         | -                                    | -                       | 1,067,931          |
| Vortal                                | 2,068,818          | 310,466                 | 456,845                           | -                                    | -                       | 2,836,129          |
| Other                                 | 20,283             | (1,304,171)             | 1,994,489                         | -                                    | -                       | 710,601            |
| Ascendi Group                         | 116,744,862        | 19,859,480              | (87,196,386)                      | -                                    | -                       | 49,407,956         |
| Martifer Group                        | 116,843,043        | (18,600,131)            | (3,112,831)                       | -                                    | -                       | 95,130,081         |
| Other                                 | 2,106              | (79,886)                | 533,774                           | -                                    | -                       | 455,994            |
|                                       | <b>336,920,636</b> | <b>630,094</b>          | <b>(92,625,711)</b>               | <b>(28,351,409)</b>                  | <b>-</b>                | <b>216,573,611</b> |

(1) Essentially includes currency variations, fair-value variations of derivative financial instruments and dividend distributions

| 2010  | OPENING BALANCE    | EFFECT ON PROFIT<br>& LOSS | EFFECT ON<br>RESERVES <sup>(1)</sup> | TRANSFERS AND<br>VARIATION OF<br>PERIMETER | ACQUISITIONS/<br>DISPOSALS | CLOSING BALANCE    |
|---|--------------------|----------------------------|--------------------------------------|--|----------------------------|--------------------|
| <b>Engineering &amp; Construction</b>                     |                    |                            |                                      |  |                            |                    |
| 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)                                  | -                          | -                  |
| Mamaia  | 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            |
| Other   | 543,741            | 52,420                     | -                                    | 31,623                                     | -                          | 627,784            |
| <b>Ambiente e Servicos</b>                                |                    |                            |                                      |  |                            |                    |
| Geo Vision Group  | -                  | (578,882)                  | -                                    | -  | 41,377,691                 | 40,798,809         |
| Grupo Suma associadas                                     | 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          |
| Other   | 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              |
|   | <b>325,660,378</b> | <b>7,506,187</b>           | <b>(20,539,405)</b>                  | <b>(17,084,216)</b>                        | <b>41,377,691</b>          | <b>336,920,636</b> |

(1) Essentially includes currency variations, fair-value variations of derivative financial instruments and dividend distributions

For investments making a negative contribution a provision was set aside (Note 58).

As at December 31, 2011 & 2010, the financial investment in the OBOL INVEST GROUP includes €19,220,233 and €22,861,133, respectively, of consolidation differences allocated to identifiable assets (inventories).

As at December 31, 2011, the financial investment in the ASCENDI GROUP includes €19,830,852 of goodwill, €93,143,057 (2010: €99,992,688) of consolidation differences allocated to identifiable assets (receivables) and €47,913,795 of supplementary capital contributions.

The amount recorded under "Effect on reserves" in the ASCENDI GROUP is made up essentially of the change in fair value of derivative financial instruments and currency variations.

As at December 31, 2011, the market value of MARTIFER in accordance with its quoted market price on that date (€1.08 per share) was approximately €40,500,000. 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.

During 2011 the GEOVISION GROUP was recorded as a non-current asset held for sale (Note 38).

As at December 31, 2011, 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%   | 2,225,739     | 1,474,403   | 3,161,540                   | 679,228      |
| Auto Sueco Angola                     | 26%   | 107,362,504   | 49,706,789  | 96,808,550                  | 8,332,915    |
| Bay 6.3 (Hun)                         | 30%   | 1,624,207     | 5,890       | -                           | (16,947)     |
| Bay Office (Hun)                      | 30%   | 852,706       | 412,461     | -                           | (25,892)     |
| Bay Park (Hun)                        | 30%   | 13,463,312    | 6,764,839   | 305,740                     | (243,988)    |
| Bay Tower (Hun)                       | 30%   | 128,997       | 42,557      | -                           | (10,497)     |
| Bay Wellness (Hun)                    | 30%   | 290,769       | 142,223     | -                           | (31,143)     |
| Berd                                  | 25%   | 11,357,222    | 6,693,276   | 875,442                     | (889,356)    |
| Cimertex & C <sup>a</sup>             | 50%   | 38,464,919    | 20,727,019  | 26,159,245                  | 3,280,689    |
| Cimertex Angola                       | 50%   | 33,455,374    | 5,291,506   | 21,605,203                  | 1,955,655    |
| Construções Crespo (Esp)              | 50%   | 7,718,845     | 2,030,574   | 12,861,847                  | (944)        |
| Engber (Hun)                          | 30%   | 30,271        | 15,134      | -                           | (9,104)      |
| Icer (Ang)                            | 26%   | 6,522,852     | 224,363     | 1,310,282                   | 88,365       |
| Mamaia (Rom)                          | 24%   | 46,339,243    | 2,301,773   | -                           | (2,388)      |
| M-Invest Mierova (Svk)                | 50%   | 14,584,038    | (608,848)   | 12,942,604                  | 1,189,117    |
| M-Invest Trnavska (Svk)               | 50%   | 1,269         | 1,270       | -                           | (395)        |
| Mota-Engil Opway Mexicana (Mex)       | 50%   | 10,233,307    | 9,952,569   | 230,573                     | (6,907,683)  |
| Nador Obol (Hun)                      | 30%   | 3,469,813     | 1,316,616   | 8,907                       | (38,770)     |
| Novicer (Angola)                      | 20%   | 35,902,514    | 175,800     | 5,381,079                   | 150,848      |
| Obol Invest (Hun)                     | 30%   | 45,597,011    | 13,618,205  | 10,224                      | (415,447)    |
| Obol XI (Hun)                         | 30%   | 34,592,178    | 392,490     | 165,280                     | 43,329       |
| Pentele Alisca (Hun)                  | 45%   | 2,831         | 1,019       | -                           | (3,339)      |
| Probogalp                             | 40%   | 8,427,602     | (4,184,270) | 6,218,812                   | (5,026,926)  |
| Sampaio (Hun)                         | 30%   | 3,651,406     | 694,253     | 213,774                     | 165,010      |
| Soltysowska (Pol)                     | 34%   | 18,309,821    | 1,864,946   | 5,815,328                   | 418,750      |
| Turalgo                               | 51%   | 600,333       | 426,557     | -                           | (14,781)     |
| <b>Environment &amp; Services</b>     |       |               |             |                             |              |
| Ambigere                              | 31%   | 115,973       | 115,973     | -                           | (4,027)      |
| Ambilital                             | 30%   | 18,091,713    | 7,265,780   | 3,728,570                   | 518,942      |
| Chinalog                              | 49%   | 44,461        | 35,821      | -                           | (5,207)      |
| Citrupe                               | 18%   | 1,454,512     | 1,046,215   | 1,207,530                   | 384,418      |
| Ecoleziária                           | 15%   | 6,226,133     | 629,855     | 2,883,321                   | 290,720      |
| Haçor                                 | 40%   | 88,329,997    | (9,817,191) | 46,157,914                  | 385,952      |
| HL-Soc. Gestora Edifício,SA           | 50%   | 94,470,178    | (4,642,587) | 57,674,512                  | (472,641)    |
| Ibercargo (Esp)                       | 50%   | 11,815,455    | 40,068      | 18,936,354                  | (2,314,645)  |
| Logz                                  | 30%   | 50,392,901    | (315,780)   | -                           | (351,307)    |
| Manvia II Conduatas                   | 45%   | 2,197,467     | 1,236,638   | 3,833,636                   | 794,060      |
| Operestiva                            | 30%   | 626,969       | 243,074     | 2,911,181                   | 73,259       |
| Parquegil                             | 50%   | 15,451,153    | 945,762     | 2,007,595                   | 41,732       |
| Sadoport                              | 49%   | 13,332,115    | (5,312,604) | 10,202,441                  | (435,189)    |
| SLPP                                  | 49%   | 13,823,707    | 1,281,284   | -                           | 40,112       |
| STM (Moçambique)                      | 49%   | 2,393,548     | 567,141     | 1,251,450                   | 190,803      |
| Tersado                               | 25%   | 9,312,647     | 3,391,862   | 12,978,917                  | 778,923      |
| Vista SA (Angola)                     | 50%   | 117,086       | 41,855      | -                           | (651,764)    |
| Vortal                                | 25%   | 11,952,996    | 7,404,756   | 9,905,334                   | 1,243,012    |
| Ascendi Group                         | 60%   | 3,365,779,957 | 92,649,325  | 188,321,287                 | 33,434,351   |
| Martifer Group                        | 38%   | 1,037,865,346 | 251,358,583 | 531,852,146                 | (47,529,477) |

Gauging the existence 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, a part of the measures established in the Business Co-operation Agreement signed by the MOTA-ENGIL and Espírito Santo Groups in 2006, regarding the establishment of a partnership for the area of Transport Concessions was implemented.

Although this partnership called for an autonomous vehicle to be set up, it came to involve the merger of the financial holdings of the referred groups into MOTA-ENGIL CONCESSÕES DE TRANSPORTES, SGPS, SA (currently known as ASCENDI GROUP, SGPS).

This concentration of holdings began with an operation undertaken on August 24, 2010, in which there was an increase of the equity capital of ASCENDI GROUP, SGPS, paid up in full by ESConcessões involving payment in kind of the equityholdings of the latter in the North, Costa de Prata, Beiras Litoral e Alta and Greater Porto concessions.

The transfer of the remaining shares should be finalized during 2012. Under the above agreement and under equityholders' agreements closed in the meantime, the management of these concessions is carried out on a shared

basis, and therefore the MOTA-ENGIL GROUP, though it has 60% of the financial interests in ASCENDI GROUP, SGPS, consider this entity as a joint arrangement. As described in Note 1, the financial interests held by the GROUP in joint arrangements are consolidated using the equity method.

## 20. Available-for-sale financial investments

As at December 31, 2011 & 2010, the breakdown of available-for-sale financial investments is as follows:

|   | 2011             | 2010              |
|---|------------------|-------------------|
| <b>Investments in equity instruments</b>        |                  |                   |
| Águas de S. João                                | -                | 3,951,396         |
| Cerâmica do Boialvo                             | 319,343          | 319,343           |
| Cosamo  | 152,049          | 152,049           |
| Ecodetra  | 1,153,202        | 1,153,202         |
| Ersuc   | 554,381          | 554,381           |
| Iberfibran                                      | 375,000          | 375,000           |
| Indimo  | 500,307          | 12,959            |
| Pfeiffer Manvia                                 | -                | 245,092           |
| Tirtife   | 900,600          | 900,600           |
| TMB   | -                | 939,360           |
| Tracevia Brasil                                 | 326,651          | -                 |
| Other   | 907,773          | 1,023,243         |
|   | <b>5,189,306</b> | <b>9,626,625</b>  |
|   | 2011             | 2010              |
| <b>Securities &amp; Other placements</b>        |                  |                   |
| Other   | 206,266          | 63,545            |
|   | <b>206,266</b>   | <b>63,545</b>     |
|   | 2011             | 2010              |
| <b>Advances &amp; other investment</b>          |                  |                   |
| Mota-Engil Mexico                               | -                | 10,418,931        |
| Parque Ambiental Nortinho                       | -                | 545,186           |
| Plataforma Logística Guarda                     | 6,565            | 6,565             |
| Other   | 46,627           | 18,000            |
|   | <b>53,192</b>    | <b>10,988,682</b> |
| <b>FINANCIAL INVESTMENTS AVAILABLE FOR SALE</b> | <b>5,448,764</b> | <b>20,678,852</b> |

On December 31, 2011, subsidiaries ÁGUAS DE S. JOÃO AND MOTA ENGIL MÉXICO came to be consolidated using the equity method and the full consolidation method respectively.

During the years ended December 31, 2011 & 2010, movement under Available-for-sale financial investments was as follows:

|                           | 2011             | 2010              |
|---------------------------|------------------|-------------------|
| Opening balance           | 20,678,852       | 9,670,554         |
| Acquisitions and advances | 40,568           | 10,418,931        |
| Disposals                 | (1,484,546)      | (369,660)         |
| Transfers                 | (13,786,110)     | 959,027           |
|                           | <b>5,448,764</b> | <b>20,678,852</b> |

Given the nature of the greater part of the financial investments referred to above and 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.



## 21. Investment properties

Information on the GROUP's investment properties as at December 31, 2011 & 2010, is as follows:

|   | 2011              | 2010              |
|---|-------------------|-------------------|
| Opening balance   | 88,614,797        | 30,652,729        |
| Increases   | 2,559,749         | 25,927,442        |
| Variation of fair value   | -                 | 1,276,971         |
| Disposals   | (29,401)          | -                 |
| Exchange differences(properties located in Angola & Central Europe) | 9,637             | 926,626           |
| Closing balance   | (28,207,729)      | 29,831,029        |
|   | <b>62,947,053</b> | <b>88,614,797</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 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 intended for lease.

In 2011, the heading "Transfers" includes mainly the value of the JEREMIASOVA land/property (Czech Republic) and the KILINSKIEGO land/property transferred to inventories (products and work in progress, note 22), since start is to made to the respective property developments.

In 2011, the heading "Increases" includes mainly the value of the Mercado Urbano Building, and it should be pointed out that this building has not generated rents during 2011, since it is still under construction.

In 2011 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 assets.

On December 31, 2011, investment properties held by the GROUP were essentially as follows: i) MOTADOMUS COMMERCIAL CONDOMINIUM (Portugal, €4,762,473), ii) Báltico Building (Portugal, €49,107,043) iii) Mercado Urbano Building (Portugal, €2,241,999).

In 2010, the heading "Transfer" includes mainly the value of a building located in Portugal transferred from heading Inventories (Note 5), for which during 2010, the GROUP signed a promissory lease contract with a third party. The figures included under Increases and Change in fair value is also related with this building.

The gains obtained by the GROUP in respect of the rents on its investment properties amounted, in 2011, to €2,729,641 (2010: €455,582) (Note 11).

The valuations were performed taking into account the following valuation methods: The income method (MOTADOMUS COMMERCIAL CONDOMINIUM AND BÁLTICO BUILDING), using for the purpose the capitalisation of expected future rents method. 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.

## 22. Inventories

The breakdown of inventories for the years ended December 31, 2011 & 2010, is as follows:

|  | 2011                | 2010               |
|--|---------------------|--------------------|
| <b>Book value:</b>                         |                     |                    |
| Raw & subsidiary materials and consumables | 53,198,943          | 47,947,573         |
| Products & work in progress                | 103,892,234         | 72,760,360         |
| Finished products                          | 44,633,034          | 42,712,410         |
| Goods                                      | 38,624,395          | 38,286,426         |
| Advances on account of purchases           | 13,746,458          | 8,474,342          |
|  | <b>254,095,064</b>  | <b>210,181,111</b> |
| <b>Accumulated impairment losses</b>       |                     |                    |
| Raw & subsidiary materials and consumables | (71,311)            | (657,797)          |
| Products & work in progress                | (108,596)           | (111,742)          |
| Finished products                          | (11,397,953)        | (6,136,791)        |
| Goods                                      | (156,615)           | (251,015)          |
|  | <b>(11,734,475)</b> | <b>(7,157,345)</b> |
|  | <b>242,360,589</b>  | <b>203,023,766</b> |

In 2011, the increase under "Products & work in progress" includes mainly the value of the JEREMIASOVA LAND / PROPERTY (Czech Republic) and the KILINSKIEGO LAND / PROPERTY transferred from investment properties to inventories (Note 21).

Movement under accumulated impairment losses on inventories for the periods ended December 31, 2011 & 2010, is as follows:

|                                    | 2011              | 2010             |
|------------------------------------|-------------------|------------------|
| Opening balance                    | 7,157,345         | 8,139,365        |
| Increase (Note 10)                 | 8,102,698         | 222,803          |
| Reduction                          | (1,025,817)       | (445,465)        |
| Transfers & variation of perimeter | (2,499,751)       | (759,358)        |
|                                    | <b>11,734,475</b> | <b>7,157,345</b> |

The increase under "Impairment losses on inventories" is justified by the impairment recorded by subsidiary PTT in respect of a plot of land and by impairments in respect of plots of land in the ENGINEERING & CONSTRUCTION AREA.

## 23. Other assets

### a) Loans and receivables:

The breakdown of loans and receivables from customers in respect of the years ended December 31, 2011 & 2010, is as follows:

| CUSTOMERS:                               | Non-current       |                   | Current            |                      |
|--|-------------------|-------------------|--------------------|----------------------|
|  | 2011              | 2010              | 2011               | 2010                 |
| <b>Trade accounts receivable</b>         |                   |                   |                    |                      |
| Gross value:                             |                   |                   |                    |                      |
| Engineering & Construction               | 80,573,879        | 9,857,563         | 778,907,718        | 892,215,835          |
| Environment & Services                   | 7,823,705         | 669,799           | 204,468,459        | 170,059,849          |
| Others, eliminations & intra-Group       | -                 | -                 | (15,520,935)       | (11,879,646)         |
|  | <b>88,397,584</b> | <b>10,527,362</b> | <b>967,855,242</b> | <b>1,050,396,038</b> |
| Accumulated impairment losses            | (1,806,624)       | (123,629)         | (49,123,276)       | (45,201,525)         |
|  | <b>86,590,960</b> | <b>10,403,733</b> | <b>918,731,966</b> | <b>1,005,194,513</b> |
| <b>Trade accounts – Bills receivable</b> | 475,533           | 126               | 2,482,786          | 3,025,973            |
|  | <b>87,066,493</b> | <b>10,403,859</b> | <b>921,214,752</b> | <b>1,008,220,486</b> |

The increase in non-current portion during 2011 refers to the signature of an agreement for settlement of a debt over a period from 2011 to 2017, which the Board considers not impaired.

The breakdown of information of loans and receivables from other debtors in respect of the years ended December 31, 2011 & 2010, is as follows:

| OTHER DEBTORS:                           | Non-current       |                   | Current            |                    |
|--|-------------------|-------------------|--------------------|--------------------|
|  | 2011              | 2010              | 2011               | 2010               |
| <b>Associate and related companies</b>   |                   |                   |                    |                    |
| Gross value                              | 71,492,148        | 68,811,021        | 5,426,611          | 2,624,707          |
| Accumulated impairment losses            | (6,275,275)       | (2,211,180)       | -                  | -                  |
|  | <b>65,216,873</b> | <b>66,599,841</b> | <b>5,426,611</b>   | <b>2,624,707</b>   |
| <b>Advances to suppliers</b>             | -                 | -                 | 14,271,485         | 14,288,756         |
| <b>State &amp; other public entities</b> | 13,242            | -                 | 41,315,928         | 28,191,894         |
| <b>Other</b>                             |                   |                   |                    |                    |
| Gross value                              | 4,228,483         | 4,505,086         | 339,357,574        | 278,344,318        |
| Accumulated impairment losses            | -                 | (827,847)         | (35,949,220)       | (19,467,610)       |
|  | <b>4,228,483</b>  | <b>3,677,239</b>  | <b>303,408,354</b> | <b>258,876,708</b> |
|  | <b>69,458,598</b> | <b>70,277,080</b> | <b>364,422,378</b> | <b>303,982,065</b> |

On December 31, 2011 & 2010, the amount carried under "Other debtors - Associate companies and participated and participating companies" includes balances owed by companies consolidated using the equity method, including the ASCENDI GROUP, THE OBOL GROUP AND MAMAIA.

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, 2011 & 2010, the age of commercial balances relating to financial assets that were not impaired is as follows:

| AGE IN THE BALANCE SHEET 2011 | CUSTOMERS            | OTHER              |
|-------------------------------|----------------------|--------------------|
| <b>Overdue amounts</b>        |                      |                    |
| ] 0 ; 3 ] months              | 252,432,484          | 100,853,651        |
| ] 3 ; 12] months              | 196,088,257          | 50,564,643         |
| ] 1 ; 3 ] years               | 211,073,264          | 112,622,625        |
| Over 3 years                  | 93,137,192           | 9,615,909          |
|                               | <b>752,731,197</b>   | <b>273,656,828</b> |
| <b>Not overdue amounts</b>    | 255,550,048          | 33,980,009         |
| <b>TOTAL</b>                  | <b>1,008,281,245</b> | <b>307,636,837</b> |

| ANTIGUIDADE NO BALANÇO 2010 | CUSTOMERS            | OTHER              |
|-----------------------------|----------------------|--------------------|
| <b>Overdue amounts</b>      |                      |                    |
| ] 0 ; 3 ] months            | 258,407,462          | 140,530,214        |
| ] 3 ; 12] months            | 141,836,676          | 26,230,438         |
| ] 1 ; 3 ] years             | 156,540,518          | 43,286,655         |
| Over 3 years                | 86,002,870           | 11,899,621         |
|                             | <b>642,787,526</b>   | <b>221,946,928</b> |
| <b>Not overdue amounts</b>  | 375,836,819          | 40,607,019         |
| <b>TOTAL</b>                | <b>1,018,624,345</b> | <b>262,553,947</b> |

As at December 31, 2011, 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, 2011 & 2010, the breakdown of the balances of the State & other public entities is as follows:

|                          | 2011              | 2010              |
|--------------------------|-------------------|-------------------|
| Corporate Income tax     | 1,033,794         | 1,065,570         |
| Value added tax          | 25,660,297        | 12,388,772        |
| Social Security          | -                 | 9,541             |
| Personal income tax      | -                 | 10,720            |
| Other taxes              | -                 | 15,581            |
| Taxes in other countries | 14,635,079        | 14,701,710        |
|                          | <b>41,329,170</b> | <b>28,191,894</b> |

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

|                                   | 2011              | 2010              |
|-----------------------------------|-------------------|-------------------|
| <b>Trade accounts receivable:</b> |                   |                   |
| Opening balance                   | 45,325,154        | 40,132,117        |
| Increase                          | 14,371,822        | 7,210,372         |
| Reduction                         | (7,273,116)       | (2,917,743)       |
| Usage                             | (966,505)         | (1,650,899)       |
| Transfers & perimeter variation   | (527,455)         | 2,551,307         |
|                                   | <b>50,929,900</b> | <b>45,325,154</b> |
| <b>Other debtors</b>              |                   |                   |
| Opening balance                   | 22,506,637        | 34,556,948        |
| Increase                          | 2,974,479         | 3,299,983         |
| Reduction                         | (52,818)          | (16,586,663)      |
| Usage                             | (163,877)         | (748)             |
| Transfers & perimeter variation   | 16,960,074        | 1,237,117         |
|                                   | <b>42,224,495</b> | <b>22,506,637</b> |

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 joint venture, in that it was wound up and liquidated during the year.

As at December 31, 2011, the value carried under "Transfers and perimeter variations" refers essentially to the value of the reclassified ANGOLA BRANCH of other accrued costs to impairment losses in respect of receivables.

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:

|                         | 2011               | 2010               |
|-------------------------|--------------------|--------------------|
| <b>Accrued income</b>   |                    |                    |
| Production not invoiced | 117,227,815        | 84,797,387         |
| Indemnities receivable  | 260,263            | -                  |
| Interest receivable     | 20,532,104         | 16,598,418         |
| Other accrued income    | 24,972,973         | 16,944,942         |
|                         | <b>162,993,155</b> | <b>118,340,747</b> |
| <b>Deferred costs</b>   |                    |                    |
| Insurance               | 3,964,568          | 2,819,465          |
| Other deferred costs    | 8,737,499          | 6,767,618          |
|                         | <b>12,702,067</b>  | <b>9,587,083</b>   |
|                         | <b>175,695,222</b> | <b>127,927,830</b> |

"Other accrued income" fundamentally includes maintenance contract costs and other advance payments.

Information on construction contracts in progress is as follows:

|  | 2011          | 2010          |
|--|---------------|---------------|
| Construction costs incurred to date                    | 6,075,142,987 | 4,658,125,724 |
| Construction costs incurred during the year            | 1,460,029,207 | 1,175,952,481 |
| Income recognized to date                              | 7,351,947,410 | 4,814,268,940 |
| Income recognized during the year                      | 1,773,230,640 | 1,248,153,703 |
| Customers prepayments                                  | 78,675,617    | 92,357,354    |
| Sums withheld by customers                             | 16,188,101    | 23,781,788    |
| Guarantees given by customers                          | 386,902,862   | 334,691,445   |
| Accrued income - excess of production over billing     | 98,688,463    | 71,070,390    |
| Deferred income - shortfall of production over billing | 73,108,730    | 96,202,589    |

### c) Cash & cash equivalents

The breakdown of cash & cash equivalents is as follows:

|   | NON RECOURSE     |                  | WITH RECOURSE      |                    |
|---|------------------|------------------|--------------------|--------------------|
|   | 2011             | 2010             | 2011               | 2010               |
| <b>Term deposits &amp; others</b>       | -                | -                | 1,535,877          | 1,547,764          |
| <b>Bank deposits &amp; cash in hand</b> |                  |                  |                    |                    |
| Sight deposits                          | 9,272,371        | 8,599,925        | 220,204,905        | 187,176,425        |
| Cash in hand                            | 33,326           | 36,176           | 3,173,627          | 3,265,812          |
|   | <b>9,305,697</b> | <b>8,636,101</b> | <b>224,914,409</b> | <b>191,990,001</b> |

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, 2011 & 2010, there are €3,088,758 and €2,037,707 respectively, recorded under cash and cash equivalents not available in the short term, because they have been pledged or are captive.

The amounts carried 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 2012.



## 24. Equity capital and reserves

The MOTA-ENGIL SGPS equity capital as at December 31, 2011 & 2010, amounts to €204,635,695 fully paid up and represented by 204,635,695 bearer shares each of a par value of €1.

As at December 31, 2011, the GROUP holds 11,101,379 treasury shares.

During 2011, alterations to the number of treasury shares were as follows:

|                 | QUANTITY   | AVERAGE COST | AMOUNT     |
|-----------------|------------|--------------|------------|
| Opening balance | 11,005,456 | 2.06         | 22,626,521 |
| Increase        |            |              |            |
| September       | 95,923     | 1.28         | 122,705    |
|                 | 95,923     | 1.28         | 122,705    |
| CLOSING BALANCE | 11,101,379 | 2.05         | 22,749,226 |

Acquisitions of treasury shares during 2011 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).

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 contributed capital.

Legal reserve

Portuguese Companies Code 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 contributed 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 contributed capital.

Fair value reserve - derivatives

The fair value reserve - derivatives reflects the changes in fair value of derivatives hedging "cash flow" that are considered effective (Note 26. Derivative financial instruments) and is not likely to be distributed or used to absorb 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 Portuguese GAAP (SNC). There were no reserves that could be distributed as at December 31, 2011.

## 25. Debt

The amounts in respect of debt with recourse for the periods ended December 31, 2011 & 2010, is as follows:

|  | 1 YEAR             | 2 YEARS            | 3 TO 5 YEARS       | OVER 5 YEARS      | TOTAL                |
|--|--------------------|--------------------|--------------------|-------------------|----------------------|
| <b>2011</b>                                |                    |                    |                    |                   |                      |
| <b>Non-convertible bond loans</b>          | 54,546,732         | 30,000,000         | 15,000,000         | -                 | 99,546,732           |
| <b>Amounts owed to credit institutions</b> |                    |                    |                    |                   |                      |
| Bank loans                                 | 116,916,493        | 59,886,712         | 93,863,100         | 11,044,058        | 281,710,363          |
| Overdraft facilities                       | 172,170,427        | -                  | -                  | -                 | 172,170,427          |
| Guaranteed accounts                        | 179,690,799        | -                  | -                  | -                 | 179,690,799          |
| <b>Other loans obtained</b>                |                    |                    |                    |                   |                      |
| Commercial paper issues                    | 37,617,999         | 163,511,531        | 120,275,971        | 45,810,000        | 367,215,501          |
| Other loans                                | 4,097,846          | 785,863            | 2,978,963          | 75,386            | 7,938,058            |
|  | <b>565,040,296</b> | <b>254,184,106</b> | <b>232,118,034</b> | <b>56,929,444</b> | <b>1,108,271,880</b> |
| <b>2010</b>                                |                    |                    |                    |                   |                      |
| <b>Non-convertible bond loans</b>          | 7,278,633          | 50,000,000         | 25,000,000         | -                 | 82,278,633           |
| <b>Amounts owed to credit institutions</b> |                    |                    |                    |                   |                      |
| 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          |
| <b>Other loans obtained</b>                |                    |                    |                    |                   |                      |
| 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            |
|  | <b>514,952,264</b> | <b>169,553,575</b> | <b>333,895,980</b> | <b>80,585,111</b> | <b>1,098,986,930</b> |

Although commercial paper issues fall due at one year, because they are covered by medium and long term programmes that ensure 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, 2011 & 2010, is as follows:

|  | A 1 ANO          | A 2 ANOS         | ENTRE 3 E 5 ANOS  | A MAIS DE 5 ANOS   | TOTAL              |
|--|------------------|------------------|-------------------|--------------------|--------------------|
| <b>2011</b>                                |                  |                  |                   |                    |                    |
| <b>Amounts owed to credit institutions</b> |                  |                  |                   |                    |                    |
| Bank loans                                 | 1,988,542        | 2,915,628        | 12,208,531        | 112,800,249        | 129,912,950        |
| <b>Other loans obtained</b>                |                  |                  |                   |                    |                    |
| Other loans                                | -                | 89,319           | 706,072           | -                  | 795,391            |
|  | <b>1,988,542</b> | <b>3,004,947</b> | <b>12,914,603</b> | <b>112,800,249</b> | <b>130,708,341</b> |
| <b>2010</b>                                |                  |                  |                   |                    |                    |
| <b>Amounts owed to credit institutions</b> |                  |                  |                   |                    |                    |
| Bank loans                                 | 3,413,463        | 4,333,346        | 12,677,458        | 95,964,149         | 116,388,416        |
|  | <b>3,413,463</b> | <b>4,333,346</b> | <b>12,677,458</b> | <b>95,964,149</b>  | <b>116,388,416</b> |

As at December 31, 201 & 2010, the sums in respect of debt are expressed in the following currencies:

|                                   | BONDS             | CREDIT INSTITUTIONS | COMMERCIAL PAPER   | OTHER LOANS      | TOTAL                |
|-----------------------------------|-------------------|---------------------|--------------------|------------------|----------------------|
| <b>2011</b>                       |                   |                     |                    |                  |                      |
| Czech Crowns                      | -                 | 3,643,316           | -                  | -                | 3,643,316            |
| US Dollars                        | -                 | 50,212,077          | -                  | 459,254          | 50,671,331           |
| Euros                             | 99,546,732        | 695,976,359         | 367,215,501        | 8,274,195        | 1,171,012,787        |
| Hungarian Forints                 | -                 | 650,633             | -                  | -                | 650,633              |
| New Family Meticalis (Mozambique) | -                 | 587,881             | -                  | -                | 587,881              |
| Polish Zlotys                     | -                 | 12,414,273          | -                  | -                | 12,414,273           |
|                                   | <b>99,546,732</b> | <b>763,484,539</b>  | <b>367,215,501</b> | <b>8,733,449</b> | <b>1,238,980,221</b> |
| <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 Meticalis (Mozambique) | -                 | 401,708             | -                  | -                | 401,708              |
| São 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> |

The average interest rates in respect of the main headings of debt during 2011 and 2010 are as follows:

|                                     | 2011              |                    | 2010              |                    |
|-------------------------------------|-------------------|--------------------|-------------------|--------------------|
|                                     | AVERAGE RATES (%) | RATES INTERVAL (%) | AVERAGE RATES (%) | RATES INTERVAL (%) |
| Non-convertible bond loans          | 5.48              | [ 5.47 ; 5.49 ]    | 3.93              | [ 2.43 ; 5.49 ]    |
| Amounts owed to credit institutions |                   |                    |                   |                    |
| Bank loans                          | 4.80              | [ 2.19 ; 19.25 ]   | 3.33              | [ 1.71 ; 6.61 ]    |
| Overdraft facilities                | 6.28              | [ 3 ; 22.58 ]      | 4.09              | [ 2.21 ; 19.5 ]    |
| Guaranteed accounts                 | 6.22              | [ 4.01 ; 20.64 ]   | 3.28              | [ 2.07 ; 19.5 ]    |
| Other loans obtained                | 2.93              | [ 2.32 ; 3.27 ]    | 4.68              | [ 1.52 ; 5.25 ]    |
| Commercial paper issues             | 2.66              | [ 0.04 ; 24 ]      | 1.63              | [ 0.81 ; 2.47 ]    |

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     | MATURITY  |
|--|------------------|---------------------|-------------------------|------------|---|
| <b>BOND LOANS:</b>                               |                  |                     |                         |            |   |
| Mota-Engil SGPS                                  | 18/Nov/09        | Mid Swap 3Y + 3.35% | i)                      | 50,000,000 |   |
| Mota-Engil SGPS                                  | 23/Abr/08        | Euribor + 2.8%      | ii)                     | 25,000,000 |   |
| Mota-Engil SGPS                                  | 30/Dez/11        | Euribor + 5.5%      | iii)                    | 25,000,000 |   |
| <b>COMMERCIAL PAPER PROGRAMMES:</b>              |                  |                     |                         |            |   |
| Mota-Engil SGPS                                  | 21/Nov/08        | Euribor + 2.475%    |                         | 83,000,000 | From 7 to 365 days  |
| Mota-Engil SGPS                                  | 28/Out/10        | Euribor + 3.0%      |                         | 15,000,000 | From 7 to 365 days  |
| Mota-Engil SGPS e Mota-Engil Engenharia          | 13/Nov/06        | Euribor + 2.85%     |                         | 15,000,000 | From 7 to 365 days  |
| Mota-Engil SGPS e Mota-Engil Ambiente e Serviços | 15/Jan/07        | Euribor + 1.5%      |                         | 77,000,000 | From 1, 3, 6 a 12 months  |
| Mota-Engil Engenharia                            | 30/Set/10        | Euribor + 1.5%      |                         | 5,000,000  | From 7 to 182 days  |
| Mota-Engil Engenharia                            | 23/Nov/07        |                     |                         | 25,000,000 | Direct placement: From 7 to 184 days/<br>Auctioning: From 1,2,3,4,5 or 6 months |
| Mota-Engil Engenharia                            |                  | Euribor + 0.4%      |                         |            |   |
| Mota-Engil Engenharia                            | 26/Jun/07        | Euribor + 2.0%      |                         | 23,400,000 | From 7 to 365 days  |
| Mota-Engil Engenharia                            | 28/Out/10        | Euribor + 3.0%      |                         | 50,000,000 | From 7 to 181 days  |
| Mota-Engil Engenharia                            | 16/Dez/10        |                     |                         | 50,000,000 | Direct placement: From 90 to 181 days/<br>Auctioning: From 3,4,5 or 6 months    |
|  |                  | Euribor + 3.5%      |                         |            |   |
| Tertir   | 3/Jul/07         | Euribor + 2.0%      |                         | 25,000,000 | 1, 3, 6 or 12 months  |

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

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

iii) Interest paid in ten half-yearly installments as from June 30, 2012. Repayment in 10 half-yearly installments as from the first coupon.

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 |
|---------------------------------------|-------------------------|--------------------|----------------|
| <b>OTHER OPERATIONS:</b>              |                         |                    |                |
| <b>HOLDING</b>                        |                         |                    |                |
| Mota-Engil, SGPS                      | Overdraft facilities    | 28,750,000         | 28,573,232     |
| Mota-Engil, SGPS                      | Medium & long term loan | 80,250,000         | 48,571,429     |
| Mota-Engil, SGPS                      | Guarantee accounts      | 17,000,000         | 16,879,000     |
| <b>ENGINEERING &amp; CONSTRUCTION</b> |                         |                    |                |
| Mota-Engil Engenharia                 | Overdraft facilities    | 70,825,000         | 58,839,213     |
| Mota-Engil Engenharia                 | Medium & long term loan | 30,000,000         | 18,282,828     |
| Mota-Engil Engenharia                 | Guarantee accounts      | 46,113,223         | 42,313,223     |
| Mota-Engil Engenharia                 | Short term loan         | 20,000,000         | 20,000,000     |
| Planinova                             | Medium & long term loan | 26,000,000         | 24,700,000     |
| <b>ENVIRONMENT &amp; SERVICES</b>     |                         |                    |                |
| Indaqua                               | Medium & long term loan | 12,500,000         | 12,500,000     |
| Indaqua Feira                         | Medium & long term loan | 63,000,000         | 52,996,069     |
| Indaqua Santo Tirso                   | Medium & long term loan | 14,400,000         | 14,400,000     |
| Indaqua Vila do Conde                 | Medium & long term loan | 76,000,000         | 29,000,000     |
| Indaqua Matosinhos                    | Medium & long term loan | 47,500,000         | 30,900,000     |
| Suma                                  | Medium & long term loan | 25,400,000         | 25,358,500     |
| Tertir                                | Medium & long term loan | 60,000,000         | 51,500,000     |

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.

## 26. 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, 2011 & 2010, the GROUP had contracted the following derivative financial instruments:

| SUBSIDIARY                     | TYPE               | COUNTERPART          | START  | NOTIONAL   | CONTRACTED RATES                                  | MATURITY | FAIR VALUE          |                     |
|--------------------------------|--------------------|----------------------|--------|------------|---|----------|---------------------|---------------------|
|                                |                    |                      |        |            |   |          | 2011                | 2010                |
| Indagua Feira                  | Interest Rate Swap | Millennium BCP       | Set/07 | 17,960,740 | Receives Euribor 6M and pays fixed rate (4,526%)  | Set/29   | (4,195,541)         | (2,165,069)         |
| Indagua Feira                  | Interest Rate Swap | Santander            | Set/07 | 17,960,740 | Receives Euribor 6M and pays fixed rate (4,526%)  | Set/29   | (4,195,541)         | (2,165,069)         |
| Indagua Matosinhos             | Interest Rate Swap | CGD                  | Jun/08 | 7,089,053  | Receives Euribor 6M and pays fixed rate (4,485%)  | Jun/28   | (5,996,684)         | (3,897,662)         |
| Indagua St. Tirso              | Interest Rate Swap | Caixa BI             | Set/11 | 15,565,524 | Receives Euribor 6M and pays fixed rate (3,845%)  | Set/26   | (1,962,928)         | (1,210,748)         |
| Mota-Engil SGPS                | Interest Rate Swap | Santander Totta      | Nov/09 | 25,000,000 | Receives fixed rate (2,139%) and pays Euribor 6M  | Nov/12   | 137,018             | (56,234)            |
| Mota-Engil SGPS                | Swap in Arrears    | Santander Totta      | Nov/09 | 25,000,000 | Receives fixed rate (2,139%) and pays Euribor 12M | Nov/12   | 332,490             | 461,676             |
| 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)            |
| Mota-Engil Engenharia          | Cap                | BNP Paribas Fortis   | Jul/07 | 30,000,000 | Receives Euribor 6M and pays fixed rate (4,05%)   | Jun/15   | 2,557               | 2,922               |
| Mota-Engil Engenharia          | Collar             | BNP Paribas Fortis   | Jun/07 | 30,000,000 | Receives Euribor 6M and pays fixed rate (4,05%)   | Jun/15   | (1,611,377)         | (1,998,047)         |
| Suma                           | Interest Rate Swap | Banco Espírito Santo | Jul/10 | 20,400,000 | Receives Euribor 6M and pays fixed rate (6,62%)   | Jul/17   | (3,389,467)         | (1,177,387)         |
| Suma                           | Forward            | Banco Espírito Santo | Jul/10 | 7,066,486  | 3,58 Eur/ BRL                                     | Jul/17   | (6,351,307)         | (953,345)           |
|                                |                    |                      |        |            |   |          | <b>(27,230,780)</b> | <b>(13,220,152)</b> |

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 recognised 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).



## 27. Trade liabilities & other liabilities payable

The breakdown of commercial liabilities and other payables for the periods ended December 31, 2011 & 2010, is as follows:

|  | NON-CURRENTS       |                    | CURRENTS           |                    |
|--|--------------------|--------------------|--------------------|--------------------|
|  | 2011               | 2010               | 2011               | 2010               |
| <b>Suppliers</b>                                 |                    |                    |                    |                    |
| Engineering & Construction                       | 21,237,600         | 4,117,640          | 439,080,530        | 428,973,733        |
| Environment & Services                           | -                  | -                  | 102,512,634        | 96,372,125         |
| Others, eliminations & intra-Group               | -                  | -                  | (63,443,906)       | (43,176,293)       |
|  | <b>21,237,600</b>  | <b>4,117,640</b>   | <b>478,149,258</b> | <b>482,169,565</b> |
| Suppliers of fixed assets                        | 116,163,633        | 141,929,430        | 73,654,454         | 58,343,909         |
| Group companies, associates & other shareholders | 525,781            | 537,269            | 6,055,543          | 490,825            |
| Customer prepayments on account of sales         | 40,925,981         | 42,589,768         | 93,630,069         | 87,857,323         |
| State & other public entities                    | -                  | -                  | 21,898,492         | 42,967,832         |
| Other creditors                                  | 58,684,323         | 42,124,063         | 305,589,067        | 251,351,272        |
|  | <b>216,299,718</b> | <b>227,180,530</b> | <b>500,827,625</b> | <b>441,011,161</b> |
|  | <b>237,537,318</b> | <b>231,298,170</b> | <b>978,976,883</b> | <b>923,180,726</b> |

As at December 31, 2011 & 2010, the heading "Other non-current liabilities" refers to debts that companies carry with the equity holders of GROUP partners, in particular the INDAQUA SUB-GROUP and subsidiary MOTA-ENGIL ANGOLA.

As at December 31, 2011 & 2010, "Suppliers" includes the sum of approximately €43,000,000 in respect of confirming contracts.

These sums mainly concern debts originating in subcontracting in respect of works in progress awarded to the GROUP.

The Board of Directors is of the conviction that the value at which these liabilities are carried in the balance sheet approaches their fair value.

As at December 31, 2011 & 2010, the remaining contractual maturity of the balances carried under "Suppliers" is as follows:

|  | 2011               | 2010               |
|--|--------------------|--------------------|
| <b>Outstanding contractual maturity:</b> |                    |                    |
| ] 0 ; 1 ] month                          | 263,708,504        | 302,549,548        |
| ] 1 ; 3 ] months                         | 118,194,335        | 118,489,916        |
| ] 3 ; 12 ] months                        | 76,175,204         | 56,344,081         |
| ] 1 ; 3 ] years                          | 20,799,669         | 2,452,555          |
| Over 3 years                             | 20,509,146         | 6,451,105          |
|  | <b>499,386,858</b> | <b>486,287,205</b> |

As at December 31, 2011, the remaining contractual maturity of the balances carried under "Other creditors" is as follows:

|  | 2011               | 2010               |
|--|--------------------|--------------------|
| <b>Outstanding contractual maturity:</b> |                    |                    |
| ] 0 ; 1 ] month                          | 83,844,906         | 71,686,993         |
| ] 1 ; 3 ] months                         | 18,160,682         | 8,240,712          |
| ] 3 ; 12 ] months                        | 9,237,431          | 2,907,286          |
| ] 1 ; 3 ] years                          | 1,198,381          | 2,203,741          |
| Over 3 years                             | 67,143,879         | 53,721,892         |
| Factoring                                | 184,688,111        | 154,714,711        |
|  | <b>364,273,390</b> | <b>293,475,335</b> |

As at December 31, 2011 & 2010, "Other creditors" includes sums in respect of factoring with recourse and of bills discounted in the sums of €184,688,112 and €155,599,381 respectively, which have no defined maturity in the case of factoring.

As at December 31, 2011 & 2010, 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 €184,999,581 and €209,011,398 respectively, with the following maturities:

| LEASE CONTRACTS                              | OUTSTANDING RENTS ON LEASE CONTRACTS |                    | CURRENT VALUE OF LEASE CONTRACTS |                    |
|--|--------------------------------------|--------------------|----------------------------------|--------------------|
|  | 2011                                 | 2010               | 2011                             | 2010               |
| 1 year                                       | 53,437,036                           | 48,691,759         | 48,078,290                       | 45,780,948         |
| 2 years                                      | 37,951,043                           | 39,277,590         | 34,501,588                       | 37,144,798         |
| 3 years                                      | 23,323,695                           | 30,955,345         | 20,897,266                       | 28,856,528         |
| 4 or more years                              | 70,287,807                           | 90,086,704         | 60,730,009                       | 69,730,604         |
|  | <b>184,999,581</b>                   | <b>209,011,398</b> | <b>164,207,153</b>               | <b>181,512,878</b> |
| Interest included in the rents               | (20,792,428)                         | (27,498,520)       |                                  |                    |
| <b>CURRENT VALUE OF LEASE CONTRACT RENTS</b> | <b>164,207,153</b>                   | <b>181,512,878</b> | <b>164,207,153</b>               | <b>181,512,878</b> |

As at December 31, 2011, the more significant finance lease contracts are as follows:

| CONTRACTING PARTY                 | AMOUNT     | ASSET               | LEASE LIFE | PURCHASE OPTION |
|-----------------------------------|------------|---------------------|------------|-----------------|
| CPTP                              | 3,697,960  | Port Equipment      | 8 years    | 117,098         |
| Ferrovias                         | 2,864,018  | Sundry Equipment    | 5 years    | 118,008         |
| Mota-Engil Engenharia             | 50,454,263 | Sundry Equipment    | 4 years    | 1,009,085       |
| Mota-Engil Engenharia             | 1,515,000  | Sundry Equipment    | 5 years    | 30,300          |
| Mota-Engil Engenharia             | 5,107,220  | Sundry Equipment    | 5 years    | 102,144         |
| Mota-Engil Central Europe Polónia | 2,524,750  | Sundry Equipment    | 6 years    | 173,604         |
| Mota-Engil Central Europe Poland  | 1,030,444  | Sundry Equipment    | 10 years   | 649,180         |
| Mota-Engil Central Europe Poland  | 5,774,049  | Sundry Equipment    | 5 years    | 240,776         |
| Mota-Engil Central Europe Poland  | 1,416,773  | Sundry Equipment    | 7 years    | 14,168          |
| ME-Pavimentações                  | 2,638,500  | Sundry Equipment    | 4 years    | 52,770          |
| PTT                               | 3,337,250  | Land & construction | 11 years   | 178,296         |
| Rentaco                           | 3,100,000  | Sundry Equipment    | 4 years    | 62,000          |
| Rentaco                           | 1,000,000  | Sundry Equipment    | 5 years    | 20,000          |
| Rentaco                           | 1,395,000  | Sundry Equipment    | 7 years    | 27,900          |
| 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 e Correia                 | 1,278,000  | Sundry Equipment    | 20 years   | -               |

As at December 31, 2011, the breakdown of the net book value of assets acquired under finance lease contracts is as follows:

|                                       | 2011               | 2010               |
|---------------------------------------|--------------------|--------------------|
| Land & buildings                      | 6,735,764          | 8,415,165          |
| Basic equipment                       | 107,814,770        | 121,172,953        |
| Transport equipment                   | 25,929,004         | 29,176,161         |
| Administrative equipment              | 72,224             | 51,303             |
| Other fixed assets                    | 3,927,522          | 1,815,678          |
| Intangible fixed assets (Concessions) | 15,535,614         | 19,653,807         |
|                                       | <b>160,014,898</b> | <b>180,285,067</b> |

As at December 31, 2011 & 2010, the breakdown of the balances of the "State & other public entities" is as follows:

|                          | 2011              | 2010              |
|--------------------------|-------------------|-------------------|
| Income tax               | 6,032,337         | 1,948,310         |
| Value added tax          | 1,707,345         | 3,263,778         |
| Social security          | 3,429,271         | 3,313,048         |
| Personal income tax      | 1,595,290         | 1,581,008         |
| Other taxes              | (1,877)           | 1,268,626         |
| Taxes in other countries | 9,136,126         | 31,593,062        |
|                          | <b>21,898,492</b> | <b>42,967,832</b> |

## 28. Provisions

The breakdown of provisions for the periods ended December 31, 2011 & 2010, is as follows:

|  | 2011              | 2010              |
|--|-------------------|-------------------|
| Pensions (Note 31. Retirement plan benefits)                   | 9,987,078         | 9,351,392         |
| Indemnities for termination of fixed-term employment contracts | 262,653           | 70,935            |
| Sealing & monitoring a landfill                                | 6,615,853         | 6,135,408         |
| Provisions for investments valued using the equity method      | 15,835,688        | 15,186,062        |
| Legal proceedings  | 9,981,713         | 7,430,131         |
| Quality warranties   | 7,475             | 12,592            |
| Other contingencies/ estimated cost of closing operations      | 45,461,474        | 33,587,943        |
|  | <b>88,151,934</b> | <b>71,774,463</b> |

Provisions for landfill sealing and monitoring refer essentially to the SUMA SUBGROUP.

Provisions for legal proceedings and other contingencies essentially refer to the TERTIR SUBGROUP.

"Other Contingencies" in the periods ended December 31, 2011 & 2010, are justified largely by the amounts recorded by the port concessions companies as a result of adoption of IFRIC 12.

During the periods ended December 31, 2011 & 2010, the GROUP set aside and increased provisions to cope with the closure of some operations in Ireland and Spain.

Information on the movement of provisions during 2011 & 2010 is as follows:

|  | OPENING BALANCE   | INCREASE          | REDUCTION          | USAGE              | TRANSFERS &<br>PERIMETER<br>VARIATION | CLOSING BALANCE   |
|--|-------------------|-------------------|--------------------|--------------------|---------------------------------------|-------------------|
| Pensions (Note 31. Retirement plan benefits)                   | 9,351,392         | 1,044,562         | (355,739)          | 5,745              | (58,882)                              | 9,987,078         |
| Indemnities for termination of fixed-term employment contracts | 70,935            | -                 | -                  | -                  | 191,718                               | 262,653           |
| Sealing & monitoring a landfill                                | 6,135,408         | 480,445           | -                  | -                  | -                                     | 6,615,853         |
| Provisions for investments valued using the equity method      | 15,186,062        | -                 | (38,685)           | -                  | 688,311                               | 15,835,688        |
| Legal proceedings  | 7,430,131         | 1,764,414         | (7,225)            | (138)              | 794,531                               | 9,981,713         |
| Quality warranties   | 12,592            | 7,475             | -                  | -                  | (12,592)                              | 7,475             |
| Other contingencies/ estimated cost of closing operations      | 33,587,943        | 15,144,914        | (1,235,010)        | (1,168,280)        | (868,093)                             | 45,461,474        |
|  | <b>71,774,463</b> | <b>18,441,810</b> | <b>(1,636,659)</b> | <b>(1,162,673)</b> | <b>734,993</b>                        | <b>88,151,934</b> |

|  | OPENING BALANCE   | INCREASE          | REDUCTION          | USAGE              | TRANSFERS &<br>PERIMETER<br>VARIATION | CLOSING BALANCE   |
|--|-------------------|-------------------|--------------------|--------------------|---------------------------------------|-------------------|
| Pensions (Note 31. Retirement plan benefits)                   | 10,674,497        | 107,989           | (1,319,444)        | -                  | (111,650)                             | 9,351,392         |
| Indemnities for termination of fixed-term employment contracts | 1,188,714         | 47,842            | (1,165,621)        | -                  | -                                     | 70,935            |
| Sealing & monitoring a landfill                                | 4,722,111         | 1,415,627         | -                  | -                  | (2,330)                               | 6,135,408         |
| Provisions for investments valued using the equity method      | 7,871,183         | 800,605           | -                  | -                  | 6,514,274                             | 15,186,062        |
| Legal proceedings  | 6,772,769         | 731,614           | (17,532)           | -                  | (56,720)                              | 7,430,131         |
| Quality warranties   | 12,943            | -                 | -                  | -                  | (351)                                 | 12,592            |
| Texto para a geovision NC/EM                                   | -                 | -                 | -                  | -                  | -                                     | -                 |
| Other contingencies/ estimated cost of closing operations      | 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, 2011 & 2010, the valuation of investments using the equity method, for which provisions were set aside, is as follows:

|                                    | 2011              | 2010              |
|------------------------------------|-------------------|-------------------|
| Grossiman                          | -                 | 1,152,584         |
| Luma e NGA (GeoVision Group)       | -                 | 1,282,903         |
| SLPP Group                         | 5,226,544         | 5,470,778         |
| Haçor                              | 3,926,876         | 1,653,691         |
| HL – Sociedade Gestora do Edifício | 2,321,293         | 2,794,490         |
| Ibercarga                          | -                 | 1,021,839         |
| Vista SA                           | 1,041,751         | 666,128           |
| STM                                | 1,371,360         | 230,110           |
| Other                              | 1,947,862         | 913,539           |
|                                    | <b>15,835,688</b> | <b>15,186,062</b> |

Following the acquisition of 50% stake in GROSSIMAN during 2011, this subsidiary has been consolidated using the full consolidation method.

As at December 31, 2011, the GEOVISION GROUP was carried as non-current asset held for sale (Note 38).

With the exception of the provisions set aside for the sealing and monitoring of landfills and for subsidiary TCL (relating to the adoption of IFRIC 12), the date of use of the others cannot be estimated, and for this reason these provisions have not been subject to financial updating.

## 29. Other current & non-current liabilities

On December 31, 2011 & 2010, information on other non-current liabilities is as follows:

| OTHER NON CURRENT LIABILITIES        | 2011              | 2010              |
|--------------------------------------|-------------------|-------------------|
| <b>Deferred income</b>               |                   |                   |
| Investment subsidies                 | 15,973,375        | 16,929,087        |
| Other deferred income (branch lines) | 10,212,667        | -                 |
|                                      | <b>26,186,042</b> | <b>16,929,087</b> |

The amount carried under "Other deferred income (branch lines)" refers to income related to the sale of branch lines, by the INDQUA SUBGROUP, and are treated as investment subsidies, and the income is recognised over the life of the Concession at the rate that the amortisation of the concession right (cost of the extension) is amortised.

Information on other current liabilities for the periods ended December 31, 2011 & 2010, is as follows:

| OTHER CURRENT LIABILITIES                | 2011               | 2010               |
|--|--------------------|--------------------|
| <b>Accrued costs</b>                     |                    |                    |
| Cost of holiday pay & bonus              | 30,109,027         | 31,088,568         |
| Interest payable                         | 10,527,050         | 7,765,659          |
| Work in progress by suppliers not billed | 160,438,172        | 44,672,485         |
| Other accrued costs                      | 151,494,645        | 256,428,143        |
|  | <b>352,568,894</b> | <b>339,954,855</b> |
| <b>Deferred income</b>                   |                    |                    |
| Invoicing in advance                     | 80,234,975         | 97,845,016         |
| Investment subsidies                     | 1,891,083          | 375,565            |
| Rents on own properties                  | 219,641            | 24,092             |
| Other deferred income                    | 46,722,113         | 32,511,311         |
|  | <b>129,067,812</b> | <b>130,755,984</b> |
|  | <b>481,636,706</b> | <b>470,710,839</b> |

The amount recorded under "Invoiced in advance" refers to the application of the policy described in note 1 for recognition of revenue on construction contracts.

The main information relating to investment subsidies granted to the GROUP is as follows:

| 2011                  |                     |                       |                       |                               |                               |
|-----------------------|---------------------|-----------------------|-----------------------|-------------------------------|-------------------------------|
| BENEFICIARY COMPANY   | AMOUNT OF THE ASSET | AMOUNT OF THE SUBSIDY | RECOGNITION OF INCOME |                               |                               |
|                       |                     |                       | DEFERRED INCOME       | RECOGNITION OF INCOME IN 2011 | RECOGNITION OF INCOME IN 2010 |
| Correia & Correia     | 3,158,324           | 462,575               | 253,728               | 208,848                       | -                             |
| Ferrovias             | 14,456,479          | 1,381,442             | 655,168               | 142,338                       | 284,568                       |
| Indaquia Feira        | 12,500,000          | 12,500,000            | 12,500,000            | -                             | -                             |
| Mota-Engil Engenharia | 15,134,461          | 4,072,500             | 1,944,118             | 238,488                       | 2,130,732                     |
| RTA                   | 7,619,971           | 3,108,194             | 1,563,389             | 107,941                       | 107,941                       |
| SGA                   | 3,956,914           | 1,377,415             | 139,981               | 82,302                        | 82,302                        |
| Other                 | 2,993,125           | 962,246               | 808,074               | -                             | -                             |
|                       |                     |                       | <b>17,864,458</b>     | <b>779,916</b>                | <b>2,605,543</b>              |

| 2010                  |                     |                       |                       |                               |                               |
|-----------------------|---------------------|-----------------------|-----------------------|-------------------------------|-------------------------------|
| BENEFICIARY COMPANY   | AMOUNT OF THE ASSET | AMOUNT OF THE SUBSIDY | RECOGNITION OF INCOME |                               |                               |
|                       |                     |                       | DEFERRED INCOME       | RECOGNITION OF INCOME IN 2011 | RECOGNITION OF INCOME IN 2010 |
| Ferrovias             | 15,318,483          | 1,207,736             | 797,506               | 284,568                       | 660,721                       |
| Indaquia 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>              |

## 30. Commitments

### Guarantees Provided

As at December 31, 2011 & 2010, 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:

|                     | 2011               | 2010                 |
|---------------------|--------------------|----------------------|
| Czech Crowns        | 3,780,599          | 4,147,559            |
| Algerians Dinars    | 4,892,293          | 5,935,342            |
| US Dollars          | 112,377,675        | 133,239,890          |
| Cape Verde Escudos  | 6,320,471          | 4,020,970            |
| Euros               | 662,030,367        | 682,281,094          |
| Hungarian Forints   | 19,859,106         | 25,390,052           |
| Malawi Kwashas      | 17,392,052         | 19,199,687           |
| Mozambican Meticals | 32,923,248         | 34,125,240           |
| Peruvian New Soles  | 42,756,149         | 35,189,848           |
| Polish Zlotys       | 92,557,247         | 58,169,015           |
| Others              | 90,779             | -                    |
|                     | <b>994,979,986</b> | <b>1,001,698,697</b> |

The breakdown by GROUP companies is as follows:

|                                   | 2011               | 2010                 |
|-----------------------------------|--------------------|----------------------|
| Áreagolfe                         | 1,190,449          | 1,181,949            |
| CPTP                              | 19,417,485         | 22,007,422           |
| Emocil                            | 5,031,232          | 2,416,369            |
| Ferrovias                         | 14,485,348         | 20,363,790           |
| Indaqua Group                     | 81,447,245         | 76,385,355           |
| Suma Group                        | 10,852,786         | 25,292,320           |
| Tertir Group                      | 35,327,031         | 81,010,152           |
| Manvia                            | 1,640,265          | 1,563,060            |
| MKC                               | 1,545,715          | -                    |
| Mota-Engil Betão e Pré-Fabricados | 5,037,840          | 5,275,079            |
| Mota-Engil Ambiente e Serviços    | 15,627,500         | 15,627,500           |
| Mota-Engil Central Europe Poland  | 94,152,967         | 58,576,891           |
| Mota-Engil Engenharia             | 579,565,214        | 617,042,898          |
| Mota-Engil Central Europe Hungary | 3,268,525          | 5,347,174            |
| Mota-Engil Pavimentações          | 8,484,598          | 7,564,274            |
| Mota-Engil Peru                   | 99,703,649         | 46,294,874           |
| Tracevia                          | 8,020,462          | 6,126,734            |
| Vibeiras                          | 8,132,079          | 8,024,982            |
| Other                             | 2,049,596          | 1,597,874            |
|                                   | <b>994,979,986</b> | <b>1,001,698,697</b> |



## 31. 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 xix) of the Main valuation criteria in Note 1. Accounting Policies

As at December 31, 2011 & 2010, the liabilities for pensioners and those for personnel in service are almost all related with MOTA-ENGIL ENGENHARIA E CONSTRUÇÃO, SA, (€9,628,911 and €8,936,770 respectively), the sums of €358,167 and €414,622 respectively being in respect of other companies.

As at December 31, 2011 & 2010, liabilities towards pensioners and towards staff in service at MOTA-ENGIL ENGENHARIA, and their respective cover, are as follows:

|  | 2011        | 2010        |
|--|-------------|-------------|
| Liabilities to pensioners                  | 1,644,900   | 1,458,253   |
| Liabilities to personnel in service        | 7,984,012   | 7,478,245   |
| Provisions set aside (Note 28. Provisions) | 9,628,911   | 8,936,770   |
| <b>% of cover</b>                          | <b>100%</b> | <b>100%</b> |

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 available actuarial study referred to December 31, 2011, was based on the following assumptions:

| Mortality tables                  | TV 73/77    |
|-----------------------------------|-------------|
| Invalidity table                  | EKV80       |
| Turnover table                    | PCRTurnover |
| Fund return rate                  | 4.5%        |
| Expected wage increase rate       | 2%          |
| Pension discount rate             | 4%          |
| Pension growth rate               | 0%          |
| Age of retirement                 | 65          |
| Number of payments of the benefit | 14          |

## 32. 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 arm's length.

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 period ended December 31, 2011, are as follows:

|   | ACCOUNTS<br>RECEIVABLE | ACCOUNTS<br>PAYABLE | LOANS GRANTED | LOANS OBTAINED |
|---|------------------------|---------------------|---------------|----------------|
| <b>Holding Company &amp; related activities</b> |                        |                     |               |                |
| Mota-Engil SGPS                                 | 43,232,352             | 5,800,686           | 118,955,902   | 68,436,466     |
| Other   | 6,933,855              | 2,178,450           | 242,000       | 3,832,557      |
| <b>Engineering &amp; Construction</b>           |                        |                     |               |                |
| Mota-Engil Engenharia                           | 71,993,682             | 237,304,652         | 141,936,806   | -              |
| Aurimove  | 92,861                 | 2,122,971           | 1,178,013     | 7,341,430      |
| Ferrovias                                       | 6,592,744              | 2,122,450           | 9,200         | -              |
| Grossiman                                       | 55,797                 | 5,211,894           | -             | -              |
| Jeremiasova                                     | -                      | 223,802             | -             | 9,341,507      |
| MKC   | -                      | 6,174,423           | -             | -              |
| Mota-Engil Angola                               | 209,707,755            | 76,336,014          | -             | 176,211        |
| Mota-Engil Betão e Pré-Fabricados               | 19,962,839             | 1,568,972           | -             | -              |
| Mota-Engil Central Europe Polónia               | 2,948,655              | 3,062,791           | 27,226,246    | 12,047,528     |
| Mota-Engil Central Europe República Checa       | 2,293,843              | 462,764             | 5,215,402     | -              |
| Mota-Engil Central Europe SGPS                  | 6,821,527              | 11,095,172          | 36,914,931    | 68,141,392     |
| Mota-Engil Pavimentações                        | 6,153,092              | 4,815,969           | -             | -              |
| Mota-Engil Real Estate Portugal                 | 2,506,149              | 1,871,193           | 26,483,730    | 21,620,500     |
| Mota-Engil S. Tomé                              | 4,699,014              | 1,120,282           | -             | 5,559,106      |
| Mota Internacional                              | 62,964,660             | 13,636,464          | 3,588,059     | -              |
| Planinova                                       | 1,500                  | 10,906,385          | -             | 9,524,000      |
| Rentaco Angola                                  | 5,643,841              | 4,791,838           | -             | -              |
| Tabella   | -                      | 18,914,564          | -             | -              |
| Wilanow   | -                      | 1,494,996           | -             | 8,792,837      |
| Other   | 30,775,059             | 24,132,442          | 5,916,257     | 37,945,463     |
| <b>Environment &amp; Services</b>               |                        |                     |               |                |
| Mota-Engil Ambiente e Serviços                  | 10,659,922             | 39,618,392          | 60,101,953    | 117,470,974    |
| Indaqua   | 1,617,747              | 317,995             | 37,727,503    | 12,748,421     |
| Indaqua Feira                                   | -                      | -                   | -             | 20,178,432     |
| Indaqua Matosinhos                              | 115,695                | 1,222,025           | -             | 7,822,735      |
| Indaqua V. Conde                                | 16,906                 | 731,144             | -             | 7,642,850      |
| Suma  | 25,691,966             | 11,139,543          | 4,872,366     | 11,467,913     |
| Tertir  | 1,519,807              | 5,578,887           | 2,940,584     | 31,476,036     |
| VBT   | 1,818,088              | 5,261,600           | -             | -              |
| Vista Waste                                     | 59,048                 | 16,064,874          | 543,183       | 71,484         |
| Other   | 29,795,510             | 39,390,280          | 10,262,895    | 22,477,188     |

|   | INTEREST GAINS | INTEREST COSTS | OTHER INCOME | OTHER COSTS |
|---|----------------|----------------|--------------|-------------|
| <b>Holding Company &amp; related activities</b> |                |                |              |             |
| Mota-Engil SGPS                                 | 6,650,227      | 2,377,263      | 11,738,800   | -           |
| Mota-Engil Serviços Partilhados                 | -              | 47,686         | 10,795,841   | -           |
| Other   | -              | 103,153        | 2,939,946    | 3,287       |
| <b>Engineering &amp; Construction</b>           |                |                |              |             |
| Mota-Engil Engenharia                           | 5,884,213      | 345,225        | 41,011,646   | 247,799,193 |
| Capsfil   | -              | -              | 6,629,312    | 1,024,298   |
| CPTP  | -              | -              | 459,746      | 4,157,490   |
| Mota-Engil Angola                               | -              | -              | 231,023,111  | 44,328,397  |
| Mota-Engil Betão e Pré-Fabricados               | -              | -              | 27,731,174   | 1,579,904   |
| Mota-Engil Central Europe Polónia               | 1,107,901      | 390,359        | 3,686,129    | 4,756,191   |
| Mota-Engil Central Europe SGPS                  | 1,264,514      | 4,201,854      | -            | -           |
| Mota-Engil Pavimentações                        | -              | -              | 12,364,046   | 13,216,830  |
| PRD-M Lublin                                    | 72,183         | 10,403         | 5,341,527    | -           |
| Prefal  | -              | -              | 4,997,810    | 310,696     |
| Rentaco   | -              | -              | 5,015,510    | 2,735       |
| Other   | 2,090,913      | 3,440,932      | 19,694,212   | 4,504,983   |
| <b>Environment &amp; Services</b>               |                |                |              |             |
| Mota-Engil Ambiente e Serviços                  | 2,550,909      | 6,509,294      | -            | -           |
| Indaqua   | 1,544,005      | 608,206        | 4,833,548    | -           |
| Suma  | 439,805        | 425,557        | 9,250,516    | 835,505     |
| Other   | 534,582        | 3,679,320      | 20,688,638   | 19,463,508  |

Transactions with associate companies booked using the equity method are not eliminated, and their amounts are as follows:

|                           | 2011       | 2010       |
|---------------------------|------------|------------|
| Accounts receivable       | 91,971,785 | 85,882,003 |
| Accounts payable          | 27,511,469 | 24,368,211 |
| Loans granted             | 62,483,305 | 56,620,017 |
| Loans obtained            | 844,249    | 590,681    |
| Sales & services rendered | 45,312,664 | 34,694,720 |
| Cost of merchandise sold  | 25,988,182 | 18,638,094 |
| Interest gains            | 4,357,988  | 2,999,482  |
| Interest costs            | 36,858     | 172,797    |

Balances and transactions with GROUP equityholders having qualified holdings or with other companies held by them are as follows:

|                           | 2011    | 2010      |
|---------------------------|---------|-----------|
| Accounts receivable       | 276,810 | 1,344,288 |
| Accounts payable          | 75,988  | 8,359     |
| Loans granted             | -       | 1,467,149 |
| Sales & services rendered | 877,746 | 739,859   |
| Cost of merchandise sold  | -       | 18,027    |

The balances and transactions were involved the following companies having equityholders in common with the GROUP:

Algosi - Gestão de Participações Sociais, SGPS, SA  
 António de Lago Cerqueira, SA  
 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

The list of GROUP equityholders having qualified holdings is 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.

The directors of the GROUP holding company and of each of its sub-holding companies are as follows:

**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                      |
| Luís Filipe Cardoso da Silva                         |
| Maria Isabel da Silva Ferreira Rodrigues Peres       |
| Luís 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, SGPS, 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 administration during the years ended December 31, 2011 & 2010 amounted to €4,404,750 (of which €3,285,000 by way of fixed remuneration, €1,014,750 by way of variable compensation and €105,000 by way of attendance fees allocated to the non-executive directors) and €4,807,163 (of which €3,565,500 by way of fixed remuneration, €1,132,163 by way of variable remuneration and €109,500 in respect of attendance fees allocated to the non-executive directors), respectively.

This compensation is determined by the remuneration committee, taking into account the individual performance and the evolution of this type of employment market.

In each of these years the remuneration of the statutory auditor amounted to €45,848 and €45,848 respectively.

Some directors have defined-benefit pensions. Information on these plans is provided in Note 31 Retirement Plan Benefits.

### 33. Exploration of mineral resources

As at December 31, 2011 & 2010, the main assets and liabilities assigned to exploitation of the GROUP's mineral resources are as follows:

|                                  | 2011       | 2010       |
|----------------------------------|------------|------------|
| <b>Fixed:</b>                    |            |            |
| Land under exploration           | 45,270,213 | 51,294,089 |
| Buildings assigned to operations | 1,885,488  | 1,743,584  |
| Equipment assigned to operations | 10,897,573 | 10,040,015 |
| <b>Inventories:</b>              |            |            |
| Mineral stock                    | 6,958,352  | 6,084,541  |
| Balances receivable              | 18,691,026 | 22,372,729 |
| Balances payable                 | 16,355,659 | 22,998,707 |

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 2011 & 2010 the GROUP's operating income and costs related with the exploitation of mineral resources are as described hereunder:

|                      | 2011             | 2010             |
|----------------------|------------------|------------------|
| Operating income     | 51,404,350       | 47,872,952       |
| Operating costs      | 44,779,978       | 39,385,624       |
| <b>EBITDA</b>        | <b>6,624,372</b> | <b>8,487,328</b> |
| <b>EBITDA margin</b> | <b>12.9%</b>     | <b>17.7%</b>     |

During 2011 & 2010 the cash flows generated by the exploitation of mineral resources are as follows:

|                              | 2011             | 2010               |
|------------------------------|------------------|--------------------|
| Cash receipts from customers | 55,086,053       | 42,386,222         |
| Cash paid to suppliers       | (51,423,026)     | (48,784,523)       |
| <b>OPERATING CASH-FLOW</b>   | <b>3,663,027</b> | <b>(6,398,301)</b> |
| Acquisition of fixed assets  | (1,836,480)      | (2,685,444)        |
| Sale of fixed assets         | 1,258,096        | 561,286            |
| <b>INVESTMENT CASH-FLOW</b>  | <b>(578,384)</b> | <b>(2,124,158)</b> |

## 34. Contribution of the companies consolidated using the proportionate consolidation method

During the period 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, 2011.

## 35. Perimeter alterations

During the period ended December 31, 2011, 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 2011, the alterations to the consolidation perimeter in terms of inclusions and exclusions were as follows:

### Acquisition of companies

|  |
|--|
| Acquisition by Vibeiras of 21.69% of the Áreagolfe equity capital, the Group now having a holding of 66.67% of the company's equity capital. |
| Acquisition by Mota-Engil Engenharia of a 75% holding in Mercado Urbano.   |
| Acquisition by Mota-Engil Central Europe Poland of the whole of the Eltor equity capital.  |
| Acquisition by Mota-Engil Engenharia of a 50% holding in Grossiman, the Group now owning the whole of the company's equity capital.          |
| Acquisition by Mota-Engil Engenharia the whole of the Cecot equity capital, the Group now also owning the whole of Emocil.                   |
| Acquisition of 59% of the Immo Park equity capital by EMSA (51%), Mota-Engil Central Europe Poland (7%) and Mota-Engil Engenharia (1%).      |

### Companies consolidated for the first time

|   |
|---|
| <b>COMPANY - PARENT COMPANY AND RELATED ACTIVITIES</b>                    |
| HEPP - Hidroenergia de Penacova e Poiars, Lda ("HEPP")                    |
| <b>BUSINESS AREA - ENGINEERING &amp; CONSTRUCTION</b>                     |
| Mota-Engil Mexico, SA de CV ("Mota-Engil Mexico")                         |
| Mota-Engil-Opway Mexicana, SA De CV ("Mota-Engil-Opway Mexicana")         |
| <b>BUSINESS AREA - ENVIRONMENT &amp; SERVICES</b>                         |
| Águas de S. João, EM, SA ("Águas de S. João")                             |
| Akwangola SA ("Akwangola")  |
| Manvia II Condutas, Lda ("Manvia II Condutas")                            |
| Operestiva - Empresa de Trabalho Portuário de Setúbal, Lda ("Operestiva") |

### Incorporation of companies:

|   |
|---|
| <b>COMPANY - PARENT COMPANY AND RELATED ACTIVITIES</b>        |
| ME 3I, SGPS, SA ("ME 3I SGPS")                                |
| <b>BUSINESS AREA - ENGINEERING &amp; CONSTRUCTION</b>         |
| Kilniskiego Property Investment Sp. z oo ("Kilniskiego PI")   |
| MEBR Engenharia, Consultoria e Participações ("MEBR")         |
| Mota-Engil Colômbia, SAS ("Mota-Engil Colômbia")              |
| Száz - Invest Project Development Kft ("Száz - Invest")       |
| <b>BUSINESS AREA - ENVIRONMENT &amp; SERVICES</b>             |
| Enviroil II - Reciclagem de Óleos Usados, Lda ("Enviroil II") |



## Company mergers and reorganisations:

|   |
|---|
| Merger of Mota-Engil Kruszywa SA into Mota-Engil Central Europe Poland.   |
| Merger of Mota-Engil Lublin, Sp zoo into PRD-M Lublin, after acquisition of a 0.1% holding in PRD-M Lublin, the Group now owning the whole of the company's equity capital. |
| Reorganisation of the firms Rentaco Angola, Angola Tracevia, Prefal, Fatra, Icer and Novicer.   |
| Merger of E.A.Moreira - Agentes de Navegação, SA, and Sadomar - Agentes de Navegação e Trânsitos, SA, into Tertir.  |

## Removal of companies from the perimeter:

|   |
|---|
| Sale of holding in Realmota, sro  |
| Winding up of the firm Tergep, SGPS, SA   |
| Winding up of the firm Beiratir - Terminals Covilhã, Lda  |
| Winding up of the firm M-Invest Slovakia, sro   |
| Departure of Suma Brasil Participações Ltda, Serurb Brasil Participações Ltda and of the Geo Vision Group from the perimeter because they were carried as held-for-sale assets. |
| Winding up of the firm TTRM, Transferência e Triagem de Resíduos da Madeira ACE.  |

## Changes in consolidation method:

|  |
|--|
| ALTERATION OF THE CONSOLIDATION METHOD FROM THE EQUITY METHOD TO FULL CONSOLIDATION OF THE FOLLOWING COMPANIES OPERATING IN THE ENGINEERING AND CONSTRUCTION AREA: |
| Grossiman SL ("Grossiman")   |

## 36. 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:

|  | 2011              | 2010              | 2009 RESTATED     | 2008              | 2007              |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Sales and services rendered                                | 2,176,072,110     | 2,004,550,902     | 1,978,732,739     | 1,868,731,191     | 1,401,899,756     |
| EBITDA   | 295,957,315       | 237,293,889       | 196,268,213       | 311,336,139       | 248,495,314       |
| EBIT   | 169,383,880       | 131,746,011       | 112,493,490       | 192,740,342       | 148,186,387       |
| Financial profit / (loss)                                  | (79,714,093)      | (50,927,593)      | (47,835,971)      | (129,759,258)     | (107,453,070)     |
| Consolidated net profit / (loss) attributable to the group |                   |                   |                   |                   |                   |
| to Non-Controlling interests                               | 37,646,285        | 32,406,014        | 9,946,801         | 9,204,245         | 10,206,823        |
| to the Group   | <b>33,432,054</b> | <b>36,950,674</b> | <b>72,612,478</b> | <b>30,565,438</b> | <b>97,538,375</b> |

|   | 2011                 | 2010                 | 2009 RESTATED        | 2008                 | 2007                 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| <b>Assets</b>                             |                      |                      |                      |                      |                      |
| Non-current                               | 1,499,573,944        | 1,544,113,841        | 1,416,446,234        | 2,253,100,986        | 2,114,522,603        |
| Non-current available for sale            | 86,340,429           | 67,807,496           | 29,043,672           | 29,043,672           | -                    |
| Current                                   | 1,938,382,555        | 1,844,244,847        | 1,458,407,514        | 1,427,506,596        | 1,249,847,829        |
|   | <b>3,524,296,928</b> | <b>3,456,166,184</b> | <b>2,903,897,420</b> | <b>3,709,651,254</b> | <b>3,364,370,432</b> |
| <b>Liabilities</b>                        |                      |                      |                      |                      |                      |
| Non-current                               | 1,054,129,627        | 1,049,494,243        | 878,822,935          | 1,934,379,034        | 1,906,922,121        |
| Current                                   | 2,055,342,715        | 1,925,942,042        | 1,632,263,747        | 1,433,955,137        | 1,095,720,799        |
|   | <b>3,109,472,342</b> | <b>2,975,436,285</b> | <b>2,511,086,682</b> | <b>3,368,334,171</b> | <b>3,002,642,920</b> |
| <b>Equity capital</b>                     |                      |                      |                      |                      |                      |
| Attributable to the Group                 | 312,991,608          | 411,707,342          | 342,609,114          | 289,021,913          | 315,347,369          |
| Attributable to Non-controlling interests | 101,832,978          | 69,022,557           | 50,201,624           | 52,295,170           | 46,380,143           |
|   | <b>414,824,586</b>   | <b>480,729,899</b>   | <b>392,810,738</b>   | <b>341,317,083</b>   | <b>361,727,512</b>   |
|   | <b>3,524,296,928</b> | <b>3,456,166,184</b> | <b>2,903,897,420</b> | <b>3,709,651,254</b> | <b>3,364,370,432</b> |

## 37. Notes to the Consolidated Cash-flow Statement

During the periods ended December 31, 2011 & 2010, the breakdown of amounts paid in respect of the acquisition of financial investments is as follows:

|                  | 2011             | 2010              |
|------------------|------------------|-------------------|
| Geo Vision Group | -                | 21,509,000        |
| Idinsa           | -                | 10,418,931        |
| Other            | 2,151,013        | 1,515,241         |
|                  | <b>2,151,013</b> | <b>33,443,172</b> |

During the periods ended December 31, 2011 & 2010, the breakdown of amounts received associated with the sale of financial investments is as follows:

|            | 2011             | 2010             |
|------------|------------------|------------------|
| Glintt     | -                | 370,000          |
| Jasz-Vasut | -                | 1,159,000        |
| Other      | 1,193,229        | 492,692          |
|            | <b>1,193,229</b> | <b>2,021,692</b> |

### 38. Non-current assets held for sale

The GROUP decided to classify under this heading two non-operational plots 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 did not prove possible, in 2011, to undertake sale 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 properties are carried at cost.

At the end of 2011, a strategic choice, under a pooling of interests between the MOTA-ENGIL Group and the Leão Group, SUMA sold its entire holding in GEO VISION in exchange for an increase of its holding in the Brazil Concessionária Rodovias do Tiete (CRT) highway concession from 40% to 50%. As at December 31, 2011, the operation was still pending approval of the lenders and of the concessor.

### 39. Subsequent events

The main subsequent events occurring in 2011 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.

### 40. Approval of the financial statements

These financial statements were approved by the Board of Directors of the GROUP on March 12, 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:

| NAME  | REGISTERED OFFICE        | HOLDING PERCENTAGE | BUSINESS   | INCORPORATION DATE | ACQUISITION DATE |
|---|--------------------------|--------------------|--|--------------------|------------------|
| <b>COMPANY - PARENT COMPANY AND RELATED ACTIVITIES</b>  |                          |                    |  |                    |                  |
| <b>Mota-Engil, SGPS, SA, Plc ("Mota-Engil SGPS")</b>  | Portugal (Amarante)      | -                  | Holding Company                                  | 01-08-1990         | -                |
| <b>Largo do Paço – Investimentos Turísticos e Imobiliários, Lda. ("Largo do Paço")</b>                              | Portugal (Amarante)      | <b>100,00</b>      | Property Development                             | -                  | 01-10-2001       |
| Through Mota-Engil SGPS   |                          | 100,00             |  |                    |                  |
| <b>ME 31, SGPS, SA ("ME 31 SGPS")</b>   | Portugal (Linda-a-Velha) | <b>61,20</b>       | Holding Company                                  | 01-10-2011         | -                |
| Through Mota-Engil Indústria e Inovação   |                          | 61,20              |  |                    |                  |
| <b>MESP Central Europe Sp. z o.o. ("MESP Central Europe")</b>   | Poland (Krakow)          | <b>100,00</b>      | Administrative Services                          | 01-12-2009         | -                |
| Through Mota-Engil Serviços Partilhados   |                          | 100,00             |  |                    |                  |
| <b>MESP - Mota Engil, Serviços Partilhados, Administrativos e de Gestão, SA ("Mota-Engil Serviços Partilhados")</b> | Portugal (Amarante)      | <b>100,00</b>      | Administrative Services                          | 01-12-2002         | -                |
| Through Mota-Engil SGPS   |                          | 100,00             |  |                    |                  |
| <b>Mota-Engil Brasil Participações, Ltda ("Mota-Engil Brasil")</b>  | Brazil (São Paulo)       | <b>100,00</b>      | Holding Company                                  | 01-02-2009         | -                |
| Through Mota-Engil SGPS   |                          | 100,00             |  |                    |                  |
| <b>Mota-Engil Energia, SA ("Mota-Engil Energia")</b>  | Portugal (Linda-a-Velha) | <b>100,00</b>      | Hydroelectricity generation                      | 01-06-2010         | -                |
| Through Mota-Engil SGPS   |                          | 100,00             |  |                    |                  |
| <b>- Mota-Engil, Indústria e Inovação, SGPS, SA ("Mota-Engil Indústria e Inovação")</b>                             | Portugal (Linda-a-Velha) | <b>100,00</b>      | Holding Company                                  | 01-11-2010         | -                |
| Through Mota-Engil SGPS   |                          | 100,00             |  |                    |                  |
| <b>RTA – Rio Tâmega, Turismo e Recreio, SA ("RTA")</b>  | Portugal (Amarante)      | <b>100,00</b>      | Property & tourism                               | -                  | 01-05-2000       |
| Through Mota-Engil SGPS   |                          | 100,00             |  |                    |                  |
| <b>SGA – Sociedade do Golfe de Amarante, SA ("SGA")</b>   | Portugal (Amarante)      | <b>97,17</b>       | Golf and related activities and their marketing  | 01-12-2000         | -                |
| Through RTA   |                          | 96,89              |  |                    |                  |
| Through Mota-Engil Engenharia   |                          | 0,28               |  |                    |                  |
| <b>BUSINESS AREA - ENGINEERING &amp; CONSTRUCTION</b>   |                          |                    |  |                    |                  |
| <b>Mota-Engil, Engenharia e Construção, SA ("Mota-Engil Engenharia")</b>  | Portugal (Amarante)      | <b>100,00</b>      | Building & purchase & sale of properties         | -                  | 01-12-2000       |
| Through Mota-Engil SGPS   |                          | 100,00             |  |                    |                  |
| <b>Aurimove – Sociedade Imobiliária, SA ("Aurimove")</b>  | Portugal (Porto)         | <b>100,00</b>      | Property Development                             | 01-12-1993         | -                |
| Through Mota-Engil Real Estate Portugal   |                          | 100,00             |  |                    |                  |
| <b>Bergamon, AS ("Bergamon")</b>  | Slovakia (Bratislava)    | <b>100,00</b>      | Property Development                             | 01-05-2004         | -                |
| Through Mota-Engil Central Europe, SGPS   |                          | 100,00             |  |                    |                  |
| <b>Bicske Plaza Kft ("Bicske Plaza")</b>  | Hungary (Budapest)       | <b>100,00</b>      | Property Development                             | 30-01-2008         | -                |
| Through Mota-Engil Central Europe, SGPS   |                          | 100,00             |  |                    |                  |
| <b>Bohdalecká Project Development sro ("Bohdalecká")</b>  | Czech Republic (Prague)  | <b>100,00</b>      | Property Development                             | -                  | 01-09-2007       |
| Through Mota-Engil Central Europe, SGPS   |                          | 100,00             |  |                    |                  |
| <b>Calçadas do Douro - Sociedade Imobiliária, Lda ("Calçadas do Douro")</b>   | Portugal (Porto)         | <b>100,00</b>      | Property Development                             | -                  | 01-09-2000       |
| Through Mota-Engil Real Estate Portugal   |                          | 100,00             |  |                    |                  |
| <b>Carlos Augusto Pinto dos Santos &amp; Filhos SA ("Capsfil")</b>  | Portugal (Vila Flor)     | <b>100,00</b>      | Gravel and Sand Quarrying and Crushed Stone      | 19-03-1977         | 02-10-2009       |
| Through Mota-Engil Engenharia   |                          | 100,00             |  |                    |                  |
| <b>Cecot - Centro de Estudos e Consultas Técnicas, Lda ("Cecot")</b>  | Mozambique (Maputo)      | <b>100,00</b>      | Civil Construction Design and Supervision        | 01-09-1998         | 01-04-2011       |
| Through Mota-Engil Engenharia   |                          | 100,00             |  |                    |                  |
| <b>Companhia Portuguesa de Trabalhos Portuários e Construções, SA ("CPTP")</b>                                      | Portugal (Lisbon)        | <b>100,00</b>      | Cosntruction and port works                      | -                  | 01-07-2002       |
| Through Mota-Engil Engenharia   |                          | 100,00             |  |                    |                  |
| <b>Corgimobil - Empresa Imobiliária das Corgas, Lda ("Corgimobil")</b>  | Portugal (Cascais)       | <b>97,25</b>       | Construction, studies and real-estate activities | -                  | 11-11-2000       |
| Through Mota-Engil Engenharia   |                          | 71,79              |  |                    |                  |
| Through Mota-Engil Real Estate Portugal   |                          | 25,46              |  |                    |                  |
| <b>Devonská Project Development AS ("Devonská")</b>   | Czech Republic (Prague)  | <b>100,00</b>      | Property Development                             | 01-12-2006         | -                |
| Through Mota-Engil Central Europe, Poland   |                          | 100,00             |  |                    |                  |
| <b>Dmowskiego Project Development ("Dmowskiego")</b>  | Poland (Krakow)          | <b>100,00</b>      | Property Development                             | 01-08-2007         | -                |
| Through Mota-Engil Central Europe, Poland   |                          | 100,00             |  |                    |                  |
| <b>Edifício Mota Viso – Soc. Imobiliária, Lda ("Mota Viso")</b>   | Portugal (Porto)         | <b>100,00</b>      | Property Development                             | 01-06-1994         | -                |
| Through Mota-Engil Real Estate Portugal   |                          | 100,00             |  |                    |                  |
| <b>Edipainel – Utilidades, Equipamentos e Investimentos Imobiliários, Lda ("Edipainel")</b>                         | Portugal (Porto)         | <b>100,00</b>      | Property Development                             | 01-03-2002         | -                |
| Through Mota-Engil Real Estate Portugal   |                          | 70,00              |  |                    |                  |
| Through Mota-Engil Engenharia   |                          | 30,00              |  |                    |                  |
| <b>Eltor, SA ("Eltor")</b>  | Poland (Tczew)           | <b>100,00</b>      | Civil construction & public works                | 01-01-1992         | 01-04-2011       |
| Through Mota-Engil Central Europe, Poland   |                          | 100,00             |  |                    |                  |
| <b>Emocil – Empresa Moçambicana de Construção Imobiliária ("Emocil")</b>  | Mozambique (Maputo)      | <b>100,00</b>      | Property Development                             | 01-07-1994         | -                |
| Through Mota-Engil Engenharia   |                          | 50,00              |  |                    |                  |
| Through Indimo  |                          | 50,00              |  |                    |                  |
| <b>Fatra - Fábrica de Trefilária de Angola, SA ("Fatra")</b>  | Angola (Luanda)          | <b>35,70</b>       | Manufacture of iron-derivatives procduts         | -                  | 01-11-2010       |
| Through Mota-Engil Angola   |                          | 35,70              |  |                    |                  |
| <b>Ferrovias e Construções, SA ("Ferrovias")</b>  | Portugal (Linda-a-Velha) | <b>100,00</b>      | Railway construction & maintenance               | 01-04-1988         | 01-09-1994       |
| Through Mota-Engil Engenharia   |                          | 100,00             |  |                    |                  |
| <b>Fibreglass Sundlete (Moç) Lda ("Fibreglass")</b>   | Mozambique (Maputo)      | <b>100,00</b>      | Manufacture of glass fibres                      | 01-08-1962         | 01-03-1999       |
| Through Mota-Engil Engenharia   |                          | 100,00             |  |                    |                  |
| <b>Grossiman SL ("Grossiman")</b>   | Spain (Alcobendas)       | <b>100,00</b>      | Special foundations                              | 01-02-1996         | 01-12-1995       |
| Through Mota-Engil Engenharia   |                          | 100,00             |  |                    |                  |

| NAME   | REGISTERED OFFICE       | HOLDING PERCENTAGE               | BUSINESS  | INCORPORATION DATE | ACQUISITION DATE |
|--|-------------------------|----------------------------------|---|--------------------|------------------|
| <b>Hungária Hotel Kft Achat ("Achat Hotel Hungary")</b><br>Through Mota-Engil Central Europe, SGPS   | Hungary (Budapest)      | 100,00<br>100,00                 | Property Development  | 01-06-2008         | -                |
| <b>Jeremiasova Project Development, sro ("Jeremiasova")</b><br>Through Mota-Engil Central Europe, Poland<br>Through Mota-Engil Central Europe Czech Republic                     | Czech Republic (Prague) | 100,00<br>99,00<br>1,00          | Property Development  | 25-06-2008         | 06-10-2009       |
| <b>Kilniskiego Project Development Sp. z oo ("Kilniskiego")</b><br>Through Mota-Engil Central Europe, Poland   | Poland (Krakow)         | 100,00<br>100,00                 | Property Development  | 01-08-2007         | -                |
| <b>Kilniskiego Property Investment Sp. z oo ("Kilniskiego PI")</b><br>Through Kilniskiego<br>Through Mota-Engil Central Europe, Poland   | Poland (Krakow)         | 100,00<br>99,99<br>0,01          | Property Development  | 01-09-2011         | -                |
| <b>Kordylewskiego Development Project Sp. z oo ("Kordylewskiego")</b><br>Through Mota-Engil Central Europe, SGPS   | Poland (Krakow)         | 100,00<br>100,00                 | Property Development  | 01-02-2005         | -                |
| <b>MEBR Engenharia, Consultoria e Participações ("MEBR")</b><br>Through Mota-Engil Engenharia  | Brazil (São Paulo)      | 100,00<br>100,00                 | Construction and public works                                       | 01-03-2011         | -                |
| <b>Mercado Urbano - Gestão Imobiliária, SA ("Mercado Urbano")</b><br>Through Mota-Engil Engenharia   | Portugal (Porto)        | 75,00<br>75,00                   | Property Development  | 01-07-2009         | 01-03-2011       |
| <b>Metroepszolg, Zrt ("Metroepszolg")</b><br>Through Mota-Engil Magyarország   | Hungary (Budapest)      | 100,00<br>100,00                 | Public Works  | 01-12-2000         | -                |
| <b>Mil e Sessenta - Sociedade Imobiliária, Lda ("Mil e Sessenta")</b><br>Through Mota-Engil Real Estate Portugal   | Portugal (Porto)        | 100,00<br>100,00                 | Property Development  | -                  | 01-07-2001       |
| <b>M-Invest Bohdalec, AS, v likvidaci ("M-Invest Bohdalec")</b><br>Through Mota-Engil Central Europe, SGPS   | Czech Republic (Prague) | 100,00<br>100,00                 | Property Development  | 01-09-2003         | -                |
| <b>Devonska M-Invest, sro ("M-Invest Devonska")</b><br>Through Mota-Engil Central Europe, SGPS   | Czech Republic (Prague) | 100,00<br>100,00                 | Property Development  | 01-11-2006         | -                |
| <b>M-Invest, sro ("M-Invest")</b><br>Through Mota-Engil Central Europe, SGPS   | Czech Republic (Prague) | 100,00<br>100,00                 | Property Development  | 01-03-1998         | 01-12-2000       |
| <b>MK Contractors, LLC ("MKC")</b><br>Through Mota-Engil Engenharia  | USA (Miami)             | 100,00<br>100,00                 | Property Development  | 01-03-2002         | -                |
| <b>Mota Internacional - Comércio e Consultadoria Económica, Lda ("Mota Internacional")</b><br>Through Mota-Engil África  | Portugal (Funchal)      | 100,00<br>100,00                 | Trading and managing international holdings                         | 01-09-1997         | 01-12-1998       |
| <b>Motadómus - Sociedade Imobiliária, Lda. ("Motadómus")</b><br>Through Aurimove<br>Through Mota-Engil Real Estate Portugal  | Portugal (Porto)        | 100,00<br>95,00<br>5,00          | Civil construction  | 21-01-1997         | 01-01-2001       |
| <b>Mota-Engil África, SGPS, SA ("Mota-Engil África")</b><br>Through Mota-Engil Engenharia  | Portugal (Porto)        | 100,00<br>100,00                 | Holding Company   | 01-05-2010         | -                |
| <b>Mota-Engil Angola, SA ("Mota-Engil Angola")</b><br>Through Mota Internacional   | Angola (Luanda)         | 51,00<br>51,00                   | Civil construction and public and private works                     | 01-05-2010         | -                |
| <b>Mota-Engil Betão e Pré-Fabricados, Sociedade Unipessoal, Lda. ("Mota-Engil Betão e Pré-Fabricados")</b><br>Through Mota-Engil Engenharia                                      | Portugal (Porto Alto)   | 100,00<br>100,00                 | Manufacture and sale of concrete, cement and asphalt                | 01-07-1996         | -                |
| <b>Mota-Engil Brand Management BV ("Mota-Engil Brand Management")</b><br>Through Mota-Engil Central Europe, SGPS   | Netherlands (Amsterdam) | 100,00<br>100,00                 | Management of brands and other intellectual property                | 01-12-2009         | -                |
| <b>Mota-Engil, Brands Development Limited ("Mota-Engil Brands Development")</b><br>Through Mota-Engil Central Europe, SGPS   | Ireland (Dublin)        | 100,00<br>100,00                 | Promotion and development of brands and other intellectual property | 01-12-2009         | -                |
| <b>Mota-Engil Central Europe, SGPS, SA ("Mota-Engil SGPS Central Europe")</b><br>Through Mota-Engil Engenharia   | Portugal (Porto)        | 100,00<br>100,00                 | Holding Company   | 01-12-2002         | -                |
| <b>Mota-Engil Central Europe, SA ("Mota-Engil SGPS Central Europe")</b><br>Through Mota-Engil Central Europe, SGPS<br>Through Tabella<br>Through Mota-Engil Real Estate Portugal | Poland (Krakow)         | 100,00<br>77,88<br>17,65<br>4,47 | Civil construction  | 01-02-1953         | 01-03-1999       |
| <b>Mota-Engil Central Europe Ceska Republika ("Mota-Engil Central Europe Czech Republic")</b><br>Through Mota-Engil Central Europe, Poland                                       | Czech Republic (Prague) | 100,00<br>100,00                 | Civil construction & public works                                   | 01-01-1997         | -                |
| <b>Mota-Engil Central Europe Hungary Beruházási és Építőipari Kft ("Mota-Engil SGPS Central Europe Hungary")</b><br>Through Mota-Engil Central Europe, Poland                    | Hungary (Budapest)      | 100,00<br>100,00                 | Civil construction & public works                                   | 01-02-2008         | -                |
| <b>Mota-Engil Central Europe Romania SRL ("Mota-Engil Central Europe Romania")</b><br>Through Mota-Engil Central Europe, Poland  | Romania (Bucharest)     | 100,00<br>100,00                 | Highway construction  | 01-07-2009         | -                |
| <b>Mota-Engil Central Europe Slovenská Republika ("Mota-Engil Central Europe Slovakia")</b><br>Through Mota-Engil Central Europe, Poland   | Slovakia (Bratislava)   | 100,00<br>100,00                 | Construction works  | 01-08-2004         | -                |
| <b>Mota-Engil Colômbia, SAS ("Mota-Engil Colombia")</b><br>Through Mota-Engil Peru   | Colombia (Bogota)       | 100,00<br>100,00                 | Civil construction & public works                                   | 01-02-2011         | -                |
| <b>Mota-Engil Investitii AV srl ("Mota-Engil Investitii")</b><br>Through Mota-Engil Central Europe, SGPS   | Romania (Bucharest)     | 100,00<br>100,00                 | Property Development  | -                  | 01-09-2007       |
| <b>Mota-Engil Ireland Construction Limited ("Mota-Engil Ireland")</b><br>Through Mota-Engil Engenharia   | Ireland (Ballinasloe)   | 60,00<br>60,00                   | Civil construction  | 01-10-2007         | -                |
| <b>Mota-Engil Magyarország Zrt ("Mota-Engil Magyarország")</b><br>Through Mota-Engil Engenharia  | Hungary (Budapest)      | 100,00<br>100,00                 | Public Works  | 01-01-1996         | -                |
| <b>Mota-Engil Mexico, SA de CV ("Mota-Engil Mexico")</b><br>Through Mota-Engil Engenharia  | Mexico (Mexico City)    | 100,00<br>100,00                 | Construction  | 01-01-2010         | -                |
| <b>Mota-Engil Pavimentações, SA ("Mota-Engil Pavimentações")</b><br>Through Mota-Engil Engenharia  | Portugal (Amarante)     | 100,00<br>100,00                 | Construction  | 01-01-1986         | -                |
| <b>Mota-Engil Peru, SA ("Mota-Engil Peru")</b><br>Through Mota Internacional<br>Through Mota-Engil Engenharia  | Peru (Lima)             | 100,00<br>99,90<br>0,10          | Construction industry and complementary activities                  | 01-09-1986         | 01-06-1998       |
| <b>Mota-Engil Project 1 Kft ("GOD")</b><br>Through Mota-Engil Real Estate Hungary  | Hungary (Budapest)      | 100,00<br>100,00                 | Public Works  | 07-10-2005         | -                |

| NAME  | REGISTERED OFFICE           | HOLDING PERCENTAGE                    | BUSINESS  | INCORPORATION DATE | ACQUISITION DATE |
|---|-----------------------------|---------------------------------------|---|--------------------|------------------|
| <b>Mota-Engil Property Investments Sp z oo ("Mota-Engil Property")</b><br>Through Mota-Engil Central Europe, SGPS   | Poland<br>(Krakow)          | <b>100,00</b><br>100,00               | Property Development  | -                  | 01-09-2007       |
| <b>Mota-Engil Real Estate Hungary Kft ("Mota-Engil Real Estate Hungary")</b><br>Through Mota-Engil Central Europe, SGPS                                   | Hungary<br>(Budapest)       | <b>100,00</b><br>100,00               | Property Development  | 01-07-2005         | -                |
| <b>Mota-Engil Real Estate Management ("Mota-Engil Real Estate Management")</b><br>Through Mota-Engil Central Europe, SGPS                                 | Polónia<br>(Krakow)         | <b>100,00</b><br>100,00               | Property Development  | 01-06-2005         | -                |
| <b>Mota-Engil Real Estate Portugal, SA ("Mota-Engil Real Estate Portugal")</b><br>Through Mota-Engil Engenharia   | Portugal<br>(Porto)         | <b>100,00</b><br>100,00               | Property Development  | 01-09-2001         | -                |
| <b>Mota-Engil S.Tomé e Príncipe ("Mota-Engil S.Tomé")</b><br>Through Mota Internacional<br>Through Mota-Engil Engenharia                                  | São Tomé e<br>(S. Tomé)     | <b>100,00</b><br>95,00<br>5,00        | Public Works and/or Civil Construction Contractor           | 08-12-2004         | -                |
| <b>Nortedómus, Lda ("Nortedómus")</b><br>Through Mota-Engil Engenharia  | Portugal<br>(Lisbon)        | <b>100,00</b><br>100,00               | Property Development  | -                  | 01-10-2001       |
| <b>Piastowska Project Development Sp. z oo ("Piastowska")</b><br>Through Mota-Engil Central Europe, SGPS  | Poland<br>(Krakow)          | <b>100,00</b><br>100,00               | Construction works  | 01-04-2006         | -                |
| <b>Planinova – Sociedade Imobiliária, SA ("Planinova")</b><br>Through Mota-Engil Real Estate Portugal   | Portugal<br>(Porto)         | <b>100,00</b><br>100,00               | Property Development  | 01-12-2000         | -                |
| <b>Prefal – Préfabricados de Luanda, Lda ("Prefal")</b><br>Through Mota-Engil Angola  | Angola<br>(Luanda)          | <b>45,90</b><br>45,90                 | Pre-stressed concrete manufacture                           | 01-12-1993         | -                |
| <b>Przedsiębiorstwo Drogowo Robot - w Mostowych Lublinie Sp z oo ("PRD-M Lublin")</b><br>Through Mota-Engil Central Europe, Poland                        | Polónia<br>(Lublin)         | <b>100,00</b><br>100,00               | Highway construction  | 01-04-1999         | 01-06-2010       |
| <b>Rentaco - Equipamentos de Construção, Transportes, Combustíveis e Serviços, Sociedade Unipessoal, Lda ("Rentaco")</b><br>Through Mota-Engil Engenharia | Portugal<br>(Porto Alto)    | <b>100,00</b><br>100,00               | Rental of construction equipment                            | 01-09-1989         | 01-07-1996       |
| <b>Rentaco Angola ("Angola Rentaco")</b><br>Through Mota-Engil Angola   | Angola<br>(Luanda)          | <b>51,00</b><br>51,00                 | Rental of construction equipment                            | 01-01-2008         | -                |
| <b>Sedengil - Sociedade Imobiliária, Lda ("Sedengil")</b><br>Through Mota-Engil Engenharia  | Portugal<br>(Matosinhos)    | <b>100,00</b><br>100,00               | Property Development  | 01-10-1982         | May-95 / May-97  |
| <b>Steinerova Project Development AS ("Steinerova")</b><br>Through Mota-Engil Central Europe, Poland  | Czech Republic<br>(Prague)  | <b>100,00</b><br>100,00               | Property Development  | 01-02-2004         | -                |
| <b>Száz - Invest Project Development Kft ("Száz - Invest")</b><br>Through Mota-Engil Central Europe, SGPS   | Hungary<br>(Budapest)       | <b>100,00</b><br>100,00               | Property Development  | 01-08-2011         | -                |
| <b>Tabella Holding, BV ("Tabella")</b><br>Through Mota-Engil Central Europe, SGPS   | Netherlands<br>(Amsterdam)  | <b>100,00</b><br>100,00               | Management of holdings                                      | 01-11-1998         | -                |
| <b>Tecnocaril – Sociedade de Serviços Industriais e Ferroviários, Lda ("Tecnocaril")</b><br>Through Ferrovias<br>Through Mota-Engil Engenharia            | Portugal<br>(Entroncamento) | <b>100,00</b><br>85,00<br>15,00       | Treatment of timber for railway use                         | 01-01-1994         | 01-09-1994       |
| <b>Tetenyi Project Development Kft ("Tetenyi")</b><br>Through Mota-Engil Central Europe, SGPS   | Hungary<br>(Budapest)       | <b>100,00</b><br>100,00               | Property Development  | 01-01-2005         | -                |
| <b>Tracevia - Sinalização, Segurança e Gestão de Tráfego, Lda ("Tracevia")</b><br>Through Mota-Engil Engenharia   | Portugal<br>(Sintra)        | <b>100,00</b><br>100,00               | Highway marking & traffic management                        | 01-06-1980         | 01-10-1984       |
| <b>Tracevia Angola - Sinalização, Segurança e Gestão de Tráfego, Lda ("Tracevia Angola")</b><br>Through Mota-Engil Angola                                 | Angola<br>(Luanda)          | <b>40,80</b><br>40,80                 | Highway Marking & Signs                                     | -                  | 01-09-2007       |
| <b>Traversofer - Ferroviaires Industrie et Services SARL ("Traversofer")</b><br>Through Ferrovias   | Algeria<br>(Algiers)        | <b>50,00</b><br>50,00                 | Railway construction & maintenance                          | 11-12-2007         | -                |
| <b>Wılanow Project Development SP. z oo ("Wılanow")</b><br>Through Mota-Engil Central Europe, Poland  | Poland<br>(Krakow)          | <b>80,00</b><br>80,00                 | Property Development  | 01-06-2007         | -                |
| <b>Wilenska Project Development Sp. z oo ("Wilenska")</b><br>Through Mota-Engil Central Europe, SGPS  | Poland<br>(Krakow)          | <b>100,00</b><br>100,00               | Property Development  | 01-01-2005         | -                |
| <b>Zöld-Project z Kft ("GOD 2")</b><br>Through Mota-Engil Central Europe, SGPS  | Hungary<br>(Budapest)       | <b>100,00</b><br>100,00               | Public Works  | 05-06-2008         | -                |
| <b>Zsombor Utcai Kft ("Zsombor")</b><br>Through Mota-Engil Central Europe, SGPS   | Hungary<br>(Budapest)       | <b>100,00</b><br>100,00               | Property Development  | 20-06-2007         | -                |
| <b>BUSINESS AREA – ENVIRONMENT &amp; SERVICES</b>   |                             |                                       |   |                    |                  |
| <b>Mota-Engil, Ambiente e Serviços, SGPS, SA ("Mota-Engil Ambiente e Serviços")</b><br>Through Mota-Engil SGPS  | Portugal<br>(Porto)         | <b>100,00</b><br>100,00               | Holding Company   | 01-06-1997         | -                |
| <b>Akwangola SA ("Akwangola")</b><br>Through Vista Water  | Angola<br>(Benguela)        | <b>43,74</b><br>43,74                 | Operation and management of water and sewage systems        | 01-12-2010         | -                |
| <b>Areagolfe - Gestão, Construção e Manutenção de Campos de Golf, SA ("Areagolfe")</b><br>Through Vibeiras  | Portugal<br>(Torres Novas)  | <b>66,67</b><br>66,67                 | Golf courses  | -                  | 01-07-2007       |
| <b>Aqualevel - Management Information Systems, Soc Unipessoal, Lda ("Aqualevel")</b><br>Through Indaqua   | Portugal<br>(Covilhã)       | <b>50,06</b><br>50,06                 | Operation and management of water and sewage systems        | -                  | 01-05-2009       |
| <b>Citrave - Centro Integrado de Resíduos de Aveiro, SA ("Citrave")</b><br>Through Suma<br>Through Novaflex<br>Through Suma Esposende                     | Portugal<br>(Lisbon)        | <b>46,13</b><br>44,90<br>0,62<br>0,62 | Non-hazardous waste treatment and disposal                  | 01-12-1987         | 01-10-2006       |
| <b>Correia &amp; Correia, Lda ("Correia &amp; Correia")</b><br>Through Enviroil   | Portugal<br>(Sertão)        | <b>45,45</b><br>45,45                 | Collection & marketing of used oil                          | 01-09-1988         | 01-02-2000       |
| <b>Ekosrodowisko Spółka z oo ("Ekosrodowisko")</b><br>Through MES   | Poland<br>(Bytom)           | <b>61,50</b><br>61,50                 | Solid urban waste   | 16-02-2005         | 01-12-2005       |
| <b>EMSA – Empreendimentos e Exploração de Estacionamento, SA ("EMSA")</b><br>Through Mota-Engil Ambiente e Serviços                                       | Portugal<br>(Cascais)       | <b>100,00</b><br>100,00               | Design, construction, operation and management of car parks | 01-12-2000         | -                |
| <b>Enviroil – Resíduos e Energia, Lda ("Enviroil")</b><br>Through Suma  | Portugal<br>(Torres Novas)  | <b>45,45</b><br>45,45                 | Non-metallic waste enhancement                              | 01-11-1997         | -                |



| NAME   | REGISTERED OFFICE                 | HOLDING PERCENTAGE                      | BUSINESS   | INCORPORATION DATE | ACQUISITION DATE |
|--|-----------------------------------|---|--|--------------------|------------------|
| <b>Enviroil II – Reciclagem de Óleos Usados, Lda ("Enviroil II")</b><br>Through Enviroil   | Portugal<br>(Torres Novas)        | <b>45,45</b><br>45,45                   | Non-metallic waste enhancement   | 01-04-2011         | -                |
| <b>Glan Agua, Ltd ("Glanagua")</b><br>Through MEIS   | Ireland<br>(Ballinasloe)          | <b>70,00</b><br>70,00                   | Waste treatment, operation and management of water systems                         | 24-01-2008         | -                |
| <b>GT - Investimentos Internacionais SGPS, SA ("GT SGPS")</b><br>Through Tertir SGPS   | Portugal<br>(Porto)               | <b>98,88</b><br>98,88                   | Holding Company  | 02-10-2006         | -                |
| <b>Immo Park, Sp. z oo ("Immo Park")</b><br>Through EMSA<br>Through Mota-Engil Central Europe, Poland<br>Through Mota-Engil Engenharia                                 | Poland<br>(Krakow)                | <b>59,00</b><br>51,00<br>7,00<br>1,00   | Design, construction, operation and management of car parks                        | 01-01-2008         | 01-03-2011       |
| <b>Indaqua – Indústria e Gestão de Águas, SA ("Indaqua")</b><br>Through Mota-Engil Ambiente e Serviços<br>Through MEAS II  | Portugal<br>(Matosinhos)          | <b>50,06</b><br>50,05<br>0,01           | Operation and management of water and sewage systems                               | 21-06-1994         | -                |
| <b>Indaqua Fafe – Gestão de Águas de Fafe, SA ("Indaqua Fafe")</b><br>Through Indaqua  | Portugal<br>(Fafe)                | <b>50,06</b><br>50,06                   | Operation and management of water and sewage systems                               | 15-12-1995         | -                |
| <b>Indaqua Feira - Indústria de Águas de Santa Maria da Feira, SA ("Indaqua Feira")</b><br>Through Indaqua<br>Through Mota-Engil Engenharia                            | Portugal<br>(Sta. Maria da Feira) | <b>50,06</b><br>49,06<br>1,00           | Operation and management of water and sewage systems                               | 12-03-1999         | -                |
| <b>Indaqua Matosinhos - Gestão de Águas de Matosinhos, SA ("Indaqua Matosinhos")</b><br>Through Indaqua<br>Through Mota-Engil Engenharia                               | Portugal<br>(Matosinhos)          | <b>49,81</b><br>48,81<br>1,00           | Operation and management of water and sewage systems                               | 26-06-2007         | -                |
| <b>Indaqua Santo Tirso – Gestão de Águas de Santo Tirso, SA ("Indaqua Sto. Tirso")</b><br>Through Indaqua  | Portugal<br>(Santo Tirso)         | <b>50,06</b><br>50,06                   | Operation and management of water and sewage systems                               | 01-12-1998         | -                |
| <b>Indaqua Vila do Conde - Gestão de Águas de Vila do Conde, SA ("Indaqua Conde")</b><br>Through Indaqua<br>Through Mota-Engil Engenharia                              | Portugal<br>(Vila do Conde)       | <b>49,92</b><br>49,06<br>0,86           | Water distribution   | 17-12-2007         | -                |
| <b>InvestAmbiente - Recolha de Resíduos e Gestão de Sistemas de Saneamento Básico, SA ("Investambiente")</b><br>Through Novaflex                                       | Portugal<br>(Lisbon)              | <b>31,98</b><br>31,98                   | Non-hazardous waste collection   | 03-02-2000         | 01-12-2007       |
| <b>Liscont – Operadores de Contentores, SA ("Liscont")</b><br>Through Tertir SGPS  | Portugal<br>(Lisbon)              | <b>82,01</b><br>82,01                   | Container operators  | 24-11-1983         | 01-10-2006       |
| <b>Lokemark - Soluções de Marketing ("Lokemark")</b><br>Through Mota-Engil Ambiente e Serviços   | Portugal<br>(Setúbal)             | <b>70,00</b><br>70,00                   | Other support and services activities  | 01-06-2003         | 01-09-2007       |
| <b>Manvia - Manutenção e Exploração de Instalações e Construção, SA, ("Manvia")</b><br>Through Mota-Engil Ambiente e Serviços  | Portugal<br>(Lisbon)              | <b>90,00</b><br>90,00                   | Maintenance & operation of installations   | 04-07-1994         | 01-06-1998       |
| <b>Mota-Engil II, Gestão, Ambiente, Energia e Concessões de Serviços, SA ("MEAS II")</b><br>Through Mota-Engil Ambiente e Serviços                                     | Portugal<br>(Porto)               | <b>100,00</b><br>100,00                 | Project management   | 01-12-2003         | -                |
| <b>Mota-Engil Ireland Services Ltd ("MEIS")</b><br>Through Mota-Engil Ambiente e Serviços  | Ireland<br>(Ballinasloe)          | <b>70,00</b><br>70,00                   | Waste treatment, operation and management of water systems                         | 22-01-2008         | -                |
| <b>Mota-Engil Srodowisko, Sp z oo ("MES")</b><br>Through Suma  | Poland<br>(Krakow)                | <b>61,50</b><br>61,50                   | Solid urban waste  | 01-12-2005         | -                |
| <b>Multiterminal - Soc de Estiva e Tráfego, SA ("Multi-Terminal")</b><br>Through Tertir  | Portugal<br>(Lisbon)              | <b>98,88</b><br>98,88                   | Terminal operation   | 04-05-1979         | 01-10-2006       |
| <b>Nova Beira - Gestão de Resíduos, SA ("Nova Beira")</b><br>Through Novaflex  | Portugal<br>(Lisbon)              | <b>30,85</b><br>20,30                   | Non-hazardous waste treatment and disposal   | -                  | 01-12-2007       |
| <b>Novaflex - Técnicas do Ambiente, SA</b><br>Through Suma   | Portugal<br>(Lisbon)              | <b>61,50</b><br>61,50                   | Other non-hazardous waste collection   | -                  | 01-12-2007       |
| <b>Proempar - Promoção e Gestão de Parques Empresariais e Tecnológicos, SA ("Proempar")</b><br>Through Mota-Engil Ambiente e Serviços<br>Through Mota-Engil Engenharia | Portugal<br>(Porto)               | <b>52,00</b><br>26,00<br>26,00          | Promotion, operation and management of technological and industrial business parks | 02-10-2006         | -                |
| <b>PTT - Parque Tecnológico do Tâmega ("PTT")</b><br>Through Proempar<br>Through Mota-Engil Ambiente e Serviços<br>Through Mota-Engil Engenharia                       | Portugal<br>(Felgueiras)          | <b>51,20</b><br>31,20<br>10,00<br>10,00 | Promotion and management of technological business parks                           | 01-12-2006         | -                |
| <b>Real Verde - Técnicas de Ambiente, SA ("Real Verde")</b><br>Through Novaflex  | Portugal<br>(Vila Real)           | <b>58,43</b><br>58,43                   | Non-hazardous waste treatment and disposal   | 01-12-2007         | -                |
| <b>Resiges - Gestão de Resíduos Hospitalares, Lda ("Resiges")</b><br>Through Novaflex  | Portugal<br>(Setúbal)             | <b>61,50</b><br>61,50                   | Hazardous waste collection   | 06-05-1998         | 01-12-2007       |
| <b>Resilei – Tratamento de Resíduos Industriais, Lda ("Resilei")</b><br>Through Suma   | Portugal<br>(Leiria)              | <b>30,75</b><br>30,75                   | Non-hazardous waste treatment and disposal   | -                  | 01-06-2003       |
| <b>Rima – Resíduos Industriais e Meio Ambiente, SA ("Rima")</b><br>Through Suma  | Portugal<br>(Silvares)            | <b>59,12</b><br>59,12                   | Treatment of industrial waste  | 14-08-2001         | -                |
| <b>Sealine - Navegação e Afretamentos ("Sealine")</b><br>Through Socarpor SGPX<br>Through Socarpor Aveiro  | Portugal<br>(Aveiro)              | <b>60,14</b><br>50,54<br>9,60           | Shipping agents  | -                  | 01-10-2006       |
| <b>SIGA - Serviço Integrado Gestão Ambiental ("Siga")</b><br>Through Suma  | Portugal<br>(S. Roque)            | <b>43,05</b><br>43,05                   | Non-hazardous waste treatment and disposal   | 27-10-2008         | -                |
| <b>Socarpor - Soc. Cargas Port. (Aveiro), SA ("Socarpor Aveiro")</b><br>Through Socarpor SGPX<br>Through Tertir SGPS   | Portugal<br>(Aveiro)              | <b>63,98</b><br>52,37<br>11,61          | Port services  | -                  | 01-10-2006       |
| <b>Socarpor - Soc. Gestora de Participações Sociais (Douro e Leixões), SA ("Socarpor SGPS")</b><br>Through Tertir SGPS   | Portugal<br>(Matosinhos)          | <b>59,46</b><br>59,46                   | Management of holdings   | -                  | 01-10-2006       |
| <b>Sol-S Internacional, Tecnologias de Informação, SA ("Sol-S Internacional")</b><br>Through Suma  | Portugal<br>(Funchal)             | <b>61,50</b><br>61,50                   | Computer programming activities  | 01-06-2000         | -                |

| NAME   | REGISTERED OFFICE           | HOLDING PERCENTAGE                     | BUSINESS   | INCORPORATION DATE | ACQUISITION DATE |
|--|-----------------------------|--|--|--------------------|------------------|
| <b>Sonauta - Sociedade de Navegação, Lda ("Sonauta")</b><br>Through Mota Internacional   | Angola<br>(Luanda)          | <b>100,00</b><br>100,00                | Shipping / excluding coastal shipping                | 16-11-1994         | -                |
| <b>Sotagus - Terminal de Contentores de Santa Apolónia, SA ("Sotagus")</b><br>Through Tertir SGPS                                      | Portugal<br>(Lisbon)        | <b>98,88</b><br>98,88                  | Container terminals                                  | -                  | 01-10-2006       |
| <b>SRI - Gestão de Resíduos, Lda ("SRI")</b><br>Through Correia & Correia  | Portugal<br>(Sertão)        | <b>45,45</b><br>45,45                  | Hazardous waste collection                           | 27-07-2008         | -                |
| <b>Suma (Douro) - Serviços Urbanos e Meio Ambiente, Lda ("Suma Douro")</b><br>Through Suma   | Portugal<br>(Murça)         | <b>61,50</b><br>61,50                  | Urban refuse collection                              | 27-07-2000         | -                |
| <b>Suma (Esposende) - Serviços Urbanos e Meio Ambiente, Lda ("Suma Esposende")</b><br>Through Suma                                     | Portugal<br>(Esposende)     | <b>61,50</b><br>61,50                  | Urban refuse collection                              | 06-12-1999         | -                |
| <b>Suma (Matosinhos) - Serviços Urbanos e Meio Ambiente, SA ("Suma Matosinhos")</b><br>Through Suma                                    | Portugal<br>(Matosinhos)    | <b>61,50</b><br>61,50                  | Urban refuse collection                              | 01-12-2000         | -                |
| <b>Suma (Porto) - Serviços Urbanos e Meio Ambiente, SA ("Suma Porto")</b><br>Through Suma  | Portugal<br>(Porto)         | <b>61,50</b><br>61,50                  | Urban refuse collection                              | 06-11-2008         | -                |
| <b>Suma - Serviços Urbanos e Meio Ambiente, SA ("Suma")</b><br>Through Mota-Engil Ambiente e Serviços                                  | Portugal<br>(Lisbon)        | <b>61,50</b><br>61,50                  | Urban refuse collection                              | 01-06-1994         | -                |
| <b>Takargo-Trasporte de Mercadorias, SA ("Takargo")</b><br>Through Tertir SGPS<br>Through Ferrovias                                    | Portugal<br>(Linda-a-Velha) | <b>99,21</b><br>69,21<br>30,00         | Carriage of goods by rail                            | 11-09-2006         | -                |
| <b>TCL - Terminal de Contentores de Leixões, SA ("TCL")</b><br>Through Tertir SGPS<br>Through Socarpor SGPX                            | Portugal<br>(Matosinhos)    | <b>54,50</b><br>30,85<br>23,65         | Cargo Handling                                       | 31-01-1996         | -                |
| <b>Terminais Portuários Euroandinos ("TPE Paíta")</b><br>Through Tertir<br>Through Mota-Engil Peru                                     | Peru<br>(Paíta)             | <b>49,55</b><br>39,55<br>10,00         | Terminal operation                                   | -                  | -                |
| <b>Temor - Sociedade de Exploração de Terminais, SA ("Temor")</b><br>Through Mota-Engil Ambiente e Serviços<br>Through Tertir          | Portugal<br>(Matosinhos)    | <b>98,00</b><br>94,16<br>3,84          | Unrefrigerated warehousing                           | 15-02-1974         | 01-10-2006       |
| <b>Tertir - Concessões Portuárias, SGPS, SA ("Tertir SGPS")</b><br>Through Tertir<br>Through Multiterminal                             | Portugal<br>(Lisbon)        | <b>98,88</b><br>68,12<br>30,76         | Holding Company                                      | 01-10-2007         | -                |
| <b>Tertir - Terminais de Portugal, SA ("Tertir")</b><br>Through Mota-Engil Ambiente e Serviços<br>Through Temor<br>Through Liscont     | Portugal<br>(Lisbon)        | <b>98,88</b><br>64,67<br>32,07<br>2,14 | Terminal operation                                   | -                  | 01-10-2006       |
| <b>Transitex do Brasil Serviços e Logística, Ltda ("Transitex Brasil")</b><br>Through Transitex Spain<br>Through Transitex Portugal    | Brazil<br>(São Paulo)       | <b>84,04</b><br>83,20<br>0,84          | Transport organisation                               | 01-05-2010         | -                |
| <b>Transitex México, SA de CV ("Transitex Mexico")</b><br>Through Transitex Spain  | Mexico<br>(Mexico City)     | <b>84,04</b><br>84,04                  | Transport organisation                               | 01-02-2009         | -                |
| <b>Transitex Moçambique, Lda ("Transitex Mozambique")</b><br>Through Transitex Portugal<br>Through GT SGPS                             | Mozambique<br>(Maputo)      | <b>84,04</b><br>79,84<br>4,20          | Container operators                                  | 01-11-2008         | -                |
| <b>Transitex - Trânsitos de Extremadura, SA ("Transitex Portugal")</b><br>Through Transitex Spain                                      | Portugal<br>(Lisbon)        | <b>84,04</b><br>84,04                  | Transport organisation                               | 01-05-2008         | -                |
| <b>Transitex - Trânsitos de Extremadura, SL ("Transitex Spain")</b><br>Through Tertir SGPS   | Spain<br>(Badajoz)          | <b>84,04</b><br>84,04                  | Container operators                                  | 11-11-2002         | -                |
| <b>Transitos de Extremadura SL Transitex Lietuvos filialas ("Transitex Lithuania")</b><br>Through Transitex Spain                      | Spain<br>(Badajoz)          | <b>84,04</b><br>84,04                  | Container operators                                  | 01-04-2008         | -                |
| <b>Tratofoz - Sociedade de Tratamento de Resíduos, SA ("Tratofoz")</b><br>Through Mota-Engil Ambiente e Serviços<br>Through Suma       | Portugal<br>(Mallorca)      | <b>99,62</b><br>99,00<br>0,62          | Urban refuse collection                              | 01-10-2002         | -                |
| <b>Triu - Técnicas de Resíduos Industriais e Urbanos, SA ("Triu")</b><br>Through Suma  | Portugal<br>(Prior Velho)   | <b>61,50</b><br>61,50                  | Non-hazardous waste collection                       | 01-04-1991         | 01-09-2008       |
| <b>VBT - Projectos e Obras de Arquitectura Paisagística, Lda ("VBT")</b><br>Through Mota-Engil Ambiente e Serviços<br>Through Vibeiras | Angola<br>(Luanda)          | <b>43,34</b><br>10,00<br>33,34         | Garden planting and maintenance activities           | 01-09-2008         | -                |
| <b>Vibeiras - Sociedade Comercial de Plantas, SA ("Vibeiras")</b><br>Through Mota-Engil Ambiente e Serviços                            | Portugal<br>(Torres Novas)  | <b>66,67</b><br>66,67                  | Garden planting and maintenance activities           | 01-07-1988         | 01-10-1998       |
| <b>Vista Waste Management, Lda ("Vista Waste")</b><br>Through Suma<br>Through Vista SA   | Angola<br>(Luanda)          | <b>50,64</b><br>30,14<br>20,50         | Waste collection                                     | 01-12-2009         | -                |
| <b>Vista Water, Lda ("Vista Water")</b><br>Through Indaqua<br>Through Vista SA   | Angola<br>(Luanda)          | <b>43,78</b><br>22,53<br>21,25         | Operation and management of water and sewage systems | 01-05-2009         | -                |

## 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, 2011, are as follows:

| NAME   | REGISTERED OFFICE | EFFECTIVE PERCENTAGE OF HOLDING |
|--|-------------------|---------------------------------|
| <b>COMPANY - PARENT COMPANY AND RELATED ACTIVITIES</b>   |                   |                                 |
| HEPP - Hidroenergia de Penacova e Poiares, Lda ("HEPP")  | Portugal          | 50,00                           |
| Pentele-Alisca Autópálya - Uzemeleto Kft ("Pentele-Alisca")                                    | Hungary           | 45,00                           |
| <b>BUSINESS AREA - ENGINEERING &amp; CONSTRUCTION</b>  |                   |                                 |
| Asinter – Comércio Internacional, Lda ("Asinter")  | Portugal          | 30,00                           |
| Auto Sueco Angola, SA ("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                           |
| Icer – Indústria de Cerâmica, Lda ("Icer")   | Angola            | 25,50                           |
| Mamaia Investments, SRL ("Mamaia")   | Romania           | 24,00                           |
| M-Invest Slovakia Mierova , sro ("Mierova")  | Slovakia          | 50,00                           |
| M-Invest Slovakia Tmavska, sro ("Tmavska")   | Slovakia          | 50,00                           |
| Mota-Engil-Opway Mexicana, SA De CV ("Mota-Engil-Opway Mexicana")                              | Mexico            | 50,00                           |
| Nádor Öböl Kft ("Nádor Obol")  | Hungary           | 29,70                           |
| Novicer-Cerâmicas de Angola, Lda ("Novicer")   | Angola            | 20,40                           |
| Öböl Invest Kft ("Obol Invest")  | Hungary           | 30,00                           |
| Öböl XI Kft ("Obol XI")  | Hungary           | 29,70                           |
| Probigalp Bituminous Binders, SA ("Probigalp")   | Portugal          | 40,00                           |
| Sampaio Kft ("Sampaio")  | Hungary           | 29,70                           |
| Soltysowska Project Development Sp. z oo ("Soltysowska")                                       | Poland            | 34,00                           |
| Turalgo-Sociedade de Promoção Imobiliária e Turística do Algarve, SA ("Turalgo")               | Portugal          | 51,00                           |
| <b>BUSINESS AREA – ENVIRONMENT &amp; SERVICES</b>  |                   |                                 |
| Águas de S. João, EM, SA ("Águas de S. João")  | Portugal          | 24,53                           |
| Ambigere, SA ("Ambigere")  | Portugal          | 30,75                           |
| Ambilital – Investimentos Ambientais no Alentejo, EIM ("Ambilital")                            | Portugal          | 30,14                           |
| Chinalog - Serviços Logísticos e Consultadoria, Lda ("Chinalog")                               | Portugal          | 49,44                           |
| Citrupe – Centro Integrado de Resíduos, Lda ("Citrupe")  | Portugal          | 18,45                           |
| Ecolezíria - Empresa Intermunicipal para o Tratamento de Resíduos Sólidos, EIM, ("Ecolezíria") | Portugal          | 15,07                           |
| Haçor, Conc. Edifício do Hospital da Ilha Terceira, SA ("Haçor")                               | Portugal          | 40,00                           |
| HL - Sociedade Gestora do Edifício, SA ("HL - Sociedade Gestora do Edifício")                  | Portugal          | 50,00                           |
| Ibercargo Rail, SA ("Ibercargo")   | Spain             | 49,61                           |
| Logz - Atlantic Hub, SA ("Logz")   | Portugal          | 29,66                           |
| Manvia II Condutas, Lda ("Manvia II Condutas")   | Portugal          | 45,00                           |
| Operestiva - Empresa de Trabalho Portuário de Setúbal, Lda ("Operestiva")                      | Portugal          | 29,66                           |
| Parquegil - Planeamento e Gestão de Estacionamento, SA ("Parquegil")                           | Portugal          | 50,00                           |
| Sadoport - Terminal Marítimo do Sado, SA ("Sadoport")  | Portugal          | 49,44                           |
| SLPP - Serviços Logísticos de Portos Portugueses, SA ("SLPP")                                  | Portugal          | 49,44                           |
| Sociedade de Terminais de Moçambique, Lda ("STM")  | Mozambique        | 49,44                           |
| Tersado - Terminais Portuários do Sado, SA ("Tersado")   | Portugal          | 24,72                           |
| Vista Energy Environment & Services ("Vista SA")   | Angola            | 50,00                           |
| Vortal – Comércio Electrónico, Consultadoria e Multimédia, SA ("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>                    |





MOTAENGIL, SGPS, S.A.

CONSOLIDATED  
REPORT &  
ACCOUNTS  
2011

### 3. REPORT ON CORPORATE GOVERNANCE PRACTICES





## o. Statement of Compliance

**o.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).

**o.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 THE 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 & 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. 11       |
| <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 do 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   | o.4 & I.8   |
| <b>I.5 MINUTES OF MEETINGS AND INFORMATION OF 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 & 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. | Complied       | I.19        |
| <b>I.6.3</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        |

| Recommendation/ Chapter  | Compliance   | Report                    |
|--|--------------|---------------------------|
| <b>II. MANAGEMENT AND SUPERVISORY BODIES</b>   |              |                           |
| <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 judgement, 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. | Not complied | 0.4, II.5, II.6 & 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 & 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.   | Not complied | 0.4 & 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> 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.   | Not complied | 0.4 & 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 shall not be considered independent if, in another corporate office, he 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 selection process of candidates for non-executive directorship shall be so conceived as to prevent interference by executive directors.  | Not complied | 0.4 & 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:<br><br>(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,   | Not complied | 0.4, II.31, II.32 & II.33 |

| Recommendation/ Chapter   | Compliance     | Report      |
|---|----------------|-------------|
| <p>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 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>(viii) 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 statement on the policy of remuneration of 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 statement 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 statement 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.   | Not complied   | 0.4 & 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       |

## II.2 BOARD OF DIRECTORS

|   |                |      |
|---|----------------|------|
| <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 |

| Recommendation/ Chapter  | Compliance   | Report            |
|--|--------------|-------------------|
| <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 thereon in the annual report on corporate governance. | Not complied | 0.4, II.3 & II.11 |

### 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 & 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 thereof.              | 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 & 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 & 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 & 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 & 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 & 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 & 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                      |

## III. INFORMATION AND AUDIT

| Recommendation/ Chapter   | Compliance   | Report       |
|---|--------------|--------------|
| <b>III.1 GENERAL DUTIES OF INFORMATION</b>  |              |              |
| <b>III.1.1</b> Companies shall ensure that there is permanent contact with the market, having regard for the principle of equal treatment of equityholders and preventing asymmetries in access to information by investors. To this end the company shall have an investor support office.   | Complied     | III.16       |
| <b>III.1.2</b> 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     | -            |
| <b>III.1.3</b> 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.  | Complied     | III.18       |
| <b>III.1.4</b> 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     | -            |
| <b>III.1.5</b> 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 | o.4 & III.17 |

#### IV. CONFLICTS OF INTERESTS

##### IV.1 RELATIONS WITH EQUITYHOLDERS

|  |              |                 |
|--|--------------|-----------------|
| <b>IV.1.1</b> The company's business with equityholders having a qualified holding or with entities with which they are in any relationship pursuant to Article 20 of the Securities Code, shall be conducted at arm's length.   | Complied     | III.11 & III.12 |
| <b>IV.1.2</b> Business of significant importance with equityholders with a qualified holding or with entities with which they are in any relationship pursuant to 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 | o.4 & III.13    |

#### o.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.

#### o.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. MOTA-ENGIL believes that this is the model that best protects corporate interests.

*II.1.1.2 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.*

The current model of risk management and internal control MOTA-ENGIL still does not allow fully addresses the requirements of Recommendation II.1.1.2., particularly with regard to analysis and measurement of impact and likelihood of each of the potential risks. This notwithstanding, the Board of Directors and the Board of Auditors recognise the importance that the risk-management and internal-control systems have for the organisation, and they therefore endeavour to promote human and technological conditions able to prove a control environment proportionate and adequate to the risks of the business. In this connection, and for best practices to be adopted in this area, the current model of internal control and risk management of the MOTA-ENGIL GROUP is undergoing revision.

***II.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. MOTA-ENGIL believes 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.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.

***II.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 in the selection process.

***II.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.

*(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.*

Although there is no deferral of the payment of the said variable remuneration and the Remuneration Committee seeks to so structure the remuneration of the members of the management body as to allowed 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

*(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 misrepresent their non-executive function.

**II.1.5.3** *The statement 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.*

Although the policy statement on remuneration presented at the General Meeting had not covered management salaries, this report amply addresses the said policy in respect of management (see section II.29).

**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 chair, 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.1.5 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, 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.

## 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 three 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 2011, the chairman of the board of the General Meeting earned €4,500.

#### **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

Although the MOTA-ENGIL articles of association allow the Company to issue non-voting preference shares, this category of shares does not exist at this time.

#### **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 50% of the equity capital.

#### **I.9** Existence of statutory rules on the exercise of voting rights by correspondence

The 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 not restriction in this connection.

**I.0** Provision of a form for the exercise of voting rights by correspondence

The Company has 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 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 equityholders are able to access via the Internet site ([www.mota-engil.pt](http://www.mota-engil.pt)) 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 no complementary pension or early-retirement schemes for the directors. The founder-equityholder directors benefit from a defined-benefit pension plan that provides the beneficiaries 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

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.

**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) <sup>(4)</sup>

Maria Manuela Queirós Vasconcelos Mota dos Santos (Member)

Maria Teresa Queirós Vasconcelos Mota Neves da Costa (Member)



Maria Paula Queirós Vasconcelos Mota de Meireles (Member)  
 Ismael Antunes Hernandez Gaspar (Member)  
 Luís Manuel Ferreira Parreirão Gonçalves (Member) <sup>(1)</sup>  
 Jose Luis Rangel Catela Lima (Member) <sup>(2)</sup>  
 Luis Filipe Cardoso da Silva (Member) (CFO) <sup>(4)</sup>  
 Carlos António Vasconcelos Mota dos Santos <sup>(3)</sup>  
 Maria Isabel da Silva Ferreira Rodrigues Peres (Member)  
 Pedro Manuel Teixeira Rocha Antelo <sup>(3)</sup>  
 Luís Valente de Oliveira (Independent Member)  
 António Bernardo Aranha da Gama Lobo Xavier (Independent Member)  
 António Manuel da Silva Vila Cova (Independent Member)

- (1) In December 2011, Luís Manuel Gonçalves Ferreira Parreirão Gonçalves resigned from the post of non-executive member of the Board of Directors of Mota-Engil SGPS, SA.
- (2) In September 2011, José Luis Catela Rangel de Lima resigned from the post of non-executive member of the Board of Directors of MOTA-ENGIL, SGPS, SA.
- (3) In February 2012, following the resignations submitted by former directors Luis Manuel Ferreira Parreirão Gonçalves and José Luis Catela Rangel de Lima, the following new members were co-opted to the current term (2010-13): Carlos António Vasconcelos Mota dos Santos and Pedro Manuel Teixeira Rocha Antelo.
- (4) In February 2012, following the resolution adopted by the Board of Directors, the CFO came to be Gonçalo Nuno Gomes de Moura Andrade Martins.

Even though the Board of Directors has changed in February 2012, all the information in this report will refer to the composition as at December 31, 2011.

#### Executive Committee (2010-13)

Jorge Paulo Sacadura de Almeida Coelho (Chairman)  
 Arnaldo José Nunes da Costa Figueiredo  
 Gonçalo Nuno Gomes de Andrade Moura Martins  
 Maria Paula Queirós Vasconcelos Mota de Meireles <sup>(1)</sup>  
 Ismael Antunes Hernandez Gaspar  
 Luis Filipe Cardoso da Silva <sup>(1)</sup>  
 Carlos António Vasconcelos Mota dos Santos <sup>(2)</sup>  
 Maria Isabel da Silva Ferreira Rodrigues Peres

- (1) In February 2012, following the resolution adopted by the Board of Directors, Maria Paula Queirós Vasconcelos Mota de Meireles and Luís Filipe Cardoso da Silva are members of the Executive Committee.
- (2) In February 2012, following the resolution adopted by the Board of Directors, Carlos António Vasconcelos Mota dos Santos came to belong to the Executive Committee.

Even though the board of Directors has changed in February 2012, all the information in this report will refer to the composition as at December 31, 2011.

#### Board of Auditors (2011-14)

Prof Alberto João Coraceiro de Castro (Chairman)  
 José Rodrigues de Jesus (Full Member)  
 Horacio Fernando Reis e Sá (Full Member)  
 Pedro Manuel Seara Cardoso Perez (Alternate Member)

#### Official Auditor (2011-14)

António Magalhães e Carlos Santos, SROC, represented by Carlos Alberto Freitas dos Santos, ROC

#### External Auditor registered with the CMVM

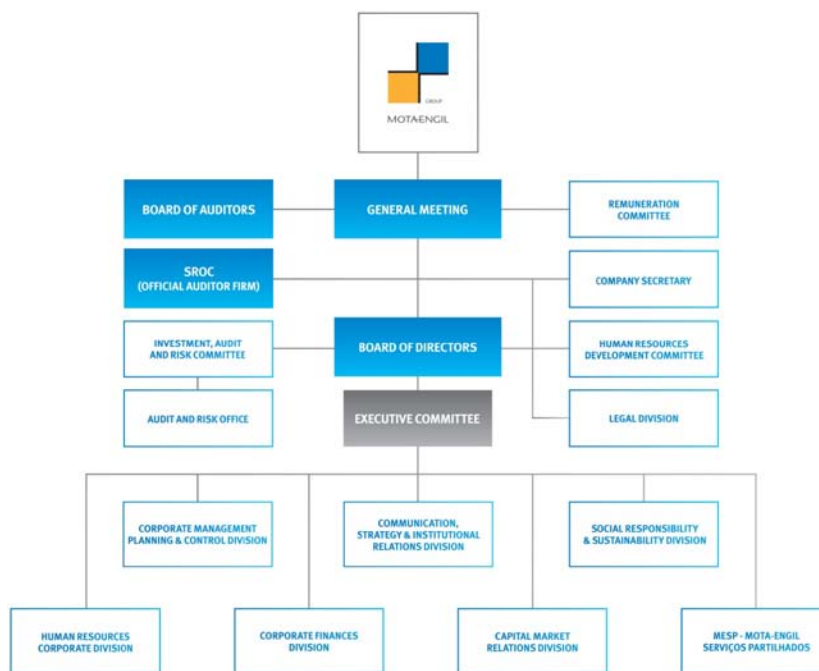
Deloitte & Associados, SROC, SA, represented by Jorge Manuel Araújo de Beja Neves

## 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

As at December 31, 2011 MOTA-ENGIL, SGPS, SA, has a Board of Directors comprising 13 members: one chairman, three deputy-chairmen and nine 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 six 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 Co-ordination Office, sends to the chairmen of the Board of Directors and of the Board of Auditors notices of meetings and minutes of the respective meetings 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 Division
  - Communication & Image
  - New Businesses
  - Shared Services
- Arnaldo José Nunes da Costa Figueiredo
  - New Lisbon Airport Project
  - High Speed Network
  - Group representative on the Board of Directors of Martifer SGPS, SA
  - Chairman of Mota-Engil Indústria e Inovação SGPS, SA
- Gonçalo Nuno Gomes de Andrade Moura Martins
  - Environment & Services Business
  - Transport Concessions Business
- Maria Paula Queirós Vasconcelos Mota de Meireles
  - Tourism Business
- Ismael Antunes Hernandez Gaspar
  - Engineering & Construction Business
  - Operational Mining Unit
- Luís Filipe Cardoso da Silva
  - Corporate Management Planning & Control Division
  - Corporate Finances Division
  - Capital Market Relations Division
  - Group representative on the Board of Directors of Martifer SGPS, SA
- Maria Isabel da Silva Ferreira Rodrigues Peres
  - Human Resources Corporate Division;
  - Social Responsibility & Sustainability Division;
  - Executive Committee interlocutor with the 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.

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 performing their non-executive duties the directors were not faced with any constraints in 2011. The annual management report includes a description of the activity of the non-executive directors.

### **Supervisory Bodies**

Supervision of the company is undertaken by a 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.

### **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 (Chair), 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 2011, 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** Reference to the fact that the annual reports on the activity of the general and supervisory board, the financial matters committee, the audit committee and the board of auditors 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. Sensitivity analyses carried out on the main financial risks, taking into account the high probability of their occurrence, are described in Note 11 of the 2011 Annual Report.

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 audit on the development of processes or activities in every materially-relevant area and company of the MOTA-ENGIL GROUP.

The risk-management process at MOTA-ENGIL is supported by the COSO (*Enterprise Risk Management - Integrated Framework*) methodology, which includes in particular the evaluation and award of degrees of criticality and priority to the risks in the light of the impacts on the business objectives and probability of occurrence. In general terms, the

mode of operation of internal-control and risk-management system implemented in the Company is 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, integrity, information-systems 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, Corporate Management & Control Division, Finance Division and Corporate Human Resources Division).
- 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 the internal-control and risk-management system allowed an assessment of its effectiveness, while continuing to suggest improvement measures to be implemented in the short and medium term.

It should also be noted that in 2011, and in conjunction with a specialised consultancy firm, MOTA-ENGIL carried out a series of extreme-impact sensitivity tests (stress tests) in respect of several exogenous variables important to the business of the GROUP, such as interest rates, credit indices and exchange rates.

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 Board of Auditors recognise the importance to the organisation of risk and internal-control management systems, promoting the human and technological infrastructure capable of providing proportional control environment and appropriate to the risks of the business.

The Board of Directors is charged with ensuring the creation and working of the internal-control and risk-management systems, while the Board of Auditors is assigned, among others things, responsibility for assessing the functioning of these systems and proposing their adjustment to the needs needs of the Company. In this respect, it should also be noted that, as stipulated in Article 420.1(i) of the Companies Code the Board of Auditors is charged with monitoring the efficacy of the risk-management system, the internal-control system and the internal-audit system.



The Supervisory Body monitors all the relevant matters of the Company issues and attends all the Board of Directors' meetings. Both the management and the supervisory bodies access the reports and opinions Audit, Investment and Risk Committee referred to in the preceding point, making an evaluation of the working and of the adjustment to the needs of the Company, and of internal-control and risk-management systems.

**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 o 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. MOTA-ENGIL believes 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 risk mapping of the materially-relevant companies of the MOTA-ENGIL GROUP led to the conclusion that the main risks to which the Company is exposed are its dependence on customers, the conduct of the competition, liquidity, debt levels, interest rate, as well as the diversity of legal and fiscal frameworks to which the Company is exposed as a result the various countries in which 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 shall elect 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 as well as its alternate member or members (Article 16 of the articles of association). The articles of association do not



stipulate any specific mechanism for the replacement of members of the Board of Auditors, which therefore takes place in accordance with Article 415 of the Companies Code.

- Official Auditors: At the proposal of the Audit Committee, 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                | Nº of meetings 2011 |
|---------------------|---------------------|
| Board of Directors  | 7                   |
| Executive Committee | 23                  |
| Board of Auditors   | 4                   |

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 2011 the Executive Committee met on 23 occasions. Notices of meetings and their supporting documents, including the minutes of previous meetings, are sent by the Executive Committee Co-ordination Office to the Executive Committee members 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 <sup>(1)</sup>                        | Executive / Non-Executive | Independent / Non-Independent |
|--|---------------------------|-------------------------------|
| António Manuel Queirós Vasconcelos da Mota     | Non-executive             | Non-independent               |
| Jorge Paulo Sacadura Almeida Coelho            | Executive                 | Non-independent               |
| Arnaldo José Nunes da Costa Figueiredo         | Executive                 | Non-independent               |
| Gonçalo Nuno Gomes de A. Moura Martins         | Executive                 | Non-independent               |
| Maria Manuela Queirós V. Mota dos Santos       | Non-executive             | Non-independent               |
| Maria Teresa Queirós V. Mota Neves da Costa    | Non-executive             | Non-independent               |
| Maria Paula Queirós V. Mota de Meireles        | Executive                 | Non-independent               |
| Ismael Antunes Hernandez Gaspar                | Executive                 | Non-independent               |
| Luís Filipe Cardoso da Silva                   | Executive                 | Non-independent               |
| Maria Isabel da Silva Ferreira Rodrigues Peres | Executive                 | Non-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                   |

(1) As at December 31, 2011

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, 2011, the Board of Directors comprised 13 members, of whom seven were executive and six 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 six non-executive directors only three are qualified as independent directors, and these account for 23% 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 most meetings of the Board of Directors, 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 Committee, Audit and Risk Committee comprises three directors, one being independent non-executive.

**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 use was made solely and exclusively of the mechanism provided for 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 he 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 equityholders who are the signatories thereof, and the executive directors do not take part in the 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 2011 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 & II.19** 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. 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 (Chair)

### 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 seven years, in addition to being the chair of the Board of Directors and chair of the Remuneration Committee of Mota-Engil, SGPS, SA, he is a corporate officer of various Group and of other companies outside the Group.

### Nº of shares as at 31/12/2011

5,257,005 shares

### 1st Appointment

March 31, 2000

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Chair of the Board of the General Meeting of Mota-Engil, Engenharia e Construção, SA
- Chair of the Board of the General Meeting of Mota-Engil, Ambiente e Serviços, SGPS, SA
- Chair of the Board of the General Meeting of Tratofoz – Sociedade de Tratamento de Resíduos, SA
- Member of the Remuneration Committee of ÁreaGolfe – 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 EMSA – Empreendimentos e Exploração de Estacionamento, 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, Energia, 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, Angola, SA
- Member of the Remuneration Committee of Mota-Engil, Indústria e Inovação, SGPS, SA
- Member of the Supervisory Board of Mota-Engil, Angola, SA
- Chair of the Senior Board of Tertir – Terminais de Portugal, SA

### Positions held at other companies outside the Mota-Engil Group

- Chair of the Board of Directors of FM – Sociedade de Controlo, SGPS, SA
- Chair 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 Algosi – Gestão de Participações Sociais, SGPS, SA
- Member of the Board of Directors of Auto Sueco (Angola) SARL
- Chair of the Board of the General Meeting of Sunviato – Indústria de Componentes de Automóveis, SA
- Member of the Remuneration Committee of António de Lago Cerqueira, SA
- Member of the Board of Curators of the Manuel António da Mota Foundation.
- Advisory Board Member of the School of Engineering, University of Minho
- Member of the General Council of the EPA, on behalf of Mota-Engil, SGPS, SA
- Member of the Board of Curators of the AIP Foundation
- Board Member of EIC - European International Contractors
- Deputy-chair of the General Board of ELO - Portuguese Association for Economic Development and Cooperation, on behalf of Mota-Engil, Engenharia e Construção, SA

## Jorge Paulo Sacadura Almeida Coelho (Deputy-chair)

### 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 chair of the Consultative Board of the Beiras College of Advanced Studies
- At present, besides being deputy-chair of the Board of Directors and chief executive officer of Mota-Engil, SGPS, SA, he chairs the Board of Directors of MESP-Mota-Engil, Serviços Partilhados Administrativos e de Gestão, SA.

### Nº of shares as at 31/12/2011

Held no shares in MOTA-ENGIL, SGPS, SA

### 1st Appointment

May 26, 2008

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Chair of the Board of Directors of MESP – Mota-Engil, Serviços Partilhados, Administrativos e de Gestão, SA;
- Member of the Senior and Supervisory Board of Mota-Engil, Angola, SA

### Positions held at other companies outside the Mota-Engil Group

- Member of the Board of Curators of the Manuel António da Mota Foundation.
- Member of the Consultative Board of Banco de Investimento Global (BIG);
- Chair of the General Meeting of Sociedade das Águas da Cúria;
- Chair of the General Meeting of APDC - Portuguese Association for the Development of Communications.

## Arnaldo José Nunes da Costa Figueiredo (Deputy-chair)

### Professional Qualifications

- Degree in Civil Engineering, University of Porto Faculty of Engineering

### Professional career during the past five years

- Chair of the Board of Directors of Mota-Engil, Engenharia e Construção, SA
- Chair of the Board of Directors of MEITS - Mota-Engil, Imobiliária e Turismo, SA
- Director of Mota Internacional, Lda.
- Member of the Remuneration Committee of Aurimove – Sociedade Imobiliária, SA
- At present, in addition to being the deputy-chair 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

### Nº of shares as at 31/12/2011

Held no shares in MOTA-ENGIL, SGPS, SA

### 1st Appointment

May 26, 2008

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Non-executive Director of MARTIFER, SGPS, SA;
- Chair of the Board of Directors of MOTA-ENGIL, INDÚSTRIA E INOVAÇÃO, SGPS, SA;
- Chair of the Board of the General Meeting of Mercado Urbano – Gestão Imobiliária, SA

### Positions held at other companies outside the Mota-Engil Group

- Member of the General Council of Asterion - Consortium Portuguese Airports
- Member of the General Board of AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado

## Gonalo Nuno Gomes de Andrade Moura Martins (Deputy-chair)

### Professional Qualifications

- Degree in Law, Faculty of Law of the University of Lisbon

### Professional career during the past five years

- As from March 2006 he has been chair of the Board of Directors of Mota-Engil, Ambiente e Servios, SGPS, SA
- Since January 2009 he has chaired the Board of Directors of ASCENDI GROUP, SGPS, SA
- At present, in addition to being the deputy-chair 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<sup>o</sup> of shares as at 31/12/2011

12,435 shares

### 1st Appointment

March 26, 2008

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Chair of the Board of Directors of Mota-Engil, Ambiente e Servios, SGPS, SA;
- Chair of the Board of Directors of Mota-Engil II, Gesto, Ambiente, Energia e Concesses de Servios, SA
- Chair of the Board of Directors of Terner – Sociedade de Explorao de Terminais, SA
- Chair of the Board of Directors of Tertir – Concesses Porturias, SGPS, SA
- Chair of the Board of Directors of ASCENDI GROUP, SGPS, SA
- Chair of the Board of Directors of Ascendi Norte, SA
- Chair of the Board of Directors of Ascendi Beiras Litoral e Alta, Auto Estradas das Beiras Litoral e Alta, SA
- Chair of the Board of Directors of Ascendi Costa de Prata, Auto Estradas da Costa de Prata, SA
- Chair of the Board of Directors of Ascendi Grande Porto - Auto Estradas do Grande Porto, SA
- Chair of the Board of Directors of Ascendi Grande Lisboa, Auto Estradas da Grande Lisboa, SA
- Chair of the Board of Directors of Ascendi Douro – Estradas do Douro Interior, SA
- Chair of the Board of Directors of Ascendi Operadora NT - Operao e Manuteno Rodoviria, SA
- Chair of the Board of Directors of Ascendi Operadora BLA - Operao e Manuteno Rodoviria, SA
- Chair of the Board of Directors of Ascendi Operadora CP - Operao e Manuteno Rodoviria, SA
- Chair of the Board of Directors of Ascendi Operadora CP - Operao e Manuteno Rodoviria, SA
- Chair of the Board of Directors of Ascendi Operadora GL - Operao e Manuteno Rodoviria, SA
- Chair of the Board of Directors of Ascendi Operadora DI - Operao e Manuteno Rodoviria, SA
- Chair of the Board of Directors of Ascendi, Concesses de Transportes, SGPS, SA
- Chair of the Board of Directors of Ascendi, Servios de Assessoria, Gesto e Operao, SA
- Chair of the Board of Directors of Ascendi O&M, SA
- Chair of the Board of Directors of GT- Investimentos Internacionais ,SGPS,SA
- Member of the Board of Directors of EMSA - Empreendimentos e Explorao de Estacionamento, SA
- Member of the Board of Directors of COPEXA - Concessionaria Autopista Perote-Xalapa, SA de C.V. (Mexico)
- Member of the Board of Directors of Lusoponte – Concessionria para a Travessia do Tejo SA
- Member of the Board of Directors of Gestiponte – Operao e Manuteno das Travessias do Tejo, SA
- Member of the Board of Directors of LOGZ – Atlantic Hub, SA
- Member of the Board of Directors of Ascendi Mxico S.A. de C.V. (Mxico)
- Chair of the Board of the General Meeting of Multiterminal – Sociedade de Estiva e Trfego, SA
- Chair of the Board of the General Meeting of Lokemark - Solues 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 Navegao, SA
- Member of the Remuneration Committee of Liscont – Operadores de Contentores, SA
- Member of the Remuneration Committee of Transix - transits of Extremadura, SA
- Member of the Remuneration Committee of Multiterminal – sociedade de Estiva e trfego,SA
- Member of the Remuneration Committee of Sadoport- Terminal Martimo do Sado,SA
- Member of the Remuneration Committee of SLPP- Servios Logisticos de Portos Portugueses,SA
- Member of the Remuneration Committee of SOL – S Internacional, Tecnologias de Informao,SA
- Member of the Remuneration Committee of Ascendi Grande Lisboa, Auto Estradas da Grande Lisboa, SA
- Member of the Remuneration Committee of Ascendi Operadora BLA – Operao e Manuteno Rodoviria, SA
- Member of the Remuneration Committee of Ascendi Operadora CP, Operao e Manuteno Rodoviria, SA
- Member of the Remuneration Committee of Ascendi Operadora GP – Operao e Manuteno Rodoviria, SA
- Member of the Remuneration Committee of Ascendi Operadora NT- Operao e Manuteno Rodoviria, SA
- Member of the 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 the Supervisory Board of Indaqua – Indstria de Gesto de guas, SA
- Representative of Ascendi Group, SGPS, SA in the Remuneration Committee of LUSOPONTE – Concessionria para a Travessia do Tejo S.A. and GESTIPONTE – Operao e Manuteno das Travessias do Tejo. S.A.
- Member of Senior Board and Supervision of Mota-Engil, Angola, SA



**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 to being a member of the Board of Directors of Mota-Engil, SGPS, SA, she is a corporate officer of various Group and other companies.

**Nº of shares as at 31/12/2011**

3,675,066 shares

**1st Appointment**

March 31, 2000

**End of Term of Office**

December 31, 2013

**Positions held at other companies of the Mota-Engil Group**

- Director of Edifícios Galiza – Sociedade Imobiliária, Lda.
- 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 Tratamento de Resíduos, SA
- Member of the Remuneration Committee of Transix- Transitos da Extremadura, SA
- Member of the Remuneration Committee of ÁreaGolfe – 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 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 do Golfe de Amarante, SA
- Member of the Remuneration Committee of Manvia – Manutenção e Exploração de Instalações e Construções, SA
- Member of the Remuneration Committee of Terner – Sociedade de Exploração de Terminais, SA
- Member of the Remuneration Committee of Mota-Engil, Real Estate Portugal, SA
- Member of the Remuneration Committee of Mota-Engil, Ambiente e Serviços, SGPS, SA

**Positions held at other companies outside the Mota-Engil Group**

- Chair of the Board of Directors of Algosi – Gestão de Participações Sociais SGPS, SA
- Director of Casal Agrícola de Parada, Lda.
- Director of Sociedade Agrícola Moura Basto, Lda.
- Director of Cerâmica de Boialvo, Lda.
- Director of Mineira do Jarmelo, Lda.
- Director of da 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 Curators and of the Board of Directors of the Manuel António da Mota Foundation

## 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 five years, and in addition to being the member of the Board of Directors and of the Remuneration Committee of Mota-Engil, SGPS, SA, she is a corporate officer of various Group and companies.

### Nº of shares as at 31/12/2011

3,746,836 shares

### 1st Appointment

March 31, 2000

### End of Term of Office

December 31, 2013

### 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 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 – Trânsitos 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 Sadoport – 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-chair 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 Supermercados Navarras, SA
- Director of Edifícios Galiza – Sociedade Imobiliária, Lda.
- Director of Imobiliária Toca do Lobo, Lda.
- Director of Sociedade Agrícola Moura Basto, Lda.;
- Director of Casal Agrícola de Parada, Lda.;
- Director of da Mineira de Pensalvos, Lda.
- Director of Mineira do Jarmelo, Lda;
- Member of the Board of Curators of the Manuel António da Mota Foundation

## 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 to being a member of the Board of Directors and of the Executive Committee of Mota-Engil, SGPS, SA, she is a corporate officer of various Group and other companies

### Nº of shares as at 31/12/2011

4,231,630 shares

### 1st Appointment

March 31, 2000

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Chair of the Board of Directors of RTA – Rio Tâmega, Turismo e Recreio, SA
- Chair 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.
- Chair 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-chair of the Board of Directors of Algosi – Gestão de Participações Sociais SGPS, 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 da 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 Imobiliárias, Lda.
- Member of the Board of Curators of the Manuel António da Mota Foundation.
- Member of the Remuneration Committee of António de Lago Cerqueira, SA.

## Ismael Antunes Hernandez Gaspar (Director)

### Professional Qualifications

- Degree in Civil Engineering (ISEL)

### Professional career during the past five years

- Deputy-chair of the Board of Directors of Mota-Engil, Engenharia e Construção, SA (responsible for Central Europe)
- At present and during the past five years, and in addition to being a member of the Board of Directors and of the Executive Committee of Mota-Engil, SGPS, SA, he is a corporate officer of various Group and other companies

### Nº of shares as at 31/12/2011

1,000 shares

### 1st Appointment

March 26, 2008

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Chair of the Board of Directors of Mota-Engil, Engenharia e Construção, SA
- Chair of the Board of Directors of Mota-Engil Central Europe, SGPS, SA
- Chair of the Board of Directors of ME Real Estate - Mota-Engil, Real Estate Portugal, SA
- Chair of the Board of Directors of Mota-Engil Africa, SGPS, SA
- Member of the Senior and Supervisory Board of Mota-Engil, Angola, SA
- Member of the Remuneration Committee of ME Real Estate - Mota-Engil Real Estate Portugal, SA
- Member of the Remuneration Committee of Nortedomus – Sociedade Imobiliária, SA
- Member of the Remuneration Committee of Aurimove – Sociedade Imobiliária, SA
- Member of the Remuneration Committee of Planinova – Sociedade Imobiliária, SA
- Director of Mota-Internacional, Comércio e Consultadoria Económica, Lda.
- Chair of the Board of the General Meeting of SEDENGIL, Ambiente e Serviços, SGPS, SA.
- Director of Mota-Engil Minerals & Mining Investments BV
- Director of Mota-Engil Management Mining (Proprietary) Limited
- Director of Tabella Holding, BV
- Director of Mota-Engil-Opway Mexicana, SA de CV

### 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
- Vice-president of the Board of Founders of the CRP (Portuguese Highway Centre), on behalf of Mota-Engil, Engenharia e Construção, SA
- 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 Filipe Cardoso da Silva (Director)

### Professional Qualifications

- Degree in Economics, University of Porto Faculty of Economics

### Professional career during the past five years

- Director of MESP, Mota-Engil Serviços Partilhados Administrativos e de Gestão, SA;
- Director of MESP CENTRAL EUROPE SP. Z.O.O.;
- Director of MOTA-ENGIL BRAND MANAGEMENT, BV;
- Member of the General and Supervisory Board of - COMÉRCIO ELECTRÓNICO, CONSULTADORA E MULTIMÉDIA, SA;
- Member of the Senior Board of ASCENDI GROUP, SGPS, SA;
- Director of MARTIFER, SGPS, SA
- Was member of the Supervisory Board of several companies of the ASCENDI GROUP;
- At present, in addition to being member of the Board of Directors and of the Executive Committee of Mota-Engil, SGPS, SA, he is a corporate officer of various Mota-Engil Group companies.

### Nº of shares as at 31/12/2011

12,500 shares

### 1st Appointment

March 31, 2010

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Deputy-chair of the Board of Directors of MESP, Mota-Engil Serviços Partilhados Administrativos e de Gestão, SA;
- Member of the General and Supervisory Board of Vortal - COMÉRCIO ELECTRÓNICO, CONSULTADORA E MULTIMÉDIA, SA;
- Member of the General and Supervisory Board of Vortal, SGPS, SA
- Member of the Board of Directors of Martifer, SGPS, SA.
- Director of Mota-Engil Brand Management, BV

### Positions held at other companies outside the Mota-Engil Group

- Deputy-chair of the Board of Directors of Vallis, SGPS, SA

## Maria Isabel da Silva Ferreira Rodrigues Peres (Director)

### Professional Qualifications

- Degree in Law from the Universidade Católica Portuguesa - Porto
- Post-graduation in Human Resources Management, at AEP
- XVIII PDE - Business Management Program, at AESE

### Professional career during the past five years

- Human Resources Development Manager at MESP – MOTA-ENGIL SERVIÇOS PARTILHADOS, SA
- Corporate Human Resources Manager at MOTA-ENGIL SGPS, SA
- Currently, member of the Board of Directors and Executive Committee of Mota-Engil, SGPS, SA

### Nº of shares as at 31/12/2011

Held no shares in MOTA-ENGIL, SGPS, SA

### 1st Appointment

March 31, 2010

### End of Term of Office

December 31, 2013

### Positions held at other companies of the Mota-Engil Group

- Member of the Board of Directors of MESP – MOTA-ENGIL SERVIÇOS PARTILHADOS, SA

### Positions held at other companies outside the Mota-Engil Group

- Member of the Board of Curators of the Manuel António da Mota Foundation
- Member of the Board of Founders of the Casa da Música Foundation, representing Mota-Engil, SGPS, SA
- Member of the Board of Founders of the Serralves Foundation, representing Mota-Engil, SGPS, SA
- Member of the General Board of EGP - Escola de Gestão do Porto, on behalf of MOTA-ENGIL SGPS, SA

## Luís Valente de Oliveira (Independent Director)

### Professional Qualifications

- Degree in Civil Engineering (UO)
- 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 (Motorways of the Sea)
- Director of the Luso-American Development Foundation (FLAD)
- Member and chair of the Audit and Risk Committee of Millennium BCP
- Chair of the Board of Auditors of EFACEC
- Since 2006, independent member of the Board of Directors of Mota-Engil, SGPS, SA

### Nº of shares as at 31/12/2011

Held no shares in MOTA-ENGIL, SGPS, SA

### 1st Appointment

March 31, 2006

### End of Term of Office

December 31, 2013

### 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

- Member of the Board of Directors of the AEP Foundation
- European co-ordinator of Auto-Estradas do Mar (Motorways of the Sea)
- Director of the Luso-American Development Foundation (FLAD)
- Chair of the Board of Auditors of EFACEC

## 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 of the executive committee of Sonaecom, heading the legal, tax, public relations and regulation departments;
- Since 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

### Nº of shares as at 31/12/2011

Held no shares in MOTA-ENGIL, SGPS, SA

### 1st Appointment

March 31, 2006

### End of Term of Office

December 31, 2013

### 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

- Executive Member of Sonaecom, SGPS, SA
- Non-executive member of Banco BPI, SA
- Member of the Board of Directors of EPM, SGPS, SA;
- Non-Executive Member of the Board of Directors Riopelle, SA
- Non-Executive Member of the Board of Directors PÚBLICO, SA;
- Non-Executive Member of the Board of Directors of Vallis Capital Partners
- Chair of the board of the General Meeting of Têxtil Manuel Gonçalves, SA



**António Manuel da Silva Vila Cova (Independent Director)**
**Professional Qualifications**

- Degree in Economics, University of Porto Faculty of Economics;

**Professional career during the past five years**

- 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, as such, the post of chairman of the Board of Directors and director of companies of the said group
- At present, non-executive independent director of the Board of Directors of Mota-Engil, SGPS, SA, and member of the Board of Auditors of Banco Finantia and Finantipar, SGPS.

**Nº of shares as at 31/12/2011**

Held no shares in MOTA-ENGIL, SGPS, SA

**1st Appointment**

April 15, 2009

**End of Term of Office**

December 31, 2013

**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**

Member of the Board of Auditors of Banco Finantia.  
Member of the Board of Auditors of Finantipar, SGPS

**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 criterion | Independence criterion |
|----------------------------------|---------------------------|------------------------|
| Alberto João Coraceiro de Castro | Complied                  | Complied               |
| José Rodrigues de Jesus, ROC     | Complied                  | Complied               |
| Horacio Fernando Reis e Sá       | 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 & II.23** 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. 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 (Chair)

##### 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-chair of the General and Supervisory Board of EDP (since 2006)
- Chair of the Board of Auditors of Unicer (since 2007);
- Customer Ombudsman of the Port of Leixões;
- Chair of the Board of Directors of Ciencinvest – Valorização Económica da Ciência, SA, (2005-08);
- Non-executive director of Douro Azul, SA (up to 2008).

##### Nº of shares as at 31/12/2011

2,200 shares

##### 1st Appointment

March 30, 2007

##### End of Term of Office

December 31, 2014

##### 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-chair of the General and Supervisory Board of EDP – Energias de Portugal, SA (since 2006);
- Chairman of the Board of Auditors of Unicer - Bebidas de Portugal SGPS, SA. (since 2007);
- Deputy-chair of the board of the General Meeting of Metro do Porto, SA;
- Member of the General Board of the CGC – Centro de Genética Clínica e Patologia, SA

## 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 31/12/2011

Held no shares in MOTA-ENGIL SGPS SA

### 1st Appointment

March 30, 2007

### End of Term of Office

December 31, 2014

### 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

Member of the Board of Auditors of the following companies:

- Finibanco Holding, SGPS, SA
- Finibanco, S A
- Millenniumbcp Fortis, Grupo Segurador, SGPS, SA.
- Germen – Moagem de Cereais, SA
- Cith of Guinarães Foundation
- Um Porto para o Mundo – Associação para o Congresso OIV 2011
- Statutory Auditor of the following companies::
- Calfor - Indústrias Metálicas, SA
- Porto Vivo, SRU – Sociedade de Reabilitação Urbana da Baixa Portuense, SA
- Edemi Gardens – Promoção Imobiliária, SA
- Lankhorst Euronete Ropes, SA
- Arsopi – Holding, Sociedade Gestora de Participações Sociais, SA
- Arsopi – Indústrias Metalúrgicas Arlindo S. Pinho, SA.
- Arlindo Soares de Pinho, Lda.
- Imoágueda, SA
- Farmácia Ribeiro, SA
- Camilo dos Santos Mota, SA
- Divinvest – Promoção Imobiliária, S.A.
- DIMO – Desenvolvimento Imobiliário e Construção, S.A.
- Toupronto – Imobiliária, S.A.
- Y2K – Imobiliária, S.A.
- Evitu – Imobiliária, S.A.
- Privado – Imobiliário, SGPS, S.A.
- Imoseagle Sete – Gestão Mobiliária e Imobiliária, S.A.
- PRVD – Consultoria e Serviços Imobiliários, S.A., de Oliveira Dias, S.A.
- Sekiwi, SGPS, S.A.
- Vacatio, S.A.
- Agência Portuguesa para o Investimento, E.P.E.
- Instituto dos Vinhos do Douro e do Porto
- Member of the Supervisory Committee of the Insurance Institute of Portugal

## Horacio Fernando Reis e Sá (Full Member)

### Professional Qualifications

- Degree in Law, University of Coimbra Faculty of Law

### Professional career during the past five years

- Lawyer

### Nº of shares as at 31/12/2011

Held no shares in MOTA-ENGIL SGPS SA

### 1st Appointment

April 14, 2011

### End of Term of Office

December 31, 2014

### 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 for companies outside the MOTA-ENGIL GROUP

**II.24** Reference to the fact that the Board of Auditors performs an annual assessment of the external auditor and to the possibility of proposing to the general meeting the dismissal of the auditor with due cause

The Board of Auditors performs an annual assessment of the external auditor and is responsible for monitoring its qualifications and its independence. Though no a specific or exclusive competence of the General meeting, there is nothing to prevent it from being called upon to express its opinion, if so called on by the Board of Auditors, regarding the dismissal of the external auditor in the event of due cause. In any case, to date, the Mota-Engil Board of Auditors has seen to 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** Declaration that the members comply with the incompatibility rules provided for on Article 414-A.1 of the Companies Code and with the criterion of independence provided in Article 414.5 thereof. For the purpose the general and supervisory board performs its self-assessment.

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 MOTA-ENGIL remuneration policy is described in the statement on this subject submitted by the Remuneration Committee to the General Meeting as provided for in Article 2 of Act 28/2009 of June 19.

Although the said statement did not explicitly cover the remuneration of directors in the acceptance of Article 248-B.3 of the Securities Code, GROUP's remuneration policy is segmented into functional groups, including both top management and MOTA-ENGIL employees. Functional groups defined within the scope of the GROUP's remuneration policy bring together functions in accordance with parameters such as the degree of knowledge, complexity, responsibility and/ or autonomy required, which are assessed using the Hay international methodology and are structured as follows:

- *Top Executives*
- *Executives*
- *Top Management*
- *Management*
- *Technicians*
- *Administrative and Operational*

The functional groups listed constitute the fundamental support for definition of human resource policies, including the remuneration policy, establishing for each functional group the remuneration components and conditions, be they fixed, variable and/or benefits.

**II.30** Description of the remuneration policy of the management and supervisory bodies to which Article 2 of Act 28/2009 of June 19 refers

As stipulated in Act 28/2009 of June 19, a statement on remuneration policy for members of the management and supervisory bodies is submitted annually to the General Meeting for appraisal. The present remuneration policy at MOTA-ENGIL, SGPS, SA, as approved at the last General Meeting, seeks to promote, from 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 as 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 the directors do not hold the same relative position, nor do the executive directors or the members of the Board of Auditors. Any appraisal of the duties must be performed in its widest sense, and criteria must be taken into account as diverse as responsibility, time dedicated or value added for the Company, resulting from a certain type of intervention or institutional

representation. Likewise, this reflection must include the existence of functions performed in other controlled companies, which means both increased responsibility and a cumulative source of income.

In line with this principle, the MOTA-ENGIL GROUP has established a remuneration policy the scope of which extends, in a segmented manner, to managers and employees, based on the Hay international job-scoring model.

According to the methodology in force, the functions are evaluated according to the knowledge, complexity, responsibility/autonomy required and later falling into pre-defined Functional Groups, making this the vector to determine the remuneration conditions.

#### b) The Company's economic situation

Consideration has to be given to the Company's economic situation, as well as to its interests from a long-term standpoint, to the real growth of the Company and to the creation of equityholder value.

In this connection, the MOTA-ENGIL GROUP developed in 2008 a strategic five-year plan - the "2013 Ambition Plan", subject to periodic assessment by means of a set of KPIs (Key-Performance Indicators) integrated into the Balanced Scorecard, directing the performance at four value perspectives: the GROUP's financial sustainability and value creation for equityholders; satisfaction of customer needs; efficiency and innovation in terms of internal processes; and training and development of the human capital.

Since the "2013 Ambition Plan" is guiding instrument of the strategy for the GROUP, the KPIs are a key component for the assessment of the top management of MOTA-ENGIL and, respectively, for the determination of their remuneration, directing the incentives mechanism towards effective value creation from a long-term standpoint.

#### 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.

Taking the above principle into account, the remuneration policy of the MOTA-ENGIL GROUP involves a periodic audit of the compensation practices, as well as their comparison with the market. For the purpose, the Hay international job-scoring methodology is used, as are the Hay functions salary surveys directed at comparison functional groups, thereby ensuring competitive-adjustment rationale for the development of human capital and for the evolution of the salary market.

The specific remuneration-policy options submitted and approved are as follows:

1. 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 policy establishes two fundamental aspects for the compensation of the top management and employees of the GROUP: on the one hand, equity and competitiveness of the remuneration, safeguarded through internal analysis and external comparison of the proportion of fixed remuneration in relation to the function performed by them (using the Hay methodology as the support); on the other hand, meritocracy, complementing the fixed remuneration with a variable remuneration dependent on performance assessment.

2. 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.
3. 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.
4. 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.

5. 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.
6. 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.
7. 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.

Under the remuneration policy set for the GROUP, the variable remuneration is dependent on the performance evaluation, whose general principles and their mode of application are provided in the Corporate Performance Management Model.

Performance assessment within the GROUP comprises two components: a quantitative assessment, measured through the achievement of the KPIs (Key-Performance Indicators) indexed to the 2013 strategic plan, and are fixed as annual goals at the beginning of each assessment cycle; and qualitative evaluation, which results from an individual assessment focusing on key competences for the GROUP (corporate, management and personal).

Determination of the variable remuneration of the MOTA-ENGIL GROUP presupposes that two conditions were fulfilled: the achievement of the barrier goals defined at the beginning of each annual assessment cycle, broken down from the long-term strategic plan and average achievement of at least 95% of the weighted quantitative targets with individual qualitative assessment, which may result in a payout value payout varies between a minimum and maximum pre-defined percentage.

Additionally, preventive mechanisms to inhibit of the payment of variable compensation have been established to minimize incentive of results not in line with a perspective of sustainable value creation from a long-term standpoint.

As such, there will be no variable compensation if one of the following conditions occurs:

- one of the barrier goals (which corresponds to the minimum value to be achieved per KPI to be eligible for payment of variable remuneration) is not attained, in accordance with parameters set at the beginning of each annual-assessment cycle;
  - the average achievement of the goals defined by KPI with a weighted qualitative individual assessment lower than 95%.
8. In fixing all remuneration, notably 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.

The remuneration policy of the MOTA-ENGIL GROUP covers top management and employees, and it is segmented into pre-defined Functional Groups (members of the Board of Directors being included under Top Executives), using as the basis the Hay international job-scoring model. In the MOTA-ENGIL remuneration policy there is a safeguard to the effect that the remuneration fixed for each Functional Group (whether the fixed or the variable component) has as the rationale internal equity and salary benchmarking relative to the reference market, undertaken periodically.

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 Vasconcelos da Mota              | Mota-Engil SGPS      | 476,000         | 150,000            | -             | -               | 626,000   |
| Jorge Paulo Sacadura Almeida Coelho                     | Mota-Engil SGPS      | 476,000         | 158,600            | -             | -               | 634,600   |
| Arnaldo José Nunes da Costa Figueiredo                  | Mota-Engil SGPS      | 286,000         | 95,300             | -             | -               | 381,300   |
| Gonçalo Nuno Gomes de A. Moura Martins                  | Mota-Engil A&S, SGPS | 276,000         | -                  | 92,000        | -               | 368,000   |
| Maria Manuela Q. V. Mota dos Santos                     | Mota-Engil SGPS      | 251,000         | 32,091             | 51,509        | -               | 334,600   |
| Maria Teresa Q. V. Mota Neves da Costa                  | Mota-Engil SGPS      | 251,000         | 32,092             | 51,508        | -               | 334,600   |
| Maria Paula Queirós V. Mota de Meireles                 | Mota-Engil SGPS      | 251,000         | 32,092             | 51,508        | -               | 334,600   |
| Ismael Antunes Hernandez Gaspar                         | Mota-Engil E&C SA    | 286,000         | 95,300             | -             | -               | 381,300   |
| Luís Manuel Ferreira Parreirão Gonçalves <sup>(1)</sup> | Mota-Engil SGPS      | 163,000         | 54,000             | -             | -               | 217,000   |
| Luís Filipe Cardoso da Silva                            | Mota-Engil SGPS      | 238,000         | 50,000             | -             | -               | 288,000   |
| Maria Isabel da Silva F. Rodrigues Peres                | Mota-Engil SGPS      | 213,000         | 50,000             | -             | -               | 263,000   |
| José Luís Catela Rangel de Lima <sup>(2)</sup>          | Mota-Engil SGPS      | 118,000         | -                  | 18,750        | -               | 136,750   |
| Luís Valente de Oliveira                                | Mota-Engil SGPS      | -               | -                  | -             | 35,000          | 35,000    |
| António Bernardo A. da Gama Lobo Xavier                 | Mota-Engil SGPS      | -               | -                  | -             | 30,000          | 30,000    |
| António Manuel da Silva Vila Cova                       | Mota-Engil SGPS      | -               | -                  | -             | 40,000          | 40,000    |
|   |                      |                 |                    |               |                 | 4,404,750 |
| 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    |
| Horácio Fernando Reis e Sá                              | Mota-Engil SGPS      | 4,283           | -                  | -             | -               | 4,283     |
|   |                      |                 |                    |               |                 | 64,283    |

- (1) In December 2011, Luís Manuel Gonçalves Ferreira Parreirão Gonçalves resigned from the post of non-executive member of the Board of Directors of Mota-Engil SGPS, SA.
- (2) In September 2011, José Luís Catela Rangel de Lima resigned from the post of non-executive member of the Board of Directors of MOTA-ENGIL, SGPS, SA.

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.30.

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 2011, no amounts were paid or owed by way of indemnity for termination of office of former executive directors.

No other amounts were paid for any reason whatsoever to other companies in a controlling of group relationship.

Some founder-equityholder directors benefit from a defined-benefit pension plan allowing them 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, 2011 & 2010, liabilities for pensioners and for personnel in service, as well as the respective cover, are as follows:

|                                     | 2011      | 2010      |
|-------------------------------------|-----------|-----------|
| Liabilities to pensioners           | 1,644,900 | 1,458,253 |
| Liabilities to personnel in service | 7,984,012 | 7,478,245 |
| Provisions set aside                | 9,628,911 | 8,936,770 |
| % of cover                          | 100%      | 100%      |

These liabilities were updated in 2011 as a result of the latest available actuarial study referred to December 31, 2011, based on the following assumptions (unchanged from 2010):

|                                   | 2011        | 2010        |
|-----------------------------------|-------------|-------------|
| Mortality table                   | TV 73/77    | TV 73/77    |
| Disability Table                  | EKV80       | EKV80       |
| Turnover Table                    | PCRTurnOver | PCRTurnOver |
| Fund Return Table                 | 4.5%        | 4.5%        |
| Salary Growth Table               | 2%          | 2%          |
| Pension Update Table              | 4%          | 4%          |
| Pension Grwth Rate                | 0%          | 0%          |
| Retirement age                    | 65          | 65          |
| Number of payments of the benefit | 14          | 14          |

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

As described in point II.30, the remuneration policy of the MOTA-ENGIL GROUP is underpinned by variable-remuneration instruments so structured as to promote the alignment of the interests of members of the management body with the long-term interests of the Company, discouraging excessive risk-taking.

For the purpose, the remuneration policy defines indexation of the variable remuneration to performance assessment, which, in turn, is based on KPIs (Key-Performance Indicators) taken from the strategic "2013 Ambition Plan", defined for a long-term horizon.

Under the quantitative component of performance assessment the targets to be met for each KPI are defined at the start of the assessment cycle.

Determination of the variable remuneration within the GROUP requires a minimum average achievement of 95% of the established targets, weighted by the individual qualitative assessment evaluation (which may result in a payout that varies between a pre-defined minimum and maximum percentage).

Additionally, mechanisms have been established to prevent payment of variable remuneration if one of the following conditions occurs:

- one of the barrier goals (which corresponds to the minimum value to be achieved per KPI to be eligible for payment of variable remuneration) is not attained, in accordance with parameters set at the beginning of

each annual-assessment cycle;

- the average achievement of the goals defined per KPI weighted by the individual qualitative assessment is lower than 95%.

### 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 accordance with the fob, the part played in the pre-defined functional groups for the MOTA-ENGIL GROUP and market benchmarking (underpinned by the Hay international job-scoring methodology), which includes the gross base remuneration paid during a period of one year, and (ii) a variable component paid as a performance bonus taking into account the evolution of their performance based on criteria defined and reviewed annually by the Remuneration Committee.

The criteria for the award of variable remuneration to members of the GROUP's management bodies are indexed to the performance assessment, under the responsibility of the Remuneration Committee.

Performance assessment comprises two components: a quantitative assessment, measured through the achievement of KPIs (Key-Performance Indicators) indexed to the 2013 strategic plan that are established in annual targets set at the beginning of each assessment; and a qualitative assessment, which results from a discretionary individual assessment .

Determination of the variable remuneration of the MOTA-ENGIL GROUP presupposes that two conditions were fulfilled: achievement of the barrier goals defined at the beginning of each annual assessment cycle, broken down from the long-term strategic plan; and average achievement of at least 95% of the quantitative targets weighted by individual qualitative assessment, which may result in a payout varying between a pre-defined minimum and maximum percentage.

**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 Board of Directors is performed by the Remuneration Committee.

**c)** Indication of predetermined criteria for the assessment of the performance of the executive directors

The quantitative component of performance assessment comprises a set of KPIs (Key-Performance Indicators), indexed to the strategic "2013 Ambition Plan", in accordance with the Balanced Scorecard method, orienting performance towards four value perspectives: financial sustainability of the GROUP and value creation for equityholders; satisfaction of customer needs; efficiency and innovation in terms of internal processes; and training and development of human capital.

We present below a summary illustrative of the KPI matrix adopted in the Balanced Scorecard tool is uses within the GROUP.

|                       |   |
|-----------------------|---|
| Financial Perspective | <ul style="list-style-type: none"> <li>• ROCE</li> <li>• EBITDA</li> <li>• Turnover</li> </ul>                |
| Customers             | <ul style="list-style-type: none"> <li>• % of international turnover generated by selected markets</li> </ul> |
| Internal Processes    | <ul style="list-style-type: none"> <li>• Weight of investment in generating future turnover</li> </ul>        |
| Learning and Growth   | <ul style="list-style-type: none"> <li>• Staff participation in the ME Active School</li> </ul>               |

Quantitative assessment is subsequently weighted with the individual qualitative assessment, and it can lead to a payout value varying between a pre-defined minimum and maximum percentage.

**d)** Explanation of the relative importance of the variable and fixed components of the directors' remuneration, and an indication of the maximum limits for each component

The relative importance of the fixed and variable components of the directors' remuneration is described in Point II.30.

In addition to the articles of association determine that, in overall terms, the variable remuneration of the Board of Directors may not exceed 5% of the profit for the year, mechanisms are provided in the remuneration policy aimed, on the one hand, at rewarding the creation of real value, from a long-term perspective and, on the other, at discouraging excessive risk-taking and conduct not in line with the strategy recommended for the GROUP.

Thus, the fixed and variable remuneration is delimited by remuneration criteria have the job as the rationale, as well as the functional group and benchmarking in the reference market. The fixed remuneration is based on a minimum and a maximum pre-defined by functional group and the variable remuneration is indexed to performance assessment and may result in a that varies between a pre-defined minimum and maximum percentage. In aggregate terms, the mix of fixed and variable remuneration is balanced by setting minimum and maximum limits as provided for in the remuneration policy.

**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

Under the terms described in point II.30, payment of variable remuneration is subject to continuation of the Company's good performance.

*Ex-ante*, good-performance monitoring is performed through periodic assessment evaluation of the KPIs taken from the "2013 Ambition Plan" and integrated into Balanced Scorecard methodology, allowing the performance of the Company to be monitored. Ex-post mechanisms are defined in the remuneration policy aimed at preventing payment of variable remuneration if one of the following conditions is not met:

- one of the barrier goals (which corresponds to the minimum value to be achieved per KPI to be eligible for payment of variable remuneration) is not attained, in accordance with parameters set at the beginning of each annual-assessment cycle;
- the average achievement of the goals defined by KPI with a weighted qualitative individual assessment lower than 95%.

**g)** Sufficient information on the criteria on which the attribution of variable remuneration in shares is based, as well as on the retention by executive directors of the shares in the company that they have accessed, on the close of any contracts relating to such shares, particularly hedging or risk-transfer contracts, their limits and their ratio as a

proportion of total annual remuneration

The company neither has nor plans 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 plan 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 bonus payments are shown in section II.31 and include the variable component, by way of performance bonus taking the said criteria into account.

**l)** Indemnities paid or owed to former executive directors in respect of termination of their duties during the year

During 2011, no amounts were paid or owed by way of indemnity for termination of office of former executive directors.

**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 dismissal of a director without due cause other than as provided for by law. MOTA-ENGIL MAKES USE OF legal instruments available in the law appropriate to this situation, particularly when there is inadequate performance by the director.

**n)** Amounts paid for any reason whatsoever by other companies in a controlling or group relationship

During 2011 no sums were paid to Mota-Engil executive directors (or non-executive directors) by companies in a controlling or group relationship.

**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 founder-equityholder directors are beneficiaries of a defined-benefit pension plan allowing them 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 formal 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 implemented 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 were 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 warrants the confidentiality of the accusations and the anonymity of their author in cases of communication 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 warrants.

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 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. No company has been hired to assist the Remuneration Committee.

### III. Information

**III.1 Equity** capital structure, including indication of shares not admitted to trading, different categories of shares, rights and duties inherent therein and percentage of the equity capital represented by each category

The MOTA-ENGIL, SGPS, SA, equity capital as at December 31, 2011, 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 equity capital are admitted to trading on Euronext Lisbon.

**III.2** Qualified holdings in the issuer's equity capital, calculated under Article 20 of the Securities Code

| Equityholders  | Nº of shares       | % Equity capital |
|--|--------------------|------------------|
| Mota Gestão e Participações, SGPS, SA                                      | 85,229,078         | 41.65%           |
| ALGUEIRÃO - Gestão de Participações Sociais, SGPS, SA                      | 30,538,198         | 14.92%           |
| António Manuel Queirós Vasconcelos da Mota                                 | 5,257,005          | 2.57%            |
| Maria Manuela Queirós Vasconcelos Mota dos Santos                          | 3,675,066          | 1.80%            |
| Maria Teresa Queirós Vasconcelos Mota Neves da Costa                       | 3,746,836          | 1.83%            |
| Maria Paula Queirós Vasconcelos Mota de Meireles                           | 4,231,630          | 2.07%            |
| Carlos António Vasconcelos Mota dos Santos                                 | 29,300             | 0.01%            |
| Attributable to <b>FM – Sociedade de Controlo, SGPS, SA</b> <sup>(1)</sup> | <b>132,707,113</b> | <b>64.85%</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, equity 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 financial crisis in the euro area that had marked 2010 has deteriorated noticeably, requiring that the European Union and the IMF grant financial aid to Greece, Ireland and Portugal. In this connection, the Greek and Portuguese bond markets have performed very negatively, despite the efforts of the European Central Bank to curb the rise in rates, which involved massive purchase of government bonds of these countries. The contagion to other European markets, namely Spain and Italy, a reality that marked the first half of the year, eventually dissipated during the last quarter of the year. At the same time, the risks of instability in the Middle East swelled, first with the popular revolts in North Africa and later with the growing tension between the United States and Syria and Iran. During the year, were also significant downward revisions of the economic growth of the world's major economies, with a particular focus on the Euro Area.

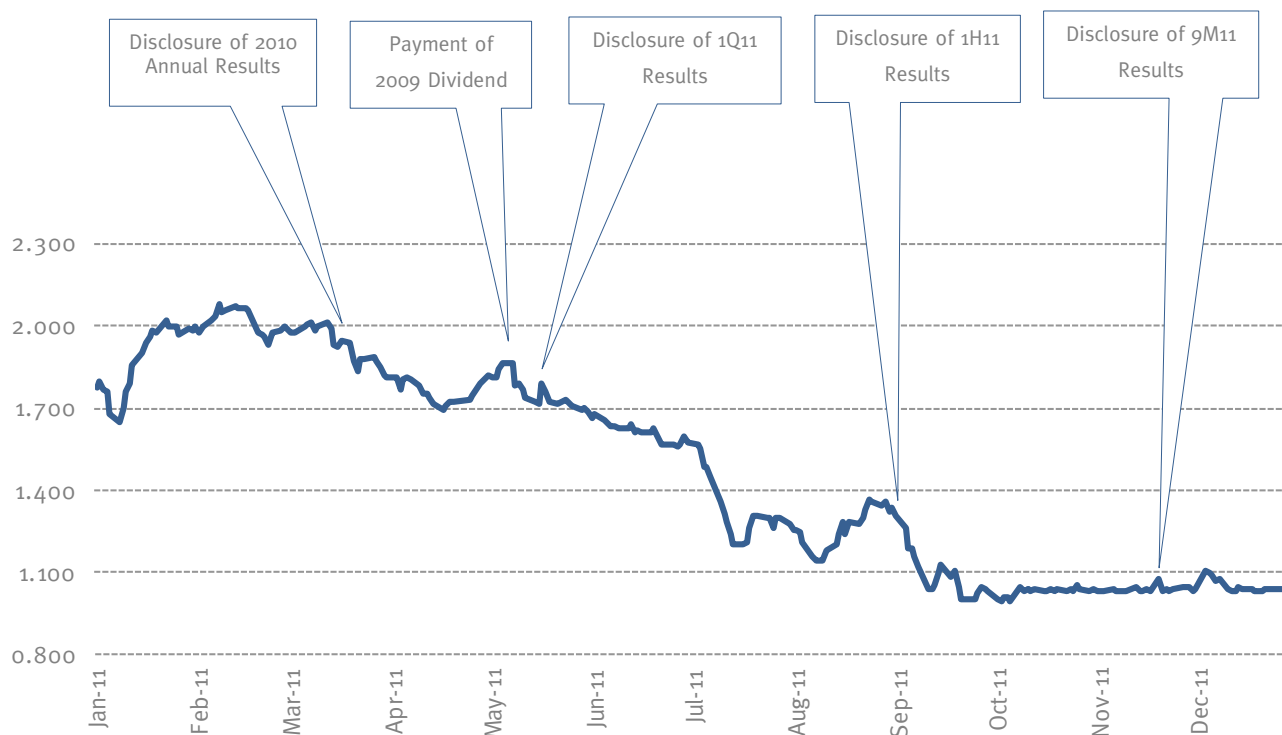
Against this extremely unfavourable background in which investors showed little interest in shares of the "peripheral countries" of Europe and have proved particularly reluctant to invest in companies in the construction and public works sector, MOTA-ENGIL shares returned a negative annual performance of 41% over the previous year, a year which which they had already dropped by 56%.

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

|                   | 1st half 2011 | 2nd half 2011 | Total performance 2011 | 1st half 2010 | 2nd half 2010 | Total performance 2010 |
|-------------------|---------------|---------------|------------------------|---------------|---------------|------------------------|
| Mota-Engil shares | -59%          | 19%           | -41%                   | -46%          | -10%          | -56%                   |
| PSI-20            | -128%         | 100%          | -28%                   | -17%          | 6%            | -10%                   |
| EURONEXT 100      | -114%         | 100%          | -14%                   | -9%           | 10%           | 1%                     |

The evolution of the share price is shown in the following chart:

Evolution of Mota-Engil shares



With the exception of treasury shares, all the shares that make up the MOTA-ENGIL, SGPS, SA, equity capital give entitlement to dividends. On May 13, 2011, the 2010 dividend was placed at the disposal of equityholders in the net sum of €0.08635 per share.

No shares or other securities were issued during 2011 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 appraisal made by the Board of Directors of a number of factors over time, with the prime objective of providing adequate remuneration of equityholder capital by this means. The net dividend per share over the past three years amounted to 11 cents.

**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 and/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 the company and 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

Business 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



**II.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 via 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 Capital Market Relations Division, in articulation with the Corporate Planning & Control Division, regularly organises presentations for the financial community, communications on quarterly, half-yearly and annual results, as well as communications of importance 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. Additionally, 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 person responsible for the Market Relations Division is Luis Filipe Cardoso da Silva, whose contacts are:

Luís Silva  
Edifício Mota  
Rua do Rego Lameiro, 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, 2  
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 its 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 2011, 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 €4,146,220, 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 | 1,017,122        | 25%         |
| Other reliability assurance services   | 72,400           | 2%          |
| Tax consultancy                        | 61,940           | 1%          |
| Other consultancy services             | 2,994,757        | 72%         |
| <b>TOTAL</b>                           | <b>4,146,220</b> | <b>100%</b> |

The "Other consulting services" in the above table refer essentially to support services provided to Angola in the areas of equipment (€1,683,000), Integration of Assets (€444,000) and Purchasing (€365,000).

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 2011, 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 61-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 treats to the auditor's independence are assessed and discussed with it, as are the respective safeguard measures.

The Board of Auditors performs an annual assessment of the external auditor and is responsible for monitoring its qualifications and its independence. Though no a specific or exclusive competence of the General meeting, there is nothing to prevent it from being called upon to express its opinion, if so called on by the Board of Auditors, regarding the dismissal of the external auditor in the event of due cause. In any case, to date, the Mota-Engil Board of Auditors has seen to reason to consider taking measures to dismiss with due cause an entity that has performed duties as the Company's external auditor.

### 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 considers that the replacement of the partner responsible for auditing services every seven years (in accordance with the practice adopted by Deloitte either through Deloitte & Associates, SROC, SA, or through Deloitte's international network) in combination with the powers of the Supervisory Board, is sufficient to guarantee the independence of the external auditor.

The continuation of the auditor is based on the specific opinion of the supervisory body, which expressly weighed the auditor's conditions of independence and the advantages and costs of its 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 12, 2012

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 (*Chief Financial Officer*)

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

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

Luís Filipe Cardoso da Silva  
Member of the Board of Directors

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

Carlos António Vasconcelos Mota dos Santos  
Member of the Board of Directors and  
Member of the Executive Committee

Pedro Manuel Teixeira Rocha Antelo  
Member of the Board of Directors

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 April 14, 2011, 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<br>(Euro/share) | Value (Euro) |
|-------------|-----------|-------------------------------|--------------|
| 05/Sep/2011 | 77,923    | 1.29                          | 100,392.83   |
| 06/Sep/2011 | 18,000    | 1.24                          | 22,251.00    |

As at December 31, 2011, MOTA-ENGIL SGPS, SA held 11,101,379 treasury shares representing 5.42% of its issued capital.

Acquisitions of treasury shares during 2011 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 | 4,914,617            |       |            |                     | 2.40%        | 1,666            | 12.6%        | 517,500        | 8.6%        | 19,115        | 38.2%        |
|   | 07/01/2011      | 103,030              |       |            |                     |              |                  |              |                |             |               |              |
|   | 14/01/2011      | 2,000                | 1.769 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 17/01/2011      | 2,000                | 1.842 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 18/01/2011      | 1,000                | 1.928 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 13/04/2011      | 8,000                | 1.751 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 15/04/2011      | 20,000               | 1.714 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 03/06/2011      | 2,500                | 1.676 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 06/06/2011      | 24,593               | 1.664 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 07/06/2011      | 22,907               | 1.643 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 08/06/2011      | 25,000               | 1.637 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 20/06/2011      | 1,000                | 1.600 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 22/06/2011      | 3,657                | 1.597 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 23/06/2011      | 12,506               | 1.580 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 24/06/2011      | 1,356                | 1.569 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 27/06/2011      | 9,644                | 1.563 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 06/07/2011      | 10,000               | 1.489 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 08/07/2011      | 20,000               | 1.455 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 11/07/2011      | 20,000               | 1.436 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 13/07/2011      | 11,000               | 1.441 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 14/07/2011      | 20,000               | 1.261 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 15/07/2011      | 8,000                | 1.204 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 18/07/2011      | 7,000                | 1.197 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 08/08/2011      | 30,583               | 1.156 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 09/08/2011      | 11,677               | 1.132 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 13/10/2011      | -35,065              |       |            |                     |              |                  |              |                |             |               |              |
|   | Closing balance | <b>5,257,005</b>     |       |            |                     |              | <b>1,666</b>     | <b>16.7%</b> | <b>517,500</b> | <b>8.6%</b> | <b>19,115</b> | <b>38.2%</b> |
| Maria Manuela Queirós Vasconcelos Mota dos Santos and spouse    | Opening balance | 3,665,066            |       |            |                     | 1.79%        | 1,078            | 10.8%        | 427,500        | 7.1%        | 10,295        | 20.6%        |
|   | 12/09/2011      | 10,000               | 1.067 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | Closing balance | <b>3,675,066</b>     |       |            |                     | <b>1.80%</b> | <b>1,078</b>     | <b>10.8%</b> | <b>427,500</b> | <b>7.1%</b> | <b>10,295</b> | <b>20.6%</b> |
| Maria Teresa Queirós Vasconcelos Mota Neves da Costa and spouse | Opening balance | 3,736,836            |       |            |                     | 1.83%        | 1,078            | 10.8%        | 427,500        | 7.1%        | 10,295        | 20.6%        |
|   | 13/09/2011      | 5,000                | 1.020 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | 30/09/2011      | 5,000                | 1.042 | Buy        | Market              |              |                  |              |                |             |               |              |
|   | Closing balance | <b>3,746,836</b>     |       |            |                     | <b>1.83%</b> | <b>1,078</b>     | <b>10.8%</b> | <b>427,500</b> | <b>7.1%</b> | <b>10,295</b> | <b>20.6%</b> |

| 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        | %            |
| Maria Paula Queirós Vasconcelos Mota de Meireles and spouse | Opening balance | 3,943,051            |       |            |                     | 1.93%         | 1,078            | 8.1%         | 427,500          | 7.1%         | 10,295        | 20.6%        |
|   | 04/01/2011      | 5,000                | 1.780 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 07/01/2011      | 10,000               | 1.695 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 11/01/2011      | 10,000               | 1.688 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 17/01/2011      | 10,000               | 1.849 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 08/02/2011      | 5,000                | 2.018 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 22/02/2011      | 5,000                | 1.971 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 21/04/2011      | 10,000               | 1.730 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 27/04/2011      | 10,000               | 1.728 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 03/06/2011      | 21,900               | 1.680 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 06/06/2011      | 40,000               | 1.668 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 07/06/2011      | 15,000               | 1.644 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 06/07/2011      | 2,000                | 1.488 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 07/07/2011      | 4,000                | 1.482 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 08/07/2011      | 10,000               | 1.456 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 12/07/2011      | 18,000               | 1.303 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 13/07/2011      | 2,810                | 1.289 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 14/07/2011      | 3,869                | 1.251 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 15/07/2011      | 8,000                | 1.210 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 09/08/2011      | 8,000                | 1.117 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 16/08/2011      | 60,000               | 1.228 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 12/09/2011      | 10,000               | 1.060 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 14/09/2011      | 10,000               | 1.065 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 23/09/2011      | 10,000               | 1.000 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | Closing balance | <b>4,231,630</b>     |       |            |                     | <b>2.07%</b>  | <b>1,078</b>     | <b>10.8%</b> | <b>427,500</b>   | <b>7.1%</b>  | <b>10,295</b> | <b>20.6%</b> |
| Carlos António Vasconcelos Mota dos Santos                  | Opening balance | 5,300                |       |            |                     |               |                  |              |                  |              |               |              |
|   | 12/09/2011      | 14,000               | 1.07  | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 14/09/2011      | 10,000               | 1.08  | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | Closing balance | <b>29,300</b>        |       |            |                     | <b>0.01%</b>  |                  |              |                  |              |               |              |
| Maria Inês Fonseca Vasconcelos Mota Sá                      | Closing balance | <b>33,775</b>        |       |            |                     | <b>0.02%</b>  | -                | -            | -                | -            | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| Luís Filipe Cardoso da Silva                                | Closing balance | <b>12,500</b>        |       |            |                     | <b>0.01%</b>  | -                | -            | -                | -            | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| Gonçalo Nuno Gomes de Andrade Moura Martins                 | Closing balance | <b>12,435</b>        |       |            |                     | <b>0.01%</b>  | -                | -            | -                | -            | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| Ismael Antunes Hernandez Gaspar                             | Closing balance | <b>1,000</b>         |       |            |                     | <b>0.00%</b>  | -                | -            | -                | -            | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| José Luís Catela Rangel de Lima                             | Closing balance | <b>1,000</b>         |       |            |                     | <b>0.00%</b>  | -                | -            | -                | -            | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| Alberto João Coraceiro de Castro                            | Closing balance | <b>2,200</b>         |       |            |                     | <b>0.00%</b>  | -                | -            | -                | -            | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| Algosi - Gestão de Participações Sociais, SGPS, SA          | Opening balance | <b>30,538,198</b>    |       |            |                     | <b>14.92%</b> | -                | -            | -                | -            | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| F.M. - Sociedade de controlo, SGPS, SA                      | Closing balance | -                    |       |            |                     | -             | -                | -            | <b>4,200,000</b> | <b>70.0%</b> | -             | -            |
|   |                 |                      |       |            |                     |               |                  |              |                  |              |               |              |
| Mota Gestão e Participações, SGPS, SA                       | Opening balance | 80,406,957           |       |            |                     | 39.29%        | 5,100            | 38.5%        | -                | -            | -             | -            |
|   | 03/01/2011      | 28,120               | 1.763 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 04/01/2011      | 3,372                | 1.794 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 05/01/2011      | 25,453               | 1.765 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 06/01/2011      | 16,651               | 1.755 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 07/01/2011      | 5,026                | 1.723 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 10/01/2011      | 3,000                | 1.670 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 11/01/2011      | 4,524                | 1.690 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 12/01/2011      | 1,500                | 1.690 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 13/01/2011      | 2,500                | 1.776 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 21/01/2011      | 2,000                | 1.975 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 25/01/2011      | 5,000                | 1.996 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 31/01/2011      | 1,550                | 1.973 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 01/02/2011      | 1,000                | 1.986 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 08/04/2011      | 22,192               | 1.805 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 11/04/2011      | 450                  | 1.839 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 18/04/2011      | 13,630               | 1.686 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 26/04/2011      | 5,000                | 1.729 | Buy        | Market              |               |                  |              |                  |              |               |              |
|   | 31/05/2011      | 52,718               | 1.700 | 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       | % |
|                                   | 08/07/2011 | 8,000                | 1.469 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 11/07/2011 | 37,500               | 1.401 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 12/07/2011 | 15,500               | 1.319 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 13/07/2011 | 2,500                | 1.303 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 14/07/2011 | 6,500                | 1.251 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 15/07/2011 | 11,000               | 1.218 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 18/07/2011 | 2,000                | 1.197 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 29/07/2011 | 15,000               | 1.300 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 01/08/2011 | 6,000                | 1.275 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 02/08/2011 | 5,500                | 1.252 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 03/08/2011 | 12,433               | 1.252 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 04/08/2011 | 9,089                | 1.200 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 05/08/2011 | 16,500               | 1.174 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 08/08/2011 | 5,669                | 1.145 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 09/08/2011 | 152,535              | 1.130 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 10/08/2011 | 50,000               | 1.164 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 11/08/2011 | 67,658               | 1.143 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 12/08/2011 | 3,500                | 1.184 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 18/08/2011 | 1,378                | 1.230 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 19/08/2011 | 14,636               | 1.218 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 26/08/2011 | 1,000                | 1.310 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 29/08/2011 | 4,000                | 1.346 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 02/09/2011 | 13,618               | 1.308 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 05/09/2011 | 11,382               | 1.303 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 22/09/2011 | 40,215               | 1.001 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 23/09/2011 | 188,394              | 0.998 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 26/09/2011 | 2,521                | 1.000 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 03/10/2011 | 122,059              | 0.997 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 04/10/2011 | 86,546               | 0.995 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 05/10/2011 | 4,949                | 0.998 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 06/10/2011 | 700                  | 1.012 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 07/10/2011 | 37,146               | 0.995 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 10/10/2011 | 88,537               | 1.018 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 11/10/2011 | 64,795               | 1.030 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 12/10/2011 | 2,094                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 13/10/2011 | 47,860               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 14/10/2011 | 5,000                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 17/10/2011 | 48,006               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 18/10/2011 | 65,084               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 19/10/2011 | 43,700               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 20/10/2011 | 19,345               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 21/10/2011 | 13,403               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 24/10/2011 | 38,080               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 25/10/2011 | 300                  | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 26/10/2011 | 60,696               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 27/10/2011 | 34,246               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 31/10/2011 | 21,453               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 01/11/2011 | 225,483              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 02/11/2011 | 32,572               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 03/11/2011 | 12,678               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 04/11/2011 | 376,330              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 07/11/2011 | 478,290              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 08/11/2011 | 41,660               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 09/11/2011 | 106,879              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 10/11/2011 | 42,285               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 11/11/2011 | 237,885              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 14/11/2011 | 13,170               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 15/11/2011 | 33,804               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 16/11/2011 | 6,992                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 17/11/2011 | 78,830               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 18/11/2011 | 8,794                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 21/11/2011 | 7,350                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 22/11/2011 | 10,921               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 23/11/2011 | 377,596              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 24/11/2011 | 72,371               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 25/11/2011 | 29,973               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 28/11/2011 | 3,489                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 30/11/2011 | 9,469                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 01/12/2011 | 225                  | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 02/12/2011 | 955                  | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 13/12/2011 | 104,524              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 14/12/2011 | 140,993              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 15/12/2011 | 25,569               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 16/12/2011 | 24,445               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 19/12/2011 | 6,069                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 20/12/2011 | 49,679               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 21/12/2011 | 53,478               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 22/12/2011 | 7,484                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 23/12/2011 | 192,780              | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 29/12/2011 | 4,273                | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
|                                   | 30/12/2011 | 84,102               | 1.035 | Buy        | Market              |        |                  |       |               |   |              |   |
| Closing balance                   |            | 85,229,078           |       |            |                     | 41.65% | 5,100            | 51.0% | -             | - | -            | - |

#### 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, 2011, 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                  | 85,229,078   | 41.65%           |
| 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 2011 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         |
|  | Cape Verde     |
|  | Chad           |
|  | Colombia       |
|  | Slovakia       |
|  | Spain          |
|  | USA            |
|  | Hungary        |
|  | Ireland        |
|  | Malawi         |
|  | Mozambique     |
|  | Peru           |
|  | Poland         |
|  | Romania        |
|  | Czech Republic |
| Ferrovias e Construções, SA                                    | Algeria        |
| Companhia Portuguesa de Trabalhos Portuários e Construções, SA | Cape Verde     |
| Mota-Engil, Ambiente e Serviços, SGPS, SA                      | Ireland        |
| Trânsitos de Extremadura, SL                                   | Lithuania      |
| Vibeiras – Sociedade Comercial de Plantas, SA                  | Morocco        |

| Company                        | Country        |
|--------------------------------|----------------|
| 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, 2011:

| Equityholder   | N. of shares | % issued |
|--|--------------|----------|
| Mota Gestão e Participações, SGPS, SA                      | 85,229,078   | 41.65%   |
| Algosi – Gestão de Participações Sociais, SGPS, SA         | 30,538,198   | 14.92%   |
| António Manuel Queirós Vasconcelos da Mota                 | 5,257,005    | 2.57%    |
| Maria Manuela Queirós Vasconcelos Mota dos Santos          | 3,675,066    | 1.80%    |
| Maria Teresa Queirós Vasconcelos Mota Neves da Costa       | 3,746,836    | 1.83%    |
| Maria Paula Queirós Vasconcelos Mota de Meireles           | 4,231,630    | 2.07%    |
| Carlos António Vasconcelos Mota dos Santos                 | 29,300       | 0.01%    |
| Attributable to F.M. - Sociedade de Controlo, SGPS, SA (1) | 132,707,113  | 64.85%   |
| 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 Privado Holding SGPS, SA                   | 10,364,517   | 5.06%    |
| QMC Development Capital Fund Plc                           | 4,190,954    | 2.05%    |
| Attributable to Nmas 1 Agencia de Valores SA               | 4,190,954    | 2.05%    |

(1) The company FM – Sociedade de Controlo, SGPS, SA is owned 100% 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%).







CONSOLIDATED  
REPORT &  
ACCOUNTS  
2011

**4.**  
AUDIT  
REPORTS

**LEGAL CERTIFICATION OF CONSOLIDATED ACCOUNTS**  
(TRANSLATION OF A REPORT ORIGINALLY ISSUED IN PORTUGUESE)

**INTRODUCTION**

1. We have audited the consolidated financial statements of "MOTA - ENGIL, SGPS, S.A." and subsidiaries (Group), which include the Consolidated Statement of Financial Position at the 31<sup>st</sup> December 2011, (which evidences a total of Euro 3.524.296.928 and a total equity of Euro 414.824.586, including a consolidated net profit of Euro 33.432.054), the Consolidated Statements of Profit and Loss and of Comprehensive Income, 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 consolidated financial statements which disclose a true and suitable view of the group of companies included in the consolidation financial position, the consolidated results and the consolidated comprehensive income of its operations, the consolidated changes in equity and the consolidated 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 consolidated financial statements are exempt from significant deviations. So, the aforesaid examination included:

- the verification if the financial statements of the group of companies included in the consolidation were properly examined and if not, on the relevant cases, the verification, in a sampling basis, of the support of the amounts and the disclosure, in them contained, and the evaluation of the estimates, based on judgments and methods defined by the Company's Board of Directors, used in their preparation;
- the verification of the consolidation operations and the application of the equity method;
- the appreciation of the adequacy of the adopted accounting policies, their uniform application and their disclosure, taking into account the circumstances.
- the verification of the applicability of the going concern concept; and
- the appreciation of being adequate, on the whole, the consolidated financial statements presentation.

5. Our examination also includes verifying that the financial information included in the consolidated Management Report is consistent with the consolidated financial statements mentioned above, as well as with the verifications required by the numbers 4 and 5 of the 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 consolidated financial statements present in a true and appropriate manner, in all relevant aspects, the consolidated financial position of "MOTA-ENGIL, SGPS, S.A." and subsidiaries, on the 31<sup>st</sup> of December 2011, the consolidated results and the comprehensive income of its operations, the consolidated changes in equity and the consolidated cash flows for the year then ended, in conformity with International Financial Reporting Standards as adopted by the European Union.

#### REPORT ON OTHER LEGAL REQUIREMENTS

8. It is also our opinion that the consolidated financial information included in the consolidated Management report is consistent with the consolidated financial statements and that the Corporate Governance Report includes the information required by the Article 245º-A of Código dos Valores Mobiliários (Securities Market Code).

Porto, 13<sup>th</sup> March 2012

  
António Magalhães & Carlos Santos - SROC, Statutory Auditors Company,  
represented by Carlos Alberto Freitas dos Santos - Statutory Auditor nº 177

## **REPORT AND OPINION OF THE STATUTORY AUDIT BOARD**

(Translation of a report originally issued in Portuguese)

To the shareholders of  
MOTA-ENGIL, SGPS, S.A.,

In compliance with legal and statutory obligations, the Statutory Audit Board of MOTA-ENGIL, SGPS, S.A., presents the report of its activities during 2011, as well as the opinion on the consolidated financial information file, which includes the management report and consolidated financial statements presented by the Company's Board of Directors.

The Statutory Audit Board met regularly, accompanying the evolution of the GROUP, namely through meetings with the Board of Directors and its members and with the technical staff, from whom received the required information.

Additionally, the Statutory Audit Board followed the activity of the Statutory Auditors Company. This allowed the collection of some additional elements that were useful to the accomplishment of the audit task.

As duly communicated to the authorities, during the financial year 2011 the composition of the Statutory Audit Board has changed. The member Pedro Manuel Seara Cardoso Pérez was replaced by Horácio Fernando Reis e Sá.

Culminating its normal activity with the purpose of preparing this opinion, the Statutory Audit Board studied the above-mentioned documents, the Statutory Auditors' Report of Consolidated Accounts issued by the Statutory Auditors Company, and the Auditors' Report issued by the external Auditors Company registered in the Securities Market Commission.

For the purposes of Article 245.1 c) of the Securities Code, members of the Statutory Audit Board declare that, as far as they are aware, the 2011 Consolidated Report & Accounts was drawn up in accordance with the relevant accounting rules, and provide a true and fair view of the assets and liabilities, financial affairs and profit or loss of MOTA-ENGIL, SGPS, SA and other companies included in the consolidated accounts, and that the management report contains a faithful account of the business, performance and position of the said company and other companies included in the consolidated accounts, describing the main risks and uncertainties which they face.

Consequently, the Statutory Auditor Board considers the consolidated financial information file presented by the Company's Board of Directors worth of approval.

Porto, 13<sup>rd</sup> March of 2012

The Statutory Audit Board

Alberto João Coraceiro de Castro

José Rodrigues de Jesus

Horácio Fernando Reis e Sá

## AUDITORS' REPORT

### CONSOLIDATED FINANCIAL STATEMENTS (translation of a report originally issued in Portuguese)

#### **Introduction**

1. In compliance with article nº245 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 2011 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 2011, that presents a total of 3,524,296,928 Euros and shareholders' equity of 414,824,586 Euros, including a net consolidated profit of 33,432,054 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, upto-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 2011, 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.

**Report on other legal requirements**

6. 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, 13 March 2012

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Deloitte & Associados, SROC S.A.  
Represented by Jorge Manuel Araújo de Beja Neves