Management Report & Financial Statements
1st Half
2010

SOARES DA COSTA
GRUPO SGPS

Grupo Soares da Costa, SGPS, S.A.
public company
Head Office: Rua de Santos Pousada, 220, 4000-478 Porto
Share capital 160.000.000 Euros
NIPC 500 265 763, Matriculada na CRC do Porto

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MANAGEMENT REPORT

1. CONSOLIDATED 1ST HALF 2010 EARNINGS (non audited accounts)

Main Highlights:

- **Consolidated turnover reached € 425.5 million (-11.2%), of which €388.7 million in the Construction and Industry business area and €34.7 million in the Concessions;**
- **EBITDA amounted to €42.6 million in line with the €43.0 million reached in the same period of last year, representing however a margin improvement to 10.0% from 9.0%;**
- **Group's net income was €3.405 million, less 8.2%;**
- **For the first time the order book surpassed the € 2.0 billion threshold, reaching €2.027 million, a 11% growth compared with the end of 1Q 2010.**

Key Figures

Consolidated (€ '000)	1H2009*	1H 2010	YoY%
Turnover	479,174	425,481	-11.2%
EBITDA	42,972	42,614	-0.8%
EBITDA margin	9.0%	10.0%	+1.0 pp
EBIT	26,663	23,522	-11.8%
EBIT margin	5.6%	5.5%	-0.1 pp
Net financial results	-20,554	-18,987	-7.6%
Group's Net Income	3,708	3,405	-8.2%
Net debt	663,173	739,684	+11.5%
Capex	26,648	20,239	-24.1%

*In order to have comparable figures, we have calculated proforma accounts for 1H 2009 reflecting the IFRIC 12 accounting standard application.

OPERATIONAL PERFORMANCE

Turnover.

The group's turnover during the 1H 2010 reached €425.5 million, the second highest figure in SDC's history, representing however a decrease of 11.2% compared with the same period of last year.

In absolute value, this fall of €53.7 million was mainly due to the construction business area activity slowdown in the domestic market (€-46.9 million), a consequence of the macroeconomic context but also of the sector's private component (residential and non residential buildings) consecutively weak performance. In this semester, besides this negative trend, the civil works component also suffered a negative evolution due to the public accounts restrictive measures, which affected the public investment level and the awards made.

Compared with budget, the delay in the works of the Transmontana motorway due to the necessary approval by the Portuguese Court of Auditors (that meanwhile was granted already in 3Q 2010) was a major factor. Furthermore, other delays in other works also contributed to the gap to the budget's figures: two works in Romania (due to weather conditions), two works in Angola (due to changes in projects) and in a project in Madeira island, a situation already settled.

This way the domestic market height in total turnover declined to 44.6% from 46.7% in 1H 2009, with the international component increasing its height in consolidated terms (55.4% of the group's turnover).

Turnover Breakdown by Country

Market (€ '000)	1H 2009*	%	1H 2010	%	YoY%
Portugal	223,776	46.7%	189,639	44.6%	-15.3%
Angola	163,547	34.1%	165,720	38.9%	1.3%
U.S.	36,411	7.6%	34,680	8.2%	-4.8%
S. Tomé & Príncipe	1,104	0.2%	3,130	0.7%	183.6%
Mozambique	12,551	2.6%	6,352	1.5%	-49.4%
Guinea-Bissau	10,741	2.2%	6	0.0%	n.m.
Romania	23,664	4.9%	14,439	3.4%	-39.0%
Others	7,379	1.5%	11,517	2.7%	56.1%
Total	**479,174**	**100%**	**425,481**	**100%**	**-11.2%**

*In order to have comparable figures, we have calculated proforma accounts for 1H 2009 reflecting the IFRIC 12 accounting standard application.

The consolidated turnover decrease in the 1H 2010's is explained by the closing of significant works in the 1H 2009 in Mozambique and Guinea Bissau (bridge over the Zambeze and over the Cacheu rivers, respectively) and by the decrease of activity in Romania due to the construction market slowdown (due to the State's deficit control measures with direct impact on the public investment decline).

Turnover Breakdown by Business Area

€ '000	1H 2009*	%	1H 2010	%	YoY%
Turnover	**479,174**	**100%**	**425.481**	**100%**	**-11.2%**
Construction and industry	448,510	93.6%	388,748	91.4%	-13.3%
Concessions	30,239	6.3%	34,668	8.1%	14.6%
Real Estate	361	0.1%	1,885	0.4%	422.1%
Holding/ Other	64	0.0%	181	0.0%	183.3%

*In order to have comparable figures, we have calculated proforma accounts for 1H 2009 reflecting the IFRIC 12 accounting standard application.

In the Construction business area, by market, and in more detail we have:

- In the **domestic market**, in this semester we highlight the works in the "Parque Escolar, Lote 2 AN2", a building to RAR (Edificio do Parque), a work to Ruben A., a water treatment station in Barreiro, Simarsul's drainage subsystem in Barreiro, and several other works related with IKEA store in Loures, completed in this period.

  Amongst other, the following works were concluded:

  - Longevity Wellness Resort;
  - Carlton Life Lusíada;
  - SRES - Madalena do Mar bypass road;
  - EDIA – Pisão/Roxo feeder pipes;
  - EDIA – Lóbio tower;
  - Water treatment station of Ave;
  - Trofa bypass road tunnel;
  - AMARSUL – Triage station;

  And started works in the Cascais tower for the Pestana group and the accesses to Brisa's logistic platform.

  Also worth mention are the works done by incorporated joint ventures, which are proportionally consolidated and in which the one related with Transmontana motorway (CAET XXI), with Hidroalqueva, Nova Estação and the recently constituted LGV - Engenharia e Construção de Ligações de Alta Velocidade (Poceirão-Caia stretch of the Portuguese HSR between Lisbon and Madrid) are particularly significant.

- **Angola**, both in terms of SDC's international history and in size, is the group's first non domestic market. The International Monetary Fund (IMF) in the Regional Outlook for the

African continent[1] maintained its economic growth estimates to Angola at 7.1% for 2010 and 8.3% for 2011. Some recovery of exports and the oil related revenues have allowed the country to stabilize its international reserves, which should allow some payments by the Angolan State and related entities of overdue accounts to Portuguese companies, namely in the construction sector. In the 1H 2010, the Angolan market represented 38.9% of the group's consolidated turnover, with turnover rising 1.3% compared with the same period of last year. Main works in the Angolan market:

- Kinaxixi Shopping Center;
- LNG Project in Soyo – BECHTEL;
- "Largo do Ambiente" building;
- Torres Dipanda building;
- Bayview – TTA – Office building;
- Refurbishing of Marginal road in Luanda Bay;
- Sana Luanda Royal Hotel;
- UNITEL – FILDA building;
- GOE – Technological and Science Museum.

Still in the Angolan market, we highlight Clear Angola's performance, with a €21.4 million turnover, more 10.6% than in 1H 2009.

- In the **U.S.**, the group continues with its strategy of extending its activity to Georgia state and in the infrastructures segment. Although clearly being SDC's third more relevant market, turnover in US suffered a slight decrease in this 1H (-4.8%), reflecting the contraction of the residential segment, which nevertheless should start to be offset by the activity of the infra structures market, namely with the development of several road/ motorway works.

- In **Romania**, SDC's turnover decrease was mainly a consequence of the measures taken by the authorities to limit public budget weakness and to create the necessary basis for a sustainable improvement of the public accounts, which severely affected the investment in infra structures. Nonetheless, the group (in consortium) continued the construction works of water and sewage infra-structures in Glati and Pitesti and in Lugoj road. Except the first one, these works will be concluded up to year-end. Furthermore, jointly with the Spanish ISIS

[1] IMF - Regional Economic Outlook 2010: Sub Saharan Africa, April 2010
http://www.imf.org/external/pubs/ft/reo/2010/AFR/eng/sreo0410.pdf

Europa, the works (land movements and accesses) of the Pestera and Cernavoda wind parks for EDP Renováveis are being developed, and in June the refurbishment of DJ7031 road was initiated, in partnership with the Romanian company Euroconstruct 98.

- In **Mozambique**, we would highlight the construction works of the Hotel Vip in Tete (amounting to €10 million), of INNOQ complex in Maputo, a new gas station in Moatize, besides several social infrastructures in Caia and the new administrative court in Maputo. SDC's activity in this market will gain relevance in the near future with the construction and concession of the new bridge over Tete bridge, included in the Mozambican government promotion of development of infra structure under a PPP's structure. Tete bridge construction and concession was awarded to a consortium in which SDC has a 40% stake, and which is already making the necessary moves to start the works on the ground. Please note that recent and significant awards gained in this market did not have any reflection yet in the semester's production.

- The **Guinea-Bissau** activity is mentioned in the above table due to relatively significant turnover in 1H 2009, period during which the construction over the Cacheu River was concluded. However, given this market reduced dimension, SDC's activity is occasional, not making any contribution to the group's order book at this stage.

- In **S. Tomé & Principe**, the main construction work is related with Trindade School.

We also would like to highlight our activity in **Costa Rica**, although without any impact on SDC's consolidated turnover (as SDC has a 17% stake in the companies that are developing these projects, which are therefore consolidated by equity method), with the completion during this semester of the construction of San José – Caldera motorway. The construction of San José- Ramón motorway has been postponed to the beginning of 2011 due to some delays in the expropriation processes and the operation's financing.

In the Concessions area, we would mention some operating figures of Auto-estrada of Beira Interior (Scutvias), the only concession in operation in the context of the group: average daily traffic (ADT) in 1H 2010 reached 9,974, of which 8,537 of light vehicles traffic, corresponding to 1.25% growth compared with the same period of last year. Also considering services areas revenues, Scutvias turnover increased by 1.9%, in line with our expectations. In the car parking segment, turnover increased circa 2% compared with the 1H 2009.

In the interaction between Construction and Concessions, it is worth mention that the development of Auto-Estrada Transmontana motorway project continued, as the administrative issues that were delaying the works have been recently surpassed, which should lead to a significant acceleration of the construction works in the 2H 2010, decreasing the gap to the initial planning.

In the Real Estate area, during this semester, some sales related with Soarta–1º Maio project (Alcântara, Lisbon) were closed. In accordance with the internationalisation strategy being implemented in this segment since the end of 2008, the construction of the Talatona residential project in Angola continued.

Profitability.

Profitability by Business Area

€ '000	1H 2009*	%	Margin	1H 2010	%	Margin	YoY%
EBITDA	**42,972**	100%	**9.0%**	**42,614**	**100%**	**10.0%**	-0.8%
Construction & industry	29,883	70%	6.7%	23,593	55%	6.1%	-21.0%
Concessions	16,176	38%	53.5%	18,246	43%	52.6%	12.8%
Real Estate	-1,865	-6%	-	1,833	4%	-	-
Holding/ Other	-1,222	-4%	-	-1,057	-3%	-	-
EBIT	**26,663**	100%	**5.6%**	**23,522**	**100%**	**5.5%**	-11.8%
Construction & industry	20,740	78%	4.6%	14,253	61%	3.7%	-31.3%
Concessions	7,883	30%	26.1%	9,865	42%	28.5%	25.1%
Real Estate	-239	-1%	-	955	4%	-	-
Holding/ Other	-1,722	-6%	-	-1,551	-7%	-	-

*In order to have comparable figures, we have calculated proforma accounts for 1H 2009 reflecting the IFRIC 12 accounting standard application.

Consolidated EBITDA was in line with the figures achieved in 1H 2009: €42.6 million versus €43.0 million, despite the activity slowdown.

In spite of the market (unsustainable) tendency to particularly aggressive margins, SDC's management has tried to follow a different path, which has allowed some minimisation of the pressure over the company's profitability. In fact, in this semester, margins of the construction and concessions area only declined respectivlely -0.6pp and -0.9pp compared with the same period of last year. Furthermore, comparing with the 2009 full-year's margin, EBITDA margin of the construction area only decreased 0.2pp (6.1% versus 6.3%).

Consolidated EBITDA margin reached 10.0%, improving from the 9.0% registered in the first six months of last year, in result of the relatively higher contribution of the concessions area, and the more favourable performance of the real estate area. Taking into consideration 1H 2009's recurrent margin of 9.5% (excluding €2.4 million of non recurrent costs related with the closing of a company in the real estate area), the group continues to have a positive performance (+0.5pp) in this last semester.

Financial Results. Financial results had a positive evolution in this period compared with 1H 2009, amounting to €-19.0 million versus €-20.6 million. Net financing costs decreased circa €4.3 million (to €11.7 million from €16.0 million) based on the slight reduction of the interest paid (Δ= -€1.1 million) jointly with an increase in the interest received (Δ= +€3.2 million). Foreign exchange balance was almost unchanged: €-0.4 million in 1H 2010 and €-0.24 million in the same period of last year. As expected, by business area, the concessions area, more capital intensive, represents the bulk of the financial costs: €-14.2 million (€-14.5 million in 1H 2009).

Net Income. Consolidated net income attributable to the group reached €3.405 million in the first six months of 2010, decreasing 8.2% compared with the same period of last year, with net margin being stable at 0.8%.

Debt and Capex. As of June 30, 2010, consolidated net debt reached €739.7 million (of which €277.8 million of non recourse debt associated with the concessions business area) versus € 675.9 million by year-end 2009. This evolution is mainly due to the development of real estate projects in the Angolan market, the development of the Transmontana motorway (financial asset model) and the working capital needs (between December 2009 and June 2010, accounts receivable rose €32.6 million, while accounts payable declined €20.2 million in this same period).

Net debt and Net debt to EBITDA Ratio

€ million	2007	2008	2009	1H 2010 *
Net debt	313.6	606.3	675.9	739.7
EBITDA	36.2	86.4	87.2	85.2
Net debt / EBITDA	8.7x	7.0x	7.8x	8.7x (*)

* Annualised.

Net debt to EBITDA ratio is currently at the 2007's level, before the financial and market crisis emerged. Although not being an inflated multiple given the activities being developed and the financial markets existing conditions, management is studying measures to reduce this figure in the short run.

Capex (defined as the gross increase in tangible fixed assets) reached € 20.2 million in this first semester, versus € 26.6 million in the 1H 2009. The construction area represented €17.4 million of the total consolidated capex, in which we would like to highlight the investment made in the Angolan construction yard (in Viana) and in the Bispo beach real estate project. In the concessions area, we would mentioned CPE's acquisition of Campo Alegre car park by €1.6 million.

Balance Sheet. Besides the accounting rules changes, detailed in the next chapter, leading us to calculate proforma accounts for 1H 2009 in order to have comparable figures with 1H 2010, we would like to mention:

- Accounts receivable rose by €32.6 million (partially offset by the increase in advances of clients of €18.8 million), with the Angolan market having an important contribution to this situation and having as a consequence some degradation of the average collection period;
- Other current assets increase by €61.8 million, also partially counterbalanced by the increase of other current liabilities (+€32.2 million), related with some deferral and accrual accounting movements from construction contracts;
- Regarding the shareholders' capital evolution, in this semester we registered a negative effect of €21.1 million related with fair value of the financial hedging instruments. During the first six months of 2010, there were no own shares movements. In accordance with the deliberations of the group's general meeting, held on April 26, 2010, SDC paid to its shareholders €6.9 million of dividends.

ACCOUNTING RULES CHANGES

Regarding the consolidated financial statements, some accounting changes happened in this semester as a consequence of the entry into force of the IFRIC 12. This interpretation of the mentioned International Accounting Standard, that establishes the criterions to be used in the measure, recognition, presentation and release of the activities that are based on a public service concession contract, leads to some changes with some impact in the consolidated figures of SDC group, mainly in the:

(i) Re-classification as an intangible asset of part of the concession fixed assets in which the group has a exploitation right and in which it assumes the demand risk of the operation (intangible asset model);

(ii) Re-classification as a receivable of part of the concession fixed assets in which the group has an unconditional right to receive pre-established values and in which it does not assume the demand risk of the operation (financial asset model);

(iii) Changes in the depreciations of the fixed assets and recognition of provisions covering the need of future major repairs in the assets under concession.

ORDER BOOK | OUTLOOK

Despite the macroeconomic and construction market difficult context, in particular in the domestic market, the group's commercial activity and awards achieved are having a very positive performance, as mentioned below.

During the 2Q 2010, in May 8, has been signed by and between the Portuguese State and the concessionaire "ELOS – Ligações de Alta Velocidade, S.A.", in which SDC has a 16.3% participation, the concession contract of the Poceirão-Caia stretch, part of the high speed rail connection between Lisbon and Madrid. Elos is now finishing the project phase and prepares the beginning of the works (expected for the 1Q 2011) as soon as the required aprovals and expropriations are concluded. The works global value amounts to € 1.400 million, as already mentioned in previous report.

Regarding the new works awarded in this semester, we would highlight:

- Conception and construction of the car parking in Chão do Loureiro market, for EMEL;
- Construction of the Cascais Tower Inn, for Pestana group;
- Construction (in consortium) of the road accesses to the logistic platform of Lisboa North, in the stretch Vila Franca de Xira/ Nó A1/ A10 North motorway, for Brisa;
- Tinhela River and Ribeira de Jorgais bridges, both included in CAET XXI project.

From our subsidiary Contacto, we would highlight the following works:

- Construction of the enlargement and refurbishing of the stretch Maia/ Santo Tirso of A3 motorway (Porto/ Valença);
- Reformulation of Campo crossing, enlargement and refurbishing of the stretch Valongo/ Campo of A4 motorway (Porto/ Amarante).
- Construction of a supermarket in Peniche (Modelo supermarkets chain).

In the **Angolan** market, besides the work of the Angolan National statistics institute (worth US$53.9 million), whose award was approved in Economic Commission in June 30, 2010, now awaiting approval from the auditing court, we highlight the following awards:

- Towers Dipanda building – Phase II;
- Island Hotel – addendum nr 1 finishing and specific works;
- SONILS – maintenance area of the base;
- SONILS – Franks facilities.

In the **Mozambican** market, we must highlight the award of two batches for the construction and refurbishing of road nr. 221, in Gaza, and the construction of the village of the X African Games, including the construction of 848 T3-homes, an Olympic pools complex and all the necessary accesses serving this complex. This way, this market's order book registered during the 1H 2010 a significant growth, now representing 8% of the total order book.

In **Romania**, we highlight the Cernavada II wind park works in Constanca, after the construction of the Pestera wind park in the same city. The negative macroeconomic context and administrative issues in public bids in which SDC ranked in first place (two infrastructures works and one road, totalling €21.5 million) have created some difficulties in gaining works for the order book replacement. Nevertheless, we expect that the ongoing economic rebound allows some recovery of SDC's activity in this market in 2011.

In the **U.S.**, the group continues to invest in the infra-structures segment and in the expansion of its commercial activity, which has led to some improvement in the group's order book for that market. Several infrastructure works have been awarded to our subsidiary Prince Contracting during this semester:

- OOCEA, SR408, worth US$20.8 million;
- Liberty Mutual, SR50 – Dean Road, worth US$9.8 million;
- Liberty Mutual, Narcoossee Road, worth US$7.4 million;
- Hillsborough County, Boyette Road, Phase III, worth US$22.4 million;
- Gdot, I75 – BIBB County, GA, worth US$54.6 million.

Prince's order book more than doubled in this period, totalling US$173.7 million versus US$86.167 million by the end of 2009. In accordance with the strategy being implemented of expanding prince's activity to the rising PPP's segment, SDC is part of the consortium GMP – Georgia Mobility Partner, which has been short listed by GDOT (Georgia Department of Transportation) for the P3 - West by Northwest project.

In Ireland, the group continues to negotiate the Dublin light rail project (Metro North) and in the health sector, SDC also continues to take part in a hospital bid (Todos-os-Santos Hospital) in Portugal.

As mentioned in previous press releases, the Group continues to search for opportunities in non traditional markets. Namely in Mexico, Abu Dhabi and North African countries SDC has been developing commercial activities, and in some North African countries the group's subsidiaries in the industry area already are operating.

Therefore, for the first time, by June 30, 2010, total order book reached €2 billion, growing 10.8% compared with the end of the 1Q 2010, with the following breakdown by country:

Order Book

€ million	1Q 2010	%	1H 2010	%	YoY%
Total	**1,828,963**	**100**	**2,027,185**	**100**	**+10.8%**
Portugal	782,113	42.8	768,049	37.9	-1.8%
Angola	479,661	26.2	515,005	25.4	+7.4%
US	86,187	4.7	173,684	8.6	+101.5%
Israel	240,000	13.1	240,000	11.8	+0.0%
Mozambique	72,553	4.0	164,711	8.1	+127.0%
Romania	28,039	1.5	17,619	0.9	-37.2%
S. Tomé & Príncipe	18,340	1.0	17,356	0.9	-5.4%
Costa Rica	30,107	1.6	47,314	2.3	+57.2%
Others	91,963	5.0	83,447	4.1	-9.3%

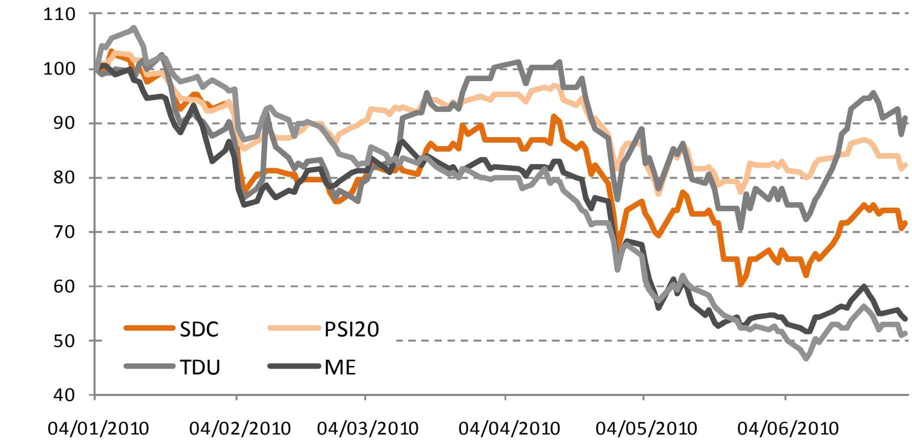
Outlook and Guidances YE10. The current macroeconomic context and the persistent imbalance of the construction market, with fierce competition, namely in the domestic market, creates significant challenges for the group SDC. Although SDC's sound order book minimises this context, the delay and/or slowdown in the development of the works has a negative impact on the group's activity. In fact, the mentioned delays in terms of invoiced works that happened in this 1H 2010, and to which, in general, is expected a recovery throughout the 2H 2010, are leading us to a slight revision (-4%) of our previously mentioned guidance to full-year 2010 turnover to € 930 million from € 970 million. Nevertheless, we are maintaining our profitability estimate, reiterating a 10% EBITDA margin to full-year 2010.

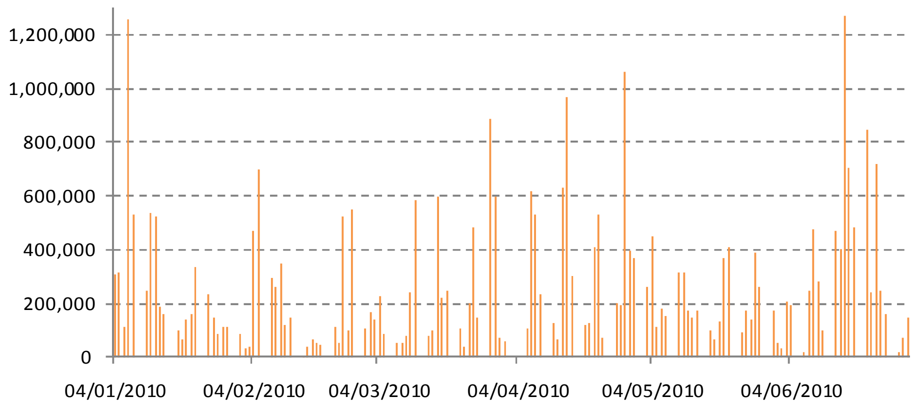
STOCK PRICES

(ordinary shares)	1H 2010	2009	2008	2007
Stock Price (beginning of the period)	€1.23	€0.62	€2.08	€0.69
Stock Price (end of the period)	€0.87	€1.19	€0.63	€2.09
Max. Stock Price	€1.27	€1.31	€2.13	€2.87
Min. Stock Price	€0.74	€0.49	€0.58	€0.69
No. of shares traded (million)	34.4	186.8	81.1	510.2
Shares traded (€ million)	34.3	190.5	123.1	857.5

Source: Euronext

Soares da Costa Stock Price Evolution & Average Shares Traded (# of shares)





Source: Euronext

During the 1H 2010, SDC's share price decreased 28.5%, a decline mainly explained by the more pessimistic expectations of the investors regarding the economy's performance as a whole, and for the construction market in particular. Euronext Lisbon main index, PSI 20, decreased almost 18% in this same period. Nevertheless, SDC's share price decline was lower than its Portuguese construction peers average: -34.6% during the 1H 2010. In this first six months of 2010, 34.4 million shares were traded, corresponding to an average of 273k shares per trading session. By June 30, 2010, SDC's share price was €0.87, corresponding to a €140.8 million market capitalisation.

SUBSEQUENT EVENTS

The financial statements were approved by the board of directors on August 26, 2010.

On August 19, 2010, SDC group announced that there is currently a dispute between the grantor (Israel State) and MTS regarding of the Red Line of the Tel Aviv light rail contract. MTS is the concessionaire in which SDC group has, through its subsidiary Soares da Costa Concessões SGPS, SA, a 20% holding. MTS decided to submit the litigation to an Arbitral Court.

2. ORGANISATIONAL STRUCTURE (GROUP STRUCTURE and GOVERNING BODIES)

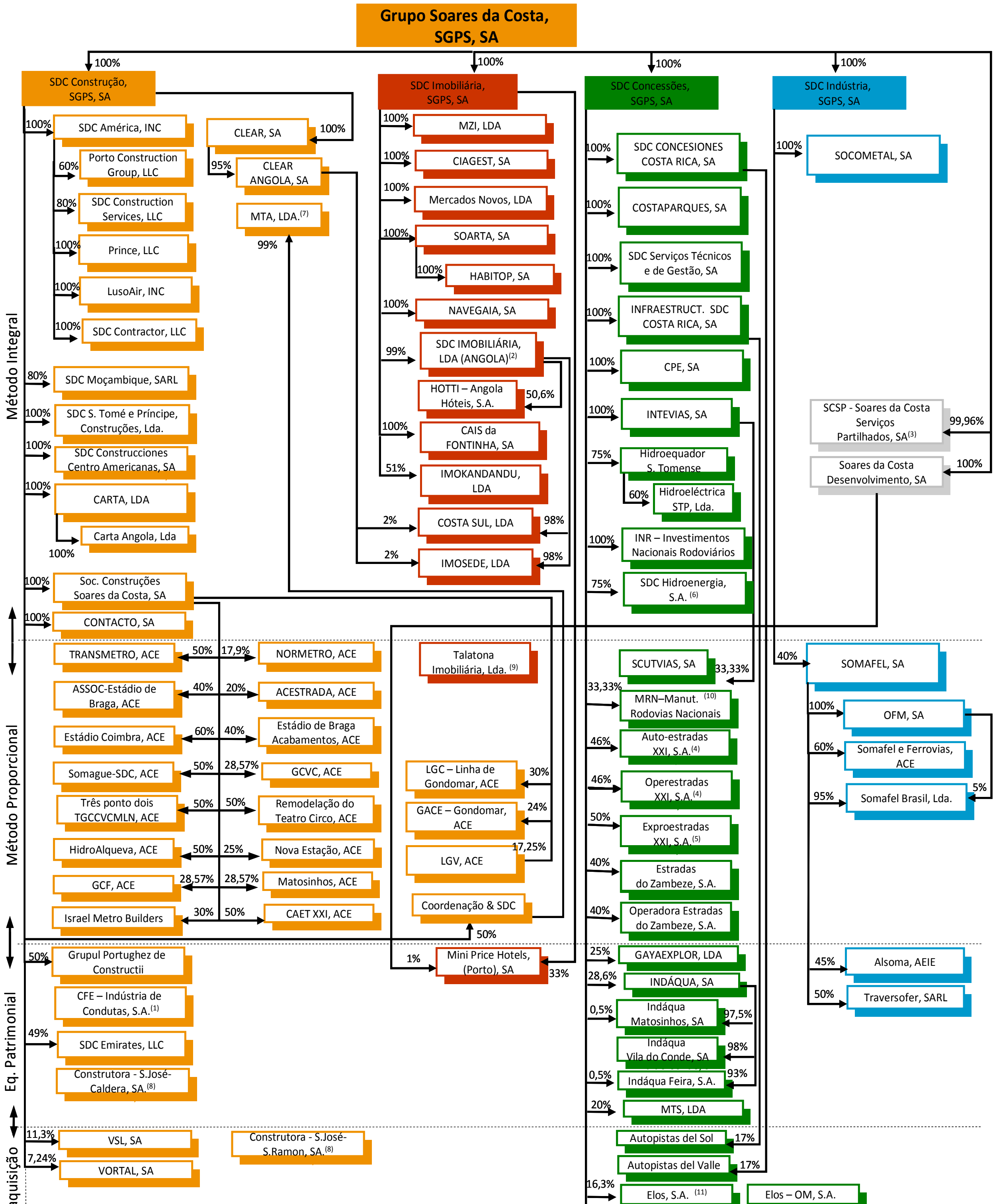
Maintaining construction as its core activity, the group's organisation (since the end of 2002) is based on four business areas, each one organised under a holding company:

- Soares da Costa Construção, SGPS, S.A. – construction and civil engineering;
- Soares da Costa Indústria, SGPS, S.A. – construction related industries;
- Soares da Costa Concessões, SGPS, S.A. – infrastructures and public services concessions;
- Soares da Costa Imobiliária, SGPS, S.A. – real estate.

These four sub holdings, held entirely by Grupo Soares da Costa, SGPS, S.A. hold direct stakes in the operational companies in each business area, although some of the operational companies also hold participations in other subsidiaries. On the other hand, the group also has direct stakes, namely in SCSP - Soares da Costa Serviços Partilhados, S.A. and Soares da Costa Desenvolvimento, S.A., this last company responsible for the development of the entrance of the group in new business areas.

The following organisation chart details the group's companies, stakes and consolidation methods.

The complete list of the companies directly or indirectly held by the group is included in note 6 to 9 of the Accounting Policies and in the Explanatory Notes (only available in Portuguese), where other information is equally disclosed.



(1) Sociedade detida em 33,33% pela Clear – Instalações Electromecânicas, S.A..
(2) Adicionalmente, a Ciagest, SA detém uma participação de 1% no capital social da SDC Imobiliária, Lda.
(3) Adicionalmente, a Sociedade de Construções Soares da Costa, SA, a Ciagest, SA, a Clear, SA e a SDC Serviços Técnicos e de Gestão, SA detêm, cada uma, 0,01% do capital social da SCSP – Soares da Costa Serviços Partilhados, SA.
(4) Adicionalmente, a Sociedade de Construções Soares da Costa, S.A. detém uma participação de 4% no capital social da Auto-estradas XXI, S.A. e Operestradas XXI, SA..
(5) Adicionalmente, a Sociedade de Construções Soares da Costa, S.A. detém uma participação de 0,004% no capital social da Exproestradas XXI, S.A..
(6) Adicionalmente, a SDC Serviços Técnicos e de Gestão, SA e a Hidroequador Santomense detêm, cada uma, 0,002% do capital social da SDC Hidroenergia, SA..
(7) Adicionalmente, a Sociedade de Construções Soares da Costa, S.A. detém uma participação de 1% no capital social da MTA – Máquinas e Tractores de Angola, Lda.
(8) Sociedade detida em 17% pela SDC Construcciones Centro Americanas, SA.
(9) Sociedade detida em 34,3% pela Ciagest – Imobiliária e Gestão, S.A. e 14,7% pela Mercados Novos – Imóveis Comerciais, Lda.
(10) Sociedade detida em 33,328% pela Soares da Costa Concessões, SGPS, S.A. e em 0,002% pela Intevias, S.A.
(11) Sociedade detida em 16,302% pela Soares da Costa Concessões, SGPS, S.A. e em 0,002% pela Sociedade de Construções Soares da Costa, S.A.

- **Changes in Participations and to the Group's consolidation perimeter in the 1H 2010**

i) Inclusion in the group's consolidation perimeter of INR – Investimentos Nacionais Rodoviários, SGPS, SA, a company incorporated in February 2010, fully owned by the group, the company object being the management of participations in other companies;

ii) Inclusion in the group's consolation perimeter of Soares da Costa Hidroenergia, S.A., a company incorporated in March 2010, in which the group has a 75% stake, the company object being the construction and operation of hydroelectric stations.

iii) Inclusion in the group's consolation perimeter of MRN – Manutenção de Rodovias Nacionais, S.A., a company incorporated in March 2010, in which the group has a 33.33% stake, the company object being the operation, maintenance and conservation of roads, including works relating to lane increase. The company can also explore service areas in motorways.

iv) In April 2010, ELOS – OM, S.A. has been incorporated, SDC group holding a 16.304% stake, and being responsible by the maintenance and operation of the high speed rail between Poceirão and Caia of the Lisbon-Madrid line. ELOS – OM, S.A. will also be responsible for the surveillance, maintenance and keeping the infra-structure available, the operation of Évora station, the management of the advertising spaces of the station and car parks of the station as well as other supporting activities to the concessionaire regarding the development of the project, construction, tests and certification of the infra-structure, in accordance with the concession contract conditions.

v) Inclusion in the group's consolidation perimeter of LGV – Ligações de Alta Velocidade, ACE, in which the group, via Sociedade de Construções Soares da Costa, S.A. has a 17.25% stake, responsible for the construction of Poceirão- Caia high speed rail infrastructure as well as the operation of Évora station, the management of the advertising spaces of the station and car parks, in the context of the concession contract between the grantor and the concessionaire ELOS – Ligações de Alta Velocidade, S.A..

- **Governing Bodies**

The composition of the governing bodies, elected on last general meeting held on April 26, 2010, for 2010/12 is the following:

Board of the General Meeting of Shareholders

Chairman: Fernando Enes Gaião

Secretary: João Pessoa e Costa

Board of Directors

Chairman: Manuel Roseta Fino

Members: António Pereira da Silva Neves

Pedro Manuel de Almeida Gonçalves (Chairman of the Executive Committee)

Pedro Gonçalo de Sotto-Mayor de Andrade Santos (Member of the Executive Committee)

José Manuel Baptista Fino

António Manuel Pereira Caldas Castro Henriques (Chairman of the Executive Committee)

PANIRAMA – Participação e Investimentos, SGPS, SA, corporate body no. 509 016 987, which has appointed Ana Maria Martins Caetano to occupy the position under her own name.

Martim Salema de Sande e Castro Fino

António Manuel Formigal de Arriaga

Carlos Moreira Garcia

Supervisory Board

Chairman: Júlio de Lemos de Castro Caldas

Members: Carlos Pedro Machado de Sousa Góis

Joaquim Augusto Soares da Silva

Substitute Júlio de Jesus Pinto

Statutory Auditor

PATRÍCIO, MOREIRA, VALENTE & ASSOCIADOS, SROC (NIPC 501 612 181), with registered office at Avenida do Brasil, nr 15 - 1st, LISBON, represented by Jorge Bento Martins Ledo, Roc nr 591 (NIF 127 125 841) with professional residence at Rua da Saudade, nr 132, 3rd floor, 4150-682 Oporto and substitute Carlos de Jesus Pinto de Carvalho, Roc nr 622 (NIF 108 671 208), with the same professional residence.

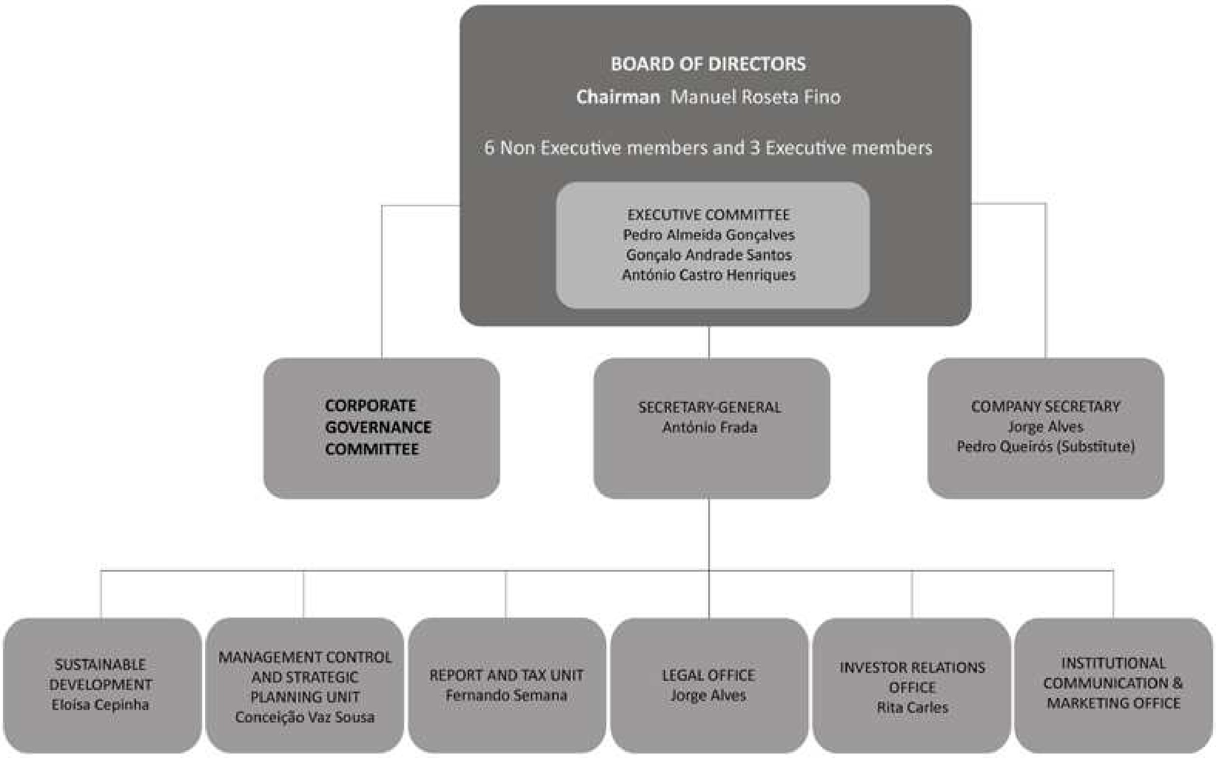
Remuneration Committee

Chairman: José Manuel Baptista Fino

Members: João Pessoa e Costa

António Jorge Gonçalves Afonso

- **Organisational Structure**



3. SUSTAINABLE DEVELOPMENT

In the 1H 2010, SDC's group commitment with an effective contribution to a sustainable development was reinforced. We can highlight several activities and projects developed in this period, namely the first Construction's Technical Workshop of SDC Group, an initiative that gathered more than 400 employees from different work areas, having as main goal the share of knowledge.

Since the beginning of the year, the company took place in several national and international organisations aiming the promotion of a sustainable development business model, namely the *Business Council for Sustainable Development* (BCSD) and the *Global Reporting Initiative* (GRI).

On the other hand, in its daily activity, SDC group, its subsidiaries and its employees, continuously seek to support and implement the Sustainability Policy guidelines:

Sustainability Police Guideline	Activities| Results
Continuously promote the reduction of the environmental impact of our activity, based on the monitoring of the Environmental management System indicators.	Implementation of the Sustainability Index In Work;In 100% of the works/ projects of Sociedade de Construções Soares da Costa, SA and Contacto – Sociedade de Construções, SA.

Improve the security & health conditions of our employees, contributing to a reduction of the sector's high accidents rate.	Recognition of Sociedade de Construções Soares da Costa, SA's good practises by BECHTEL, as the company reached 1 million of hours of works without any accident in a work in Soyo, Angola.
Contribute in a responsible way to a more balanced and fair social orders, seeking to work together with the local authorities were we develop our activity.	More than 90 volunteers participate in the project "Sou Capaz" that aims to rehabilitate several divisions of a youth emergency shelter in the Oporto region, during 2010.
Stimulate our partners (customers, suppliers, etc.) to adopt a more sustainable business model.	We have done several activities with our employees regarding environmental issues (Campanha Ambiental 2010), and with our suppliers (in the context of the Suppliers Code).
Promote I&D in the construction industry, namely in what concerns new construction materials and processes.	Launch of the First Talent Award (I Prémio Talento), under which several students organize their master thesis based on SDC's works; Cooperation Agreement with Oporto University, which is supporting several I&D projects.

4. MAIN RISKS AND UNCERTAINTIES

Grupo Soares da Costa, as the information included in this half year report show, operates in several business segments as well as several geographical areas. In this context, the Group is naturally exposed to a variety of risks which may be classified as:

Activity risks, namely:

. Operating risks (which may affect the effectiveness and efficiency of the group's operative processes and services rendered, customer satisfaction and the reputation of its subsidiaries);

Integrity risks (the ones in which the group subsidiaries may be subject to internal and external fraud);

. Management and human resources risks (risks connected, amongst others, with management, leadership, limits of authority, etc.);

. Financial risks (exchange rate risks, interest rate risks, liquidity risks and credit risk);

. Information risks (operational, financial and strategic evaluation information);

. Market risks (competition, political, economic and social circumstances, regulation and changes in the construction sector for each country/ market).

. Risks arising from the Public Sector policies (the ones resulting from changesin Public Investment policies).

Through its internal organisation, the company's management areas (Business Development, Finance Department, Management Control, Human Resources, Legal Services, etc.) identify and evaluate the risks implied by their decisions, in their respective areas of activity, and attempt to minimise those risks.

However, in an adverse and uncertain macroeconomic context, the market risks (namely home market risks) and those of financial nature, increase. The group has adopted a conservative and prudent stance by continuously seeking its internationalisation and diversification for the first type of risks as well as seeking a relatively low exposure to the second type of risks, which nevertheless are always associated with the normal and current exercise of the activity, by never taking on positions in financial instruments of speculative nature.

The major guidelines of the policy of the group relative to risk management are the following:

a) The company and its main subsidiaries generally have their main sources of remunerated financing indexed to the market rates, being therefore exposed to the risk inherent to the rates respective fluctuations, existing a positive correlation between the interest rates and financing costs, that is, an increase of the interest rate, ceteris paribus, will correspond to a higher financing cost.

b) In particular regarding the financing of specific large operations, namely those related with the concessions projects, the group's management considers the opportunity of carrying out interest rate hedging operations (swaps), in accordance with the following policies:

   - the goal in contracting these instruments is always hedging against risk and not speculation;

   - the efficiency of the hedge is achieved through ensuring that the dates of the flows of the interests paid for the financing object of the hedge coincides with the settlement dates under the hedging instrument and by adopting the same index for the financing object of the hedge and for the hedging instrument.

   In accordance with the above, derivative financial instruments for hedging against the interest rate (SWAP) were contracted by several participated companies of the concessions area.

c) The **exchange rate risk** mainly arises from the international activity of SDC. Some of the group’s subsidiaries activity in external markets, namely Angola, other Portuguese-speaking countries and the United States of America exposes the group to the effects of alterations in the parity of foreign currencies in relation to the euro. In the Angolan market, a significant part of the contracts are established in currencies other than the euro (United States dollars or Angolan Kwanzas). The degree of exposure is dependent on the extent to which the inputs required for the implementation of these contracts are acquired in a different country, and result in liabilities contracted in a currency different from that of the revenue. As for the reflexes on the financial results, the risk undertaken is higher when the correlation between monetary assets and liabilities in the same currency expressed on the balance sheet is lower.

In the United States of America, in view of the enormous autonomy of the market in relation to the factors of production required for the implementation of the contracts, the situation is different from the previous one and the exchange rate risk is essentially inherent to the process of the conversion of the financial statements of the American subsidiaries into the group's reporting currency.

d) Regarding **credit risk** – risk associated with the accounts receivable arising from the normal development of the group's activity - management considers that there is not a very high credit concentration, namely respecting to private entities, and therefore does not expect any substantial impact on future earnings due to events associated with this type of risk.

   Nevertheless, we highlight the Angolan foreign currency reserves situation, which suffered a strong decrease between November 2008 and October 2009, leading to some administrative restrictive/ protective measures in terms of payments to foreign entities. We do not consider this situation as an increase of credit risk for SDC group, although the average collection period has risen, which is why it has been subjected to a close monitoring from the board. Due to the positive evolution felt in the oil market in 2010 and to recent statements from Angolan leaders, we believe there are reasons to expect that this situation will be totally/ partially normalised in the short run.

   The credit risk situations calculated at the each closing date of balance sheet are identified by the competent areas and according to the seniority of the credit, risk profile of the customer, track record and any other circumstances applicable to each specific case, the recording of impairments is reviewed in the accounts receivable.

e) **Liquidity risk -** Management's goal is to continuously assure that the debt maturity profile is adequate to the company's cash flow generation. Therefore, this management must correct imbalances between cash outflows (of operational, financial, investment and debt repayment nature) and cash inflows (receivables, disinvestments, financing). Regarding some key subsidiaries, management has been implementing measures towards an integrated and global financial management, thus assuring a higher degree of flexibility in the financial management between subsidiaries. Furthermore, the group has also implemented some measures in order to prevent this situation by providing a timely and adequate cash flow management. To manage liquidity risk the group also maintains a balance between the maturity and flexibility of contracted debt through the use of staggered financing which are adequate to cash inflows needs. In addition to this, the group has contracts that support cash flow management which avoid the occurrence of temporary problems.

Readers of financial information, namely on what concerns outlook and prospects, should be aware of the risks and uncertainties brought by an increasingly more global economy. Still, the group has reinforced its risk management policies and procedures to better answer to the uncertainties and consequences of a slowdown of its domestic market, searching for alternatives that enhance its skills.

5. OWN SHARES

The company's share capital is €160 million, being represented by 160,000,000 shares, with nominal value of €1.00, of which 159,994,482 are ordinary shares and 5,518 are non-voting preferred shares.
As of January 1, 2010 and as of June 30, 2010 the company did not have any own shares as there were no transactions with own shares during this semester.

6. PARTICIPATIONS AND TRANSACTIONS OF THE GOVERNING BODIES' MEMBERS (in accordance with the article 9º. a) and 14º nº 7 of CMVM's Regulation 5/2008)

Manuel Roseta Fino | Chairman of the Board of Directors
Chairman of the board of directors of Investifino – Investimentos e Participações, SGPS, SA that, as of June 30, 2010, held 113,302,682 shares corresponding to 70.814176% of the capital, unchanged to December 31, 2009.

António Pereira da Silva Neves | Non executive member of the Board of Directors
As of June 30, 2010, held 13,220 shares, unchanged to December 31, 2009.

Pedro Gonçalo de Sotto-Mayor de Andrade Santos | Executive member of the Board of Directors

Member of the board of Investifino – Investimentos e Participações SGPS, SA that, as of June 30, 2010, held 113,302,682 shares corresponding to 70.814176% of the capital, unchanged to December 31, 2009.

José Manuel Baptista Fino | Non executive member of the Board of Directors

Member of the board of Investifino – Investimentos e Participações SGPS, SA that, as of June 30, 2010, held 113,302,682 shares corresponding to 70.814176% of the capital, unchanged to December 31, 2009.

Ana Maria Martins Caetano | Non executive member of the Board of Directors

Member of the board of PARINAMA - Participação e Investimentos, SGPS, SA, that as of June 30, 2010, held 17,600,000 shares corresponding to 11.00379% of the capital, unchanged to December 31, 2009.

As of June 30, 2010, the remaining members of the governing bodies did not hold any shares of the group.

7. QUALIFIED SHAREHOLDINGS

Qualified Shareholdings as of 30/06/2010:

Manuel Fino, SGPS, SA	Number of Shares	% Share Capital	% Voting Rights (*)
Indirectly through Investifino-Investimentos e Participações SGPS, SA	113,302,682	70.814176%	70.816619%
Total	113,362,682	70.814176%	70.816619%

PARINAMA – Participações e Investimentos, SGPS, SA	Number of Shares	% Share Capital	% Voting Rights (*)
Directly	17,600,000	11.000000%	11.000379%
Total	17,600,000	11.000000%	11.000379%

(*) Taking into consideration 5.518 of non-voting preferred shares.

8. SUMMARY OF COMMUNICATIONS TO THE MARKET

As a listed company, during the 1H 2010, Grupo Soares da Costa, SGPS, SA released the following information:

1. **Press releases and information released through CMVM, NYSE Euronext and Grupo Soares da Costa SGPS, SA internet sites:**

Material Information

28/05/2010	Grupo Soares da Costa SGPS, SA informs on the award of two Works in Mozambique
27/05/2010	Grupo Soares da Costa SGPS, SA informs of the award of the construction of Pan African Games village in Mozambique
24/05/2010	Grupo Soares da Costa SGPS, SA informs on 1Q 2010 results presentation
08/05/2010	Grupo Soares da Costa SGPS, SA informs on the signature of the HSR Poceirão-Caia concession contract
26/04/2010	Grupo Soares da Costa SGPS, SA informs on the constitution and composition of the Executive Committee
26/04/2010	Grupo Soares da Costa SGPS, SA informs on the deliberations of the General Shareholders Meeting held on April 26, 2010
21/04/2010	Grupo Soares da Costa SGPS, SA informs on the award of contracts to Prince (US)
29/03/2010	Grupo Soares da Costa SGPS, SA informs on full-year 2009 results (corrected version)
29/03/2010	Grupo Soares da Costa SGPS, SA informs on full-year 2009 results presentation
29/03/2010	Grupo Soares da Costa SGPS, SA informs on full-year 2009 results

Earnings Announcement

24/05/2010	Grupo Soares da Costa SGPS, SA informs on 1Q 2010 results
09/04/2010	Grupo Soares da Costa SGPS, SA informs on full-year 2009 results

Corporate Governance

09/04/2010	Grupo Soares da Costa SGPS, SA informs of corporate governance report (2009)

Governing Bodies

04/01/2010	Grupo Soares da Costa SGPS, SA informs on the resignation of a member the Board of Directors

Dividends, Interests, Repayments and Other Rights

27/05/2010	Grupo Soares da Costa SGPS, SA informs on interest payment of coupon no. 5 of bond issue Soares da Costa €80.000.0000 2007/2017
11/05/2010	Grupo Soares da Costa SGPS, SA informs on dividend payments (ordinary shares)
11/05/2010	Grupo Soares da Costa SGPS, SA informs on dividend payment (non-voting preferred shares)
03/05/2010	Grupo Soares da Costa SGPS, SA informs on interest payment of coupon no. 5 of bond issue Soares da Costa 2007/2015

Notices of Meeting

15/04/2010	Grupo Soares da Costa SGPS, SA informs of inclusion of item in the agenda of the general meeting
24/03/2010	Grupo Soares da Costa SGPS, SA informs on notice of meeting

Qualifying Shareholdings

23/06/2010	Grupo Soares da Costa SGPS, SA informs of reduction of qualified shareholdings of Millennium bcp – Gestão de Fundos de Investimento, SA
24/03/2010	Grupo Soares da Costa SGPS, SA informs of qualified shareholdings by Millennium bcp – Gestão de Fundos de Investimento, SA

Summary of Communications to the Market

03/02/2010	Grupo Soares da Costa SGPS, SA informs on summary of communications to the market (2009)

2. Press releases and information released through "Portal de Justiça"

Press Releases

15/04/2010	Grupo Soares da Costa SGPS, SA informs of inclusion of item in the agenda of the general meeting
24/03/2010	Grupo Soares da Costa SGPS, SA informs on notice of meeting

3. Press releases and information released through NYSE Euronext bulletin

Press Releases

27/05/2010	Grupo Soares da Costa SGPS, SA informs on interest payment of coupon no. 5 of bond issue Soares da Costa €80.000.0000 2007/2017
11/05/2010	Grupo Soares da Costa SGPS, SA informs on dividend payments (ordinary shares)
11/05/2010	Grupo Soares da Costa SGPS, SA informs on dividend payment (non-voting preferred shares)
03/05/2010	Grupo Soares da Costa SGPS, SA informs on interest payment of coupon no. 5 of bond issue Soares da Costa 2007/2015
15/04/2010	Grupo Soares da Costa SGPS, SA informs of inclusion of item in the agenda of the general meeting
24/03/2010	Grupo Soares da Costa SGPS, SA informs on notice of meeting

9. DECLARATION OF COMPLIANCE OF THE FINANCIAL INFORMATION

Under the terms of the provisions in sub-paragraph c) of number 1 of Article 246 of the Securities Code, the members of the Board of Directors of Grupo Soares da Costa, S.G.P.S., S.A., state that, as far as is to their knowledge:

a) The six-monthly financiais statements were prepared in conformity with the applicable accounting standards, providing a true and appropriate image of the assets and liabilities, financial situation and results of the company and of the companies included in the consolidation perimeter;

b) The interim management report faithfully presents the evolution of its activity, performance and position of this company and of the companies included in the consolidation perimeter, containing a description of the main risks and uncertainties being faced.

Porto, August 26, 2010

The Board of Directors,

Manuel Roseta Fino
(Chairman)

Ana Maria Martins Caetano

Pedro Manuel de Almeida Gonçalves
(CEO)

José Manuel Fino

Pedro Gonçalo de Sotto-Mayor de Andrade Santos
(Member of the Executive Committee)

António Manuel Pereira Caldas Castro Henriques
(Member of the Executive Committee)

António Pereira da Silva Neves

Martim Salema de Sande e Castro Fino

António Manuel Formigal de Arriaga

Carlos Moreira Garcia

Consolidated Financial Statements

SOARES DA COSTA
GRUPO SGPS

CONSOLIDATED FINANCIAL POSITION STATEMENT
June 30, 2010 and December 31, 2009

€

ASSETS	30-Jun-10 Net assets	31-Dec-09 Restated Net assets	31-Dec-09 Net assets
NON CURRENT			
Intangible fixed assets:			
Goodwill	81,856,723	81,768,523	81,768,523
Other intangible fixed assets	274,801,925	281,561,918	2,562,571
	356,658,648	363,330,440	84,331,094
Tangible fixed assets:			
Land and buildings	149,760,912	150,447,965	418,271,867
Basic equipment	71,081,350	69,721,533	69,721,533
Fixed assets in progress	44,689,906	30,913,006	47,773,154
Other tangible fixed assets	27,615,130	27,748,135	27,748,135
	293,147,298	278,830,638	563,514,688
Financial investments:			
Investment properties	6,799,424	6,514,869	6,514,869
Financial investments under the equity method	8,898,721	9,916,520	9,916,520
Loans to associated companies	2,672,643	4,983,170	4,983,170
Other financial investments	16,577,142	15,303,624	15,303,624
	34,947,930	36,718,183	36,718,183
Deferred taxes (assets)	26,826,084	17,428,521	16,986,015
Other non current assets	28,055,713	17,669,430	-
Total non current assets	739,635,673	713,977,212	701,549,980
CURRENT			
Inventories	177,950,784	182,113,038	182,113,038
Accounts receivable:			
Trade Debtors	403,762,771	371,178,462	371,178,462
Receivables from Public Entities	685,835	3,518,433	3,518,433
Other accounts receivable	41,579,753	46,910,955	46,910,955
	446,028,358	421,607,850	421,607,850
Other current assets	185,885,284	123,994,848	125,500,405
Cash, Deposits and Securities	101,215,524	93,283,117	93,283,117
Total current assets	911,079,951	820,998,852	822,504,409
TOTAL ASSETS	1,650,715,623	1,534,976,064	1,524,054,390

The Chartered Accountant

The Board of Directors

CONSOLIDATED FINANCIAL POSITION STATEMENT
June 30, 2010 and December 31, 2009

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EQUITY AND LIABILITIES	30-Jun-10	31-Dec-09 Restated	31-Dec-09
SHAREHOLDERS' EQUITY			
Share capital	160,000,000	160,000,000	160,000,000
Reserves and retained earnings	(54,543,334)	(39,238,701)	(42,214,632)
Net income	3,405,498	10,314,284	11,491,132
Equity attributable to the group	108,862,164	131,075,583	129,276,500
Minorities	1,256,875	1,005,445	1,005,445
Total shareholders' equity	110,119,039	132,081,028	130,281,945
LIABILITIES			
NON CURRENT			
Provisions	10,235,572	9,153,596	609,672
Loans:			
Bonds	100,000,000	100,000,000	100,000,000
Bank loans	436,324,169	428,173,069	428,173,069
	536,324,169	528,173,069	528,173,069
Accounts payable:			
Fixed assets suppliers	6,392,541	6,483,562	6,483,562
Other accounts payable	12,149,256	14,039,298	14,039,298
Deferred assets (liabilities)	27,927,035	28,300,752	27,722,083
Total non current liabilities	593,028,572	586,150,277	577,027,685
CURRENT			
Loans:			
Bank loans	245,969,246	192,051,762	192,051,762
Outher loans	38,772,982	27,983,326	27,983,326
	284,742,228	220,035,088	220,035,088
Accounst payable:			
Trade Creditors	238,777,964	259,014,667	259,014,667
Fixed assets suppliers	8,054,660	9,424,128	9,424,128
Advances on sales	151,865,396	133,090,993	133,090,993
Payables to Public Entities	2,728,254	4,301,906	4,301,906
Other accounts payable	53,263,399	43,294,106	43,294,106
	454,689,673	449,125,801	449,125,801
Financial derivatives	54,232,737	25,913,439	25,913,439
Other current liabilities	153,903,373	121,670,433	121,670,433
Total current liabilities	947,568,012	816,744,760	816,744,760
Total liabilities	1,540,596,585	1,402,895,037	1,393,772,445
Total shareholders's equity and liabilities	1,650,715,623	1,534,976,064	1,524,054,390

The Chartered Accountant

The Board of Directors

SOARES DA COSTA
GRUPO SGPS

SEPARATE CONSOLIDATED INCOME STATEMENT
for the period ended June 30, 2010 and 2009

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	30-Jun-10	30-Jun-09 Restated	30-Jun-09
Turnover	425,481,452	479,173,644	474,836,966
Change in production	(2,656,636)	(2,480,567)	(2,480,567)
Other operating income	14,836,888	23,575,596	24,545,226
Operating income	437,661,705	500,268,673	496,901,625
Cost of goods sold	(86,940,959)	(102,948,333)	(102,948,333)
Third party supplies & services	(221,584,040)	(266,092,780)	(262,463,083)
Staff costs	(78,116,579)	(73,850,385)	(73,850,385)
Depreciation and imparity losses	(17,562,142)	(16,825,271)	(18,270,888)
Provisions	(1,855,651)	(2,052,070)	(989,321)
Other operating costs	(8,079,956)	(11,837,147)	(11,837,147)
Operating costs	(414,139,326)	(473,605,987)	(470,359,157)
Operating profit	23,522,379	26,662,686	26,542,468
Net financing costs	(11,734,554)	(16,022,255)	(14,462,994)
Profits and losses in associated companies	(246,404)	1,430,907	1,430,907
Other financial income and costs	(7,006,446)	(5,962,458)	(5,962,458)
Financial results	(18,987,403)	(20,553,805)	(18,994,545)
Earnings before taxes	4,534,975	6,108,880	7,547,923
Income tax	(958,514)	(2,166,542)	(2,590,419)
Consolidated net income	3,576,461	3,942,338	4,957,504
Attributable to the Group	3,405,498	3,708,367	4,723,533
Attributable to minority interests	170,963	233,971	233,971
Earnings per share of continued activities:			
Basic	0.021	0.023	0.031
Diluted	0.021	0.023	0.031
Earnings per share:			
Basic	0.021	0.023	0.031
Diluted	0.021	0.023	0.031

The Chartered Accountant

The Board of Directors

SEPARATE CONSOLIDATED INCOME STATEMENT
For the quarters from April 1 to June 30, 2009 and 2010

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	2nd Quarter 2010	2nd Quarter 2009
Turnover	203,266,825	247,762,087
Change in production	14,926,205	8,571,545
Other operating income	7,901,800	14,731,165
Operating income	226,094,830	271,064,797
Cost of goods sold	(43,952,534)	(48,683,945)
Third party supplies & services	(118,761,156)	(157,205,474)
Staff costs	(41,241,738)	(38,023,735)
Depreciation and imparity losses	(9,167,682)	(8,498,398)
Provisions	(1,077,460)	(1,317,517)
Other operating costs	(4,759,947)	(7,437,017)
Operating costs	(218,960,518)	(261,166,087)
Operating profit	7,134,313	9,898,710
Net financing costs	(3,869,218)	(6,405,910)
Profits and losses in associated companies	385,092	1,843,131
Other financial income and costs	(1,335,860)	(1,982,877)
Financial results	(4,819,986)	(6,545,656)
Earnings before taxes	2,314,327	3,353,053
Income tax	(293,875)	(1,687,678)
Consolidated net income	2,020,452	1,665,375
Attributable to the Group	1,966,961	1,527,467
Attributable to minority interests	53,492	137,908
Earnings per share:	0.012	0.009

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STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME
for the period ended June 30, 2010 and 2009

€

	30-Jun-10	30-Jun-09 Restated	30-Jun-09
Consolidated net profit for the period	3,576,461	3,942,338	4,957,504
Other comprehensive income			
Exchange difference stemming from transposition of financial statements expressed in foreign currencies	3,204,235	(1,595,785)	(1,595,785)
Variation, net of tax of the fair value of financial derivatives	(21,094,460)	(6,197,905)	(6,197,905)
Other variations	(704,192)	45	45
Total comprehensive income for the period	(15,017,956)	(3,851,306)	(2,836,141)
Attributable:			
to minority interests	251,430	190,793	190,793
to the group	(15,269,386)	(4,042,099)	(3,026,934)

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STATEMENT OF CHANGES IN EQUITY
for the period ended March 31, 2010 and 2009

€

	Equity capital	Own shares	Reserves and retained earnings	Reserves for foreign exchange	Coverage derivatives	Other	Own funds attributable to shareholders	Own funds attributable to minorities	Total equity
Balance as of 01/Jan/2010	160,000,000	-	(12,885,176)	(1,951,180)	(16,135,152)	248,007	129,276,500	1,005,445	130,281,945
Dividend distribution	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-
Others	-	-	-	-	-	-	-	-	-
Integrated consolidated earnings	-	-	3,238,021	785,275	(5,427,895)	(711,044)	(2,115,643)	305,952	(1,809,691)
Balance as of 31/Mar/2010	160,000,000	-	(9,647,155)	(1,165,905)	(21,563,047)	(463,037)	127,160,857	1,311,397	128,472,254

	Equity capital	Own shares	Reserves and retained earnings	Reserves for foreign exchange	Coverage derivatives	Other	Own funds attributable to shareholders	Own funds attributable to minorities	Total equity
Balance as of 01/Jan/2009 Restated	160,000,000	(1,306,746)	(13,794,950)	678,254	(4,994,137)	247,961	140,830,384	971,761	141,802,144
Dividend distribution	-	-	-	-	-	-	-	-	-
Acquisition of own shares	-	-	-	-	-	-	-	-	-
Others	-	-	20,250	-	-	-	20,250	-	20,250
Integrated consolidated earnings	-	-	2,180,901	201,664	(4,630,232)	45	(2,247,623)	120,169	(2,127,454)
Balance as of 31/Mar/2009 Restated	160,000,000	(1,306,746)	(11,593,800)	879,918	(9,624,369)	248,006	138,603,011	1,091,930	139,694,940

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CONSOLIDATED CASH FLOWS STATEMENTS
for the period ended March 31, 2010 and 2009

€

	31-Mar-10		31-Mar-09	
Operating activities:				
Receipts from customers	145,978,434		203,885,305	
Payments to suppliers	(149,492,733)		(174,911,503)	
Payments to staff	(31,927,292)		(30,783,996)	
	(35,441,590)		**(1,810,194)**	
Payments/ receipts of income tax	(373,315)		(191,649)	
Other payments/ receipts related with operating activit	(1,542,967)		(9,934,638)	
	(1,916,282)		**(10,126,287)**	
Cash flow from operating activities		**(37,357,873)**		**(11,936,481)**
Investment activities:				
Receipts from:				
Financial investments	-		714,250	
Fixed tangible assets	45,856		135,951	
Interest and similar income	179,471		189,763	
Dividends	-	**225,327**	-	**1,039,964**
Payments related with:				
Financial investments	141,896		2,270,195	
Fixed tangible assets	2,240,195		3,355,621	
Intangible assets	54,973	**2,437,064**	1,335,813	**6,961,629**
Cash flow from investment activities		**(2,211,737)**		**(5,921,665)**
Financing activities:				
Receipts from:				
Loans	178,989,585		159,545,567	
Capital increases, supplementary payments and issue	12,500		166,000	
Sale of own shares	-		-	
Interest received	30,186	**179,032,271**	47,164	**159,758,731**
Payments related with:				
Loans	131,809,793		103,178,771	
Financial leasing contracts	2,948,447		3,367,839	
Interest paid	4,274,479		9,388,808	
Dividends	-		-	
Acqusition of own shares	-	**139,032,719**	-	**115,935,418**
Cash flow from financing activities		**39,999,551**		**43,823,313**
Change in cash and cash equivalents		**429,941**		**25,965,167**
Effect of foreign exchange differences		**1,563,215**		**(862,958)**
Effect of changes in stakes/ participations		-		-
Cash and cash equivalents at the beginning of the period		**93,283,117**		**66,755,099**
Cash and cash equivalents at the end of the period		**95,276,274**		**91,857,308**

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