ANNUAL REPORT AND ACCOUNTS

2008

CONDURIL

CONSOLIDATED AND INDIVIDUAL

CONSOLIDATED ANNUAL REPORT
2008

CONDURIL – CONSTRUTORA DURIENSE, SA
SHARE CAPITAL –EUR 10,000,000
REGISTERED OFFICE: AV. ENGº DUARTE PACHEO, 1835 ERMESINDE – VALONGO
LISTED PUBLIC LIMITED COMPANY – LEGAL PERSON NO. 500 070 210
REGISTERED IN PORTO COMPANY REGISTER UNDER NO. 18673
LICENCE NO. 568

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CORPORATE BODIES

GENERAL MEETING

Carlos António Soares de Noronha Dias (CHAIRMAN)
Francisco Leal Azevedo
Álvaro Duarte Neves Vaz

BOARD OF DIRECTORS

António Luís Amorim Martins (CHAIRMAN)
Ademar Américo Soares Paiva
António Baraças Andrade Miragaia
Carmo Coelho Moreira Pereira
Maria Benedita Andrade de Amorim Martins
Maria Luísa Andrade Amorim Martins
Ricardo Manuel de Araújo Catarino

STATUTORY AUDITOR

Horwath & Associados, SROC, Lda.

CONSOLIDATED ANNUAL REPORT

Dear Shareholders,

In accordance with current law and the Company's Articles of Association, we hereby submit the 2008 Consolidated Annual Report and Consolidated Accounts for your appreciation.

1.

CONDURIL commemorates its 50th anniversary in 2009. The Company was taken over on 2 January 1970 by its current reference shareholders. It has planned, adjusted and implemented balanced growth policies during its half century of life. These growth policies have focused on the quality and technical advances to building work, productivity and profitability, the well being of employees and the continued international geographical expansion of the business, and they have deserved the respect of all those who have engaged in the business process. This engagement was recognised, much to our honour, with the award of Best Company in the Construction Sector by *Exame* magazine, in its ranking of the 500 Largest and Best Companies of 2008, based on the relative performance in eight indicators (sales and income growth, profitability, value added, liquidity and solvency) of the sector's 20 largest companies.

The 2008 financial year ended with CONDURIL reporting its best ever profit. We have worked and equipped ourselves for the Company's lifecycles, continuously updated with new problems and new requirements and depending on the meticulously prepared revitalization of the new management to be elected by the General Meeting.

2.

Portuguese economic policy underwent a stormy 2008 due to international events. The year began with the enormous rise in fuel prices, which extended to food products. Following on from this was the so-called sub-prime crisis of the USA, which detonated a worldwide financial crisis that swiftly transformed into a profound and generalised economic crisis, the impact of which has yet to be fully unveiled. This economic crisis has already caused the Portuguese authorities to admit that the economy is technically in recession. Portuguese foreign debt has reached worrying levels, which has impacted negatively on external credit conditions. Despite serious joint efforts to combat the crisis, especially at European Union level, the more powerful countries continue to impose their specific requirements on the others. The proximity of elections in Portugal is an obstacle to the search in cooperation for the best solutions, which vary from proposals to lower taxes to the Keynesian injection of investment, in largely diversified relative blocks that are barely implemented.

3.

The developing of public civil engineering works grew close to 120% in the first two-thirds of 2008 in Portugal, before drastically falling to 32% in the last third, which resulted in unjustified time lags in the award of contracts – causing irrational and serious gaps in company finances that threaten their economic dynamism - the 2007 figure was only surpassed in September, and end-of-year total growth was only 26%, falling short of the value forecast at the start of the year. Actual output in 2008 will have grown 2.1% as a result, which is clearly insufficient to provide for the re-equilibrium of companies coming off the back of a five-year period classified as the longest-lasting and most serious crisis of public civil engineering works. The increase to order books combined with the expected recovery of the contract award rate, plus expectations regarding the involvement of our sector in the extraordinary plans already announced to fight the serious domestic and worldwide economic crisis that has beset us, allow us to forecast a more favourable year in 2009.

4.

Hence, it is no surprise that our business in Portugal fell 41% relative to 2007, with the shortage of work sending prices downward.

Thus driven by the need to intensify our international business effort – taking advantage of the solid bases existing in the Angola, Mozambique and Morocco markets, and focusing on the operational start-up in Botswana – we achieved a year-on-year increase in sales outside of Portugal of 134%, which drove the Group's overall sales to growth of 76%, to EUR 223 million; 89% of which were from foreign markets.

The predominant position of the Group's international business requires the permanent adjustment of our production and administrative structures, without turning our focus aside from the domestic market, which has an outlook of significant improvement on the five-year period of crisis just concluded. We have bid daringly in the calls for tender that have been published and we are a member of the groups awarded the Baixo Alentejo concession, the contract for which has already been concluded in 2009, and the Algarve Litoral concession, which is at the contract drafting stage.

5.

The weak business activity in Portugal, for the abovementioned reasons, was offset by the very positive overall performance in foreign markets, through the business activity of the Company proper or through the activity of group companies, these being: Conduril Engenharia Angola, SA, in Angola, and ENOP-Engenharia e Obras Públicas, Lda. and Mabalane-Inertes, Lda in Mozambique.

In Morocco, the award of new contracts exclusively under our management – the Casablanca to Rabat motorway and Casablanca Port railway station, in the value of EUR 84 million and EUR 15 million respectively – provides a bright outlook regarding income.

We started business operations in Botswana in 2008, through the award of the EUR 40 million contract to build the Gaborone to Tlokweng motorway. We expect to achieve advantageous results straight away, in conjunction with the creation of the roots needed to support an ongoing and proficient activity in the country.

The level of business undertaken and results achieved in Angola, where we have been operating for a number of years and possess well dimensioned local infrastructures, were very satisfactory and interesting expectations are still plain.

The established goals were achieved in Mozambique, where we also possess solid business infrastructures, and the performance in 2009 is expected to surpass that in 2008.

Our order book contains work in the value of around EUR 510 million, EUR 430 million of which relates to contracts abroad. In 2009, the domestic market is expected to improve and we expect to continue the good performance in foreign markets. In brief, we expect a positive 2009 financial year, which shall be necessarily anchored in much hard work and the balancing of decisions that are adjusted to the dynamism of each market in which we operate.

6.

The net income for the 2008 financial year was EUR 26,313,429 which we consider an exceptionally good result. EBITDA was EUR 53.9 million, equivalent to year-on-year growth of 130% (2007: EUR 23.4 million). This result was driven by the 76% growth in sales (up to EUR 223.3 million in 2008 from EUR 126.6 million) as well as the substantial improvement to the asset, equity and sales margins, which more than doubled. GVA was EUR 82.3 million, 79% up on the previous year.

The 2008 financial year brought substantial improvement to the Group’s economic and financial situation, generating satisfying indicators, as shown in the following table:

%

	2007	2008
Sales Growth	3	76
Growth in Net Income	269	277
Return on Assets (ROA)	5	12
GVA by Sales	31	34
Solvency	32	38
General Liquidity	144	184
Fixed Asset Coverage	176	206

7.

11 years have gone by since we obtained from APCER the Certificate of Conformity for our Quality System with the NP EN ISO 9002 standard. We have accompanied the statutory progress in this field in Portugal, and our system has evolved into the Quality and Safety Management System. In

2009, the quality component of this system will undergo assessment for renewal according to the NP EN ISO 9001:2000 standard and the safety component will transfer compliance to the OSHAS 18001:2007 standard. The audit of our Central Laboratory by IPAC was also successfully concluded.

Human resources management, which never diverged from the level of attention demanded by the Company's commitment to social responsibility, was especially fostered by the awareness that the fiftieth anniversary of CONDURIL was crowned by the fact that we are all responsible for the Group's good economic and financial position – and which we wanted to commemorate with a symbolic and across-the-board special "50-years of Conduril" bonus to all staff. We will proceed with our policies and the careful assessment and management of all legitimate interests in play, thus warding off the spectre of job losses in this situation of economic and financial crisis that assails the country and world, with its very serious problem of rising unemployment.

The Conduril pension fund, which is an important component of our personnel policy, cannot escape the devastating impact of the clash of capital markets. This slump forced an exceptional increase of the Company's contribution, to EUR 1.1 million, so that no liabilities were left uncovered, a satisfying situation for us. The value of the pension fund as at 31 December 2008 was EUR 4,800,277.

Professional training in 2008 consisted of 33 external courses involving 98 trainees, with 3168 training hours and a total number of hours of 4910. 12 in-house courses for 138 trainees were also held, entailing 16 training hours and a total of 303 hours. 504 "welcoming, awareness raising and training in the workplace" courses for 464 in-house trainees and 1085 external trainees were held, comprising 235 hours of training and leading to a total of 745 hours of training provided.

8.

The 200 000 company shares that we hold as treasury stock were not transacted in any form in 2008.

The exchange risk management policy continues to be the object of our full attention, given the growing weight of our international business. Our interest in this field is to find satisfactory solutions not provided by the banking products currently available.

9.

The 2008 Individual Annual Report and Accounts contains the proposal for the distribution of the profit for the financial year which, under our usual dividend payout policy, combines the excellent profit of EUR 26,313,429 with the commemoration of CONDURIL's 50th anniversary, as follows:

a.	EUR 3,600,000	=	to dividends, equivalent to EUR 2 per share;
b.	EUR 1,316,000	=	to the legal reserve;
c.	EUR 21,397,429	=	to free reserves.

10.

We express our gratitude to Carmo Coelho Moreira Pereira and Ricardo Manuel de Araújo Catarino, who are going to leave the Board of Directors, for their dedication and the competent job they have performed for a number of years.

We would also like to thank our clients, the other construction companies with whom we have worked, the banks and suppliers for the mutually profitable relationships developed.

We thank the corporate bodies for their permanent availability.

We also highlight the fundamental importance of our staff in Portugal and abroad to the path that we have forged over the last 50 years for our Group.

Ermesinde, 27 February 2009
THE BOARD OF DIRECTORS

1. **Shares held by company officers**

	Shares held at 31/12/2008
António Luís Amorim Martins	281,408
Carmo Coelho Moreira Pereira	108,218
Ricardo Manuel de Araújo Catarino	70,884
Maria Luísa Andrade Amorim Martins	68,458
Maria Benedita Andrade de Amorim Martins	7,210
António Baraças Andrade Miragaia	6,802
Ademar Américo Soares Paiva	6,284

No change from 31/12/2007 as regards the number of shares held.

2. Qualifying holdings

	Number of shares	Voting rights (%)	
António Luís Amorim Martins			
directly	281,408	15.63	
through Geonorte Geotecnia e Fundações Especiais, Lda	179,252	9.96	(a)
total attributable	460,660	25.59	(a)
BPI – SGPS, SA	244,668	13.59	(a)
José Álvaro Fonseca Moura	213,684	11.87	
Maria Estela Pinto de Andrade Amorim Martins	164,842	9.15	
Carlos da Silva Teixeira Mourão	149,700	8.31	
Carmo Coelho Moreira Pereira	108,218	6.01	
Ricardo Manuel de Araújo Catarino	70,884	3.93	
Maria Luísa Andrade Amorim Martins	68,458	3.80	
AF-INVESTIMENTOS	43,418	2.41	(a)

(a) - holding calculated in terms of voting rights and in accordance with article 20 of the Portuguese Securities' Code

3. Consolidated Cash-Flow Statement

EUR

	2008		2007	
OPERATING ACTIVITIES				
Received from clients	288.335.265		129.596.434	
Payments to suppliers	-149.168.238		-71.825.771	
Payments to employees	-37.243.128		-18.039.258	
Cash-flows from operating activities	101.923.899		39.731.405	
Corporate tax payment/income	-8.140.735		-3.967.920	
Other income/payments for operational activity	247.099		-17.927.270	
Cash-flow before extraordinary items	94.030.263		17.836.215	
Received from extraordinary items	426.479		117.279	
Payments for extraordinary items	-23.564		-484.679	
Cash-flow from operating activities (1)		**94.433.178**		**17.468.815**
INVESTMENT ACTIVITIES				
Received from:				
Financial investments			954.324	
Tangible fixed assets	80.282		2.451.968	
Interest and similar income	1.826.239	1.906.521	72.910	3.479.201
Payments to:				
Financial investments	-648.778		-954.324	
Tangible fixed assets	-16.113.839		-10.986.374	-11.940.698
Intangible fixed assets	-6.156	-16.768.773		
Cash-flow from investment activities (2)		**-14.862.252**		**-8.461.497**
FINANCING ACTIVITIES				
Received from:				
Borrowings	12.500.000	12.500.000	18.133.317	18.133.317
Payments to:				
Borrowings	-31.754.194		-6.940.817	
Leasing contracts depreciation	-1.979.553		-2.087.870	
Dividends	-720.000		-360.000	
Interests and similar expenses	-3.389.474	-37.843.221	-2.973.969	-12.362.657
Cash-flow from financing activities (3)		**-25.343.221**		**5.770.660**
Change in cash & cash equivalents (1)+(2)+(3)		54.227.707		14.777.978
Cash and cash equivalents at financial year start		22.635.236		7.857.258
Cash and cash equivalents at financial year end		76.862.943		22.635.236

ANNEX TO THE CASH-FLOW STATEMENT

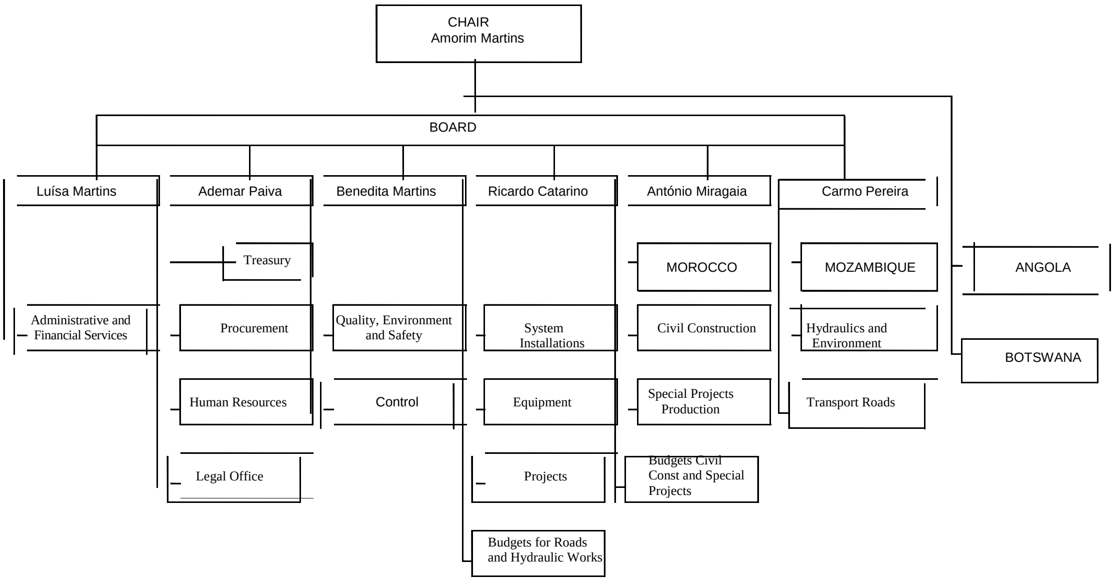
Breakdown of cash & cash equivalents

	2008	2007
Cash	216.211	73.575
Cash in banks available on demand	76.646.732	22.561.661
Cash resources carried on balance sheet	76.862.943	22.635.236

REPORT ON THE CORPORATE GOVERNANCE OF CONDURIL

Chapter I – Information disclosure

1. The division of competences in terms of the corporate decision-making process is assigned as per the following organisational chart:



2. Our risk control system is based on three sub-systems:

   2.1. business risks, including environmental risks

   - Quality and Safety Management System, pursuant to the NP EN ISO 9001:2000 and OSHAS 18001:2007 standards.
   - Contract Analysis Committee
     composition: all directors and managers involved in contracts entered into by the company with its customers, coordinated by Luísa Martins.
     duties: check whether the requirements of contracts are adequately defined, documented and in accordance with the submitted bids, and if the company's capacities needed to meet said requirements are safeguarded or assured.

   2.2. exchange rate risks: based essentially on regular meetings of the Board of Directors to monitor the development of exchange rates associated to investment abroad;

   2.3. financial risks: accompanied by the Cash and Finances Committee and the Audit Control Committee.

3. The net dividends corresponding to the financial years of 2005, 2006 and 2007 were EUR 0.20 in 2005 and 2006, and EUR 0.40 in 2007, which were paid on 02/05/2006, 18/05/2007 and 30/04/2008, respectively.

4. The primary objective of the dividend policy is to improve shareholders' ROI, so that the revenue is shared in a manner appropriate to the ongoing progress of the company.

5. No share or share option plans exist.

6. No significant business transactions between the company and any member of the managing and supervisory bodies, holders of qualifying holdings or companies forming part of the same group or bound by a relationship of shareholding control or equivalent control were recorded, except for those deals or transactions that were, cumulatively, carried out under normal market conditions for similar such operations and which form part of the company's normal business activities.

7. The Economic and Tax Office, which is under the responsibility of the Investor Relations Representative, Luísa Martins, who can be contacted on luísa@conduril.pt, functions as a clearing house for all issues raised by shareholders.
   The company site www.conduril.pt provides the following investor information: financial statements, notices of meetings and other company events.

8. The Remuneration Committee is composed of three members elected every three-year period by the General Meeting. Its purpose is to define the remuneration of the company's officers.

   Composition:
   António Luís Amorim Martins
   Ademar Américo Soares Paiva
   Carmo Coelho Moreira Pereira

Chapter II – Exercise of voting rights and shareholder representation

Each block of 100 shares corresponds to one vote, and those shareholders that demonstrate that they hold sufficient shares to confer this right, a minimum of 10 days before the date of the meeting, may take part in meetings. They may ensure their representation by means of a letter addressed to the Chairman of the General Meeting.

The right to vote may be exercised by post, as long as such is received within the time limit set in the notice of meeting. Such vote must be addressed to the Chairman of the General Meeting and sent in a sealed envelope, to ensure the confidentiality of the vote. No electronic voting means are available.

Chapter III – Company rules

1. The CONDURIL Board of Directors' standard regulations define the responsibilities and duties of each director as a member of the Board of Directors and their articulation within this collective body. In order to provide the more efficient handling of significant matters of day-to-day management, four committees have been established: Cash and Finances, Equipment and Fixed Assets, Market and Marketing, and Control.

2. No defensive measures were adopted to hinder the success of takeover bids. There are no restrictions to voting rights nor restrictions on the transfer of ownership of company shares, just as there are no special rights for any shareholder. No cross-company agreements are known of.

Chapter IV – Managing Body

1. The company is managed by the Board of Directors, which comprises one chairman elected in the general meeting and six executive directors:

   António Luís Amorim Martins - Chairman
   Ademar Américo Soares Paiva
   António Baraças Andrade Miragaia
   Carmo Coelho Moreira Pereira
   Maria Benedita Andrade de Amorim Martins
   Maria Luísa Andrade Amorim Martins
   Ricardo Manuel de Araújo Catarino

   The following are not deemed to be independent members of the Board:

   António Luís Amorim Martins, possessing a direct and indirect shareholding of 25.59%.
   Maria Benedita Andrade de Amorim Martins, for reasons of family relationship.
   Maria Luísa Andrade de Amorim Martins, for reasons of family relationship.

Posts held in the group companies:

Carmo Coelho Moreira Pereira, manager of ENOP-Engenharia e Obras Públicas, Lda. and Mabalane-Inertes, Lda.

2. Committees established in the CONDURIL Board of Directors' standard regulations

   Cash and Finances

   Luísa Martins (coordinator)
   Ademar Paiva
   Benedita Martins.

   Equipment and Fixed Assets

   Ricardo Catarino (coordinator)
   Ademar Paiva
   Benedita Martins

   Market and Marketing

   António Miragaia (coordinator)
   Ricardo Catarino
   Benedita Martins

   Control and Audit

   Benedita Martins (coordinator)
   Carmo Pereira
   Luísa Martins

   The mission of each Committee is to analyse and process in detail specific management matters under their aegis, operating as a kind of "mini" board of directors. Each committee is coordinated by the executive director responsible for the respective operating field of action, and this coordinator has the final decision on the subject under analysis and its execution and implementation.

   The coordinator of each Committee shall notify the Board of Directors of all the work performed and, when justified, will submit to the Board deliberations that he/she deems of sufficient significance to warrant confirmation by the Board of Directors proper.

3. There is no executive committee. The Board of Directors meets twice a month on average, with notice of meeting that includes the meeting's agenda established by its chairman.

4. Remuneration policy is based on the central objective of rewarding performance, in a balanced and stimulating manner, bearing in mind the company's interests and the external climate.

CONSOLIDATED ACCOUNTS

- BALANCE SHEET
- INCOME STATEMENT
- NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT

CONSOLIDATED BALANCE SHEET AS AT 31.12.2008

EUR

ASSETS	2008 AB	2008 AA	2008 AL	2007 AL
FIXED ASSETS				
Intangible fixed assets				
Start-up expenditure	139.789	138.276	1.513	1.522
	139.789	138.276	1.513	1.522
Tangible fixed assets				
Land and natural resources	6.820.215	337.857	6.482.359	6.526.305
Buildings & other constructions	20.557.731	11.006.923	9.550.808	7.582.358
Basic plant, machinery and equipment	39.898.197	25.619.005	14.279.192	10.813.693
Transport equipment	16.261.789	8.616.516	7.645.273	4.021.339
Loose tools	278.698	138.598	140.100	107.404
Office equipment	1.269.112	942.064	327.048	316.629
Other tangible fixed assets	76.401	33.391	43.010	10.327
Fixed assets in progress	381.344		381.344	572.637
	85.543.487	46.694.353	38.849.134	29.950.693
Financial investments				
Shareholdings in group companies	1.014		1.014	
Shareholdings in associate companies	1.400		1.400	
Securities and other financial investments	418.190		418.190	419.174
	420.604		420.604	419.174
CURRENT ASSETS				
Stocks				
Subsidiary raw materials and consumables	6.808.876	119.855	6.689.021	4.614.184
Products & works in progress	7.960.006		7.960.006	2.651.822
Finished and intermediate products	560.233		560.233	429.559
	15.329.115	119.855	15.209.261	7.695.565
Short-term debtors				
Trade accounts receivable	63.776.007		63.776.006	62.680.210
Clients w/ retaining of guarantees	5.763.511		5.763.511	4.471.090
Doubtful debtors - customers	3.136.255	3.136.255		
Associate companies	2.691.487		2.691.487	2.135.425
Advances to suppliers	925.388		925.388	2.214.489
State and other public entities	5.011.486		5.011.486	6.055.554
Other debtors	4.440.404		4.440.404	1.773.298
	85.744.537	3.136.255	82.608.282	79.330.066
Negotiable securities				
Other negotiable securities	3.332		3.332	7.815
	3.332		3.332	7.815
Cash in hand and in banks				
Bank deposits	76.646.732		76.646.732	22.561.661
Cash	216.211		216.211	73.575
	76.862.943		76.862.943	22.635.237
ACCRUALS AND DEFERRALS				
Accruals & income	3.448.189		3.448.189	5.551.410
Deferred costs	1.102.353		1.102.353	470.009
Deferred tax assets	98.168		98.168	62.092
	4.648.710		4.648.710	6.083.511
TOTAL DEPRECIATION		46.832.629		
TOTAL ADJUSTMENTS		3.256.110		
TOTAL ASSETS	268.692.518	50.088.739	218.603.779	146.123.582

EQUITY AND LIABILITIES

	2008	2007
EQUITY		
Capital	10.000.000	10.000.000
Own shares		
Nominal value	-1.000.000	-1.000.000
Discounts & premiums	50.000	50.000
Consolidation differences	280.928	280.928
Revaluation reserves	5.186.371	5.620.574
Reserves		
Legal reserves	1.534.011	1.183.856
Free reserves	12.068.469	7.824.020
Retained profit/loss	5.937.014	4.379.739
	34.056.793	28.339.117
Net income for financial year	26.313.429	6.983.729
Total equity	60.370.223	35.322.846
MINORITY INTERESTS	341.760	327.205
LIABILITIES		
Provisions		
Provision for pensions		225.788
Other provisions	166.650	166.650
	166.650	392.438
Medium and long-term creditors		
Debts to credit institutions	6.635.452	7.133.317
Fixed assets suppliers - current account	1.571.541	419.269
Other loans contracted	12.500.000	10.500.000
	20.706.993	18.052.586
Short-term creditors		
Debts to credit institutions	3.525.933	7.844.438
Suppliers - current account	35.333.421	31.072.268
Suppliers - Invoices pending approval	464.099	3.378.649
Suppliers - Trade bills payable	1.400.439	2.396.306
Associate companies	3.243.768	1.604.571
Fixed asset suppliers - Bills payable		56.531
Advances from customers	2.995.456	12.638.997
Other loans		5.500.000
Fixed assets suppliers - current account	908.481	1.225.292
State and other public entities	19.268.715	10.247.418
Other creditors	27.581.957	32.701
	94.722.268	75.997.171
ACCRUALS AND DEFERRALS		
Accrued costs	4.104.940	4.258.968
Deferred income	36.486.008	9.950.036
Deferred tax liabilities	1.704.937	1.822.333
	42.295.885	16.031.337
Total liabilities	157.891.797	110.473.532
TOTAL EQUITY, MINORITY INTERESTS AND LIABILITIES	218.603.779	146.123.582

CONSOLIDATED INCOME STATEMENT

EUR

COSTS AND LOSSES	2008		2007	
Cost of goods sold and material consumed				
Material	43 368 361	43 368 361	26 468 102	26 468 102
External supplies and services		108 595 683		57 434 303
Staff costs				
Wages	19 115 859		14 491 876	
Social contributions				
Pensions	464 098		315 131	
Other	8 885 601	28 465 557	7 612 280	22 419 287
Depreciation of tangible and intangible fixed a:	7 648 223		5 294 037	
Adjustments	1 647 784	9 296 007	336 956	5 630 993
Taxes	2 152 775		1 149 257	
Other operating costs	47 830	2 200 605	77 796	1 227 053
(A)		191 926 213		113 179 739
Interests and similar expenses				
Other	8 836 726	8 836 726	9 486 554	9 486 554
(C)		200 762 939		122 666 293
Extraordinary costs and losses		4 700 234		478 216
(E)		205 463 172		123 144 509
Tax on income for financial year		16 763 188		5 436 798
(G)		222 226 360		128 581 307
Minority interests		53 511		83 231
Consolidated net income for financial year		26 313 429		6 983 729
		248 593 300		135 648 267
Sales				
Products	6 746 966		2 306 116	
Services rendered	216 580 794	223 327 761	124 365 572	126 671 688
Change in output		4.894.673		-3.497.909
Own work capitalised	1 986 622		981 142	
Supplementary income	5 876 345		3 553 781	
Other operating income	371 933		3 289 362	
Depreciation reversals and adjustments	75 234	8 310 134		7 824 285
(B)		236 532 569		130 998 064
Gains in associate companies				
Income from stock held				
Relative to other companies			200	
Other interests and similar gains				
Other	7 502 721	7 502 721	3 618 790	3 618 990
(D)		244 035 289		134 617 054
Extraordinary income and gains		4 558 011		1 031 213
(F)		248 593 300		135 648 267
SUMMARY				
Operating income	(B) - (A)	44 606 356		17 818 325
Financial income	(D-B) - (C-A)	- 1 334 006		- 5 867 564
Current income	(D) - (C)	43 272 351		11 950 761
Income before tax	(F) - (E)	43 130 128		12 503 758
Consolidated income with minority interests for the financial year	(F) - (G)	26.366.940		7.066.961

CONSOLIDATED INCOME STATEMENT BY FUNCTION

EUR

	Financial Year	
	2008	**2007**
Sales & services rendered	223.327.761	126.671.688
Cost of sales & services rendered	175.507.262	110.063.556
Gross income	**47.820.499**	**16.608.132**
Other operating income and gains	8.438.163	8.045.999
Distribution costs		
Administrative costs	9.323.673	5.387.038
Other operating costs and losses	7.981.391	2.850.818
Operating income	**38.953.598**	**16.416.275**
Net financing cost	1.012.682	1.604.049
Gains (losses) in subsidiaries and associates		
Gains (losses) in other investments	1.513	200
Exceptional or irregular income	5.187.699	-2.308.668
Current income	**43.130.128**	**12.503.758**
Tax on current income	16.763.188	5.436.798
Current income after tax	**26.366.940**	**7.066.960**
Minority interests	53.511	83.231
Extraordinary income		
Tax on extraordinary income		
Net income	**26.313.429**	**6.983.729**
Earnings per share	**14,62**	**3,88**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AS AT 31 DECEMBER 2008
(Amounts expressed in euro)

INTRODUCTION

The following notes comply with the numbering sequence set forth in the Portuguese Official Chart of Accounts (POC) for the presentation of consolidated financial statements. The notes that have been omitted are neither applicable to the Group nor material for an understanding of the attached consolidated financial statements.

I – Information regarding companies included in the consolidation and other data

1. COMPANIES INCLUDED IN THE CONSOLIDATION PROCEDURE

The companies included in the consolidation procedure, their registered offices and the Group shareholding as at 31 December 2008 are as follows:

Company and Registered Office	Percentage of share capital held	Reasons for inclusion
Conduril – Construtora Duriense, SA Av. Eng Duarte Pacheco, 1835 4445-416 Ermesinde	Parent company	
ENOP-Engenharia e Obras Públicas, Lda. Av. 25 de Setembro, 1123 – 10º Apart. A Maputo – Mozambique	85.47%	Decree Law 238/91, Article 1 (1), subparagraph (a)
Conduril-Engenharia (ANGOLA), Lda. Rua Kima Kyenda 2-IL Luanda – Angola	99%	Decree Law 238/91, Article 1 (1), subparagraph (a)
Mabalane-Inertes, Lda. Av. 25 de Setembro, 1123 – 10º Porta-F Maputo – Mozambique	85%	Decree Law 238/91, Article 1 (1), subparagraph (a)
CONDURIL – Gestão de Concessões de Infra-estruturas, SA Av. Engº Duarte Pacheco, 1835 Ermesinde	100%	Decree Law 238/91, Article 1 (1), subparagraph (a)
Edifer / RRC / Conduril, ACE R. das Fontaínhas, 62 Venda Nova 2701-358 - Amadora	33.33%	
Groupement Adriano/Jaime Ribeiro/Conduril Construção ACE R. Maria da Paz Varzim, 116 4490-658 Póvoa de Varzim	33.33%	
Groupement Túnel de Nador – Construção ACE Lugar de Fermil – Cadavão – Vilar do Paraíso 4405-849 Vila Nova de Gaia	50%	

7. AVERAGE WORKFORCE

In the 2008 financial year, the average headcount of the companies included in the consolidation procedure was:

Registered office: 333
Branch office in Angola: 1411
Conduril Engenharia (Angola), Lda: 178
Mozambique Delegation: 74
Branch office in Botswana: 28
Branch office in Morocco: 4

ENOP – Engenharia e Obras Públicas, Lda: 243
Mabalane Inertes, Lda: 9
ONCF Marrocos: 53
Nador Marrocos: 60
Rocade Marrocos: 28

II – Information regarding the True and Appropriate View of the Accounts

The consolidated financial statements were drawn up in compliance with legislation in force in Portugal and, therefore, in accordance with the accounting principles and consolidated standards set forth in the Portuguese Official Chart of Accounts (POC), the amendments made by Decree-Law no. 238/91, of 2 July, and also in accordance with CNC accounting directives.

III – Information on Consolidation Procedures

10. CONSOLIDATION DIFFERENCES

The difference between the value of the financial holding and the proportional value of equity resulting from the increase of the shareholding in ENOP from 60% to 85.47% in 2003, in the amount of EUR 280,928, was reported in equity under the heading “Consolidation differences”. This sum remained unchanged as at 31 December 2008.

IV – Information on Commitments

21. OFF-BALANCE SHEET FINANCIAL COMMITMENTS UNDERTAKEN

a. Liability for discounted bills: the amount of discounted bills as at 31 December 2008 was EUR 1,545,529.

b. Pension fund: The Company set up a pension fund for the purpose of voluntarily topping-up the retirement pensions granted to its employees by the Social Security.

22. GUARANTEES STOOD

As at 31 December 2008, the Group was liable for guarantees provided for contract work totalling EUR 72,015,132.

V – Information on Accounting Policies

23. BASIS OF PRESENTATION, CONSOLIDATION PRINCIPLES AND VALUATION CRITERIA

The main accounting policies and criteria adopted in preparing these financial statements are as follows:

Basis of presentation

The attached consolidated financial statements have been prepared based on going concern operations, from the books and accounting records of the companies included in the consolidation (Note 1), maintained in accordance with accounting principles generally accepted in Portugal.

Consolidation principles

The consolidation of the subsidiary companies referred to in Note 1 was performed using the full integration accounting method. Significant transactions and balances between companies were eliminated in the consolidation process. The value corresponding to the shareholdings of third parties in the subsidiaries is reported in the balance sheet under minority interests.

Holdings in companies that represent less than 20% of their respective share capital were carried at the cost of acquisition.

a. Intangible fixed assets: are reported at cost.

b. Tangible fixed assets

Land and buildings belonging to the Group are reported at market value, based on valuations made by an independent evaluation entity. In 2004, the land and buildings were re-valued again. The increase or decrease to the current value, when materially relevant, is reported in the surplus deriving from the first evaluation and included under equity, in compliance with Accounting Directive no. 16 – Revaluation of tangible fixed assets.
All other tangible fixed assets are initially reported at their respective purchase value. Some of these goods were later re-valued in accordance with legislation, in line with the provisions of Note 41 (see also Note 42).
The depreciation and reintegration of tangible fixed assets are calculated using the straight-line depreciation method on the cost or revaluation value. The annual rates used satisfactorily reflect the lifespan of the assets and correspond to the maximum rates indicated in Regulatory Decree no. 2/90 of 12 January.

c. Financial leasing

Fixed assets acquired under leasing contracts, and their respective liabilities, are reported using the financial method. Accordingly, the cost of the asset is reported under tangible fixed assets, the corresponding liability is reported under liabilities and the depreciation of these assets and the interest included in the rent instalments are reported as costs in the income statement for the year to which they relate.

d. Financial investments

Financial investments are reported at acquisition cost.

e. Stocks

Raw & subsidiary materials and consumables

The raw material, subsidiary goods and consumables are valued at cost of acquisition. A provision for the depreciation of stock was created, amounting to the difference between the cost price and the respective sale value of used stock, in the event that this is less than the cost price.

Products in progress and finished products

The revenue in relation to contracts that exceed one year is calculated in accordance with the finished percentage method as established in Accounting Directive no. 3, measured through partial deliveries, identification of segments, measurement reports or other means that allow reliable estimates of the costs to be borne up to completion of the project or the termination of invoices to be issued for the customer. When it is not possible to estimate the revenues or costs to a reasonable degree of accuracy, the costs incurred are registered under Stocks – Products and work in progress. In such an event, products and work in progress are valued based on the construction cost, as established in the specifications, which includes the cost of the raw materials used, as well as labour and general manufacturing overheads.

f. Accrual basis

The Group’s income and expenses are recorded on an accrual basis during the period to which they relate and are recognised when generated, irrespective of when they are received or paid. The differences between the amounts received and paid and the corresponding generated income and expenses are reported under accruals and deferrals.

g. Own work capitalised

Work where the company proper is the customer corresponds to the costs associated to the performance and repair of the company's own equipment, including material, direct labour and subcontracting costs.

h. Balances and transactions reported in foreign currency

All assets and liabilities in foreign currency are converted into euro at the rate of exchange in force on the balance sheet date.

Favourable or unfavourable exchange rate differences, brought about by differences in the foreign exchange rate in force on the transaction date and the rate in force on the collection or payment date, or the balance sheet date, were reported as income and costs in the income statements for the relevant financial year.

24. FOREIGN EXCHANGE RATES USED FOR CONVERSION INTO EURO

The following exchange rates were used to convert the assets and liabilities in foreign currency into euro: USD 1.00 = MZM 25.09 (Mozambique); EUR 1 = USD 1.3945 and EUR 1 = MAD 11.3015 (Morocco).

VI – Information on Selected Headings

27. FIXED ASSET ADJUSTMENTS

During the 2008 financial year, the movements in the cost value of intangible and tangible fixed assets and in financial assets, as well as in their accumulated depreciation, were as follows:

Heading	Opening balance	Increase	Transfers	Adjustments	Closing balance
Intangible fixed assets					
Start-up expenditure	100.324			39.465	139.789
	100.324			39.465	139.789
Tangible fixed assets					
Land and natural resources	6.820.215				6.820.215
Buildings & other constructions	17.526.649	2.947.946		83.136	20.557.731
Basic plant, machinery and equipment	33.891.697	8.181.056		-2.174.556	39.898.197
Transport equipment	11.025.085	5.996.983		-760.278	16.261.789
Loose tools	210.178	65.314		3.207	278.698
Office equipment	1.167.256	124.103		-22.247	1.269.112
Other tangible fixed assets	21.137	26.354		28.910	76.401
Fixed assets in progress	572.637	1.269.146		-1.460.440	381.344
	71.234.855	18.610.901		-4.302.268	85.543.487
Financial investments					
Shareholdings in group companies		1.014			1.014
Shareholdings in associate companies		1.400			1.400
Securities and other financial investment	419.174			-984	418.190
	419.174	2.414		-984	420.604

DEPRECIATIONS

Heading	Opening balance	Increase	Transfers	Adjustments	Closing balance
Intangible fixed assets					
Start-up expenditure	98.767	9		39.500	138.276
	98.767	9		39.500	138.276
Tangible fixed assets					
Land and natural resources	293.911	43.946			337.857
Buildings & other constructions	9.944.291	1.050.449		12.183	11.006.923
Basic plant, machinery and equi	23.078.005	4.220.365		-1.679.365	25.619.005
Transport equipment	7.003.746	2.163.177		-550.407	8.616.516
Loose tools	102.774	31.023		4.801	138.598
Office equipment	850.626	108.364		-16.927	942.064
Other tangible fixed assets	10.810	1.632		20.950	33.391
	41.284.163	7.618.954		-2.208.764	46.694.353

32. MOVEMENTS IN CURRENT ASSETS NOTES

These movements during the financial year were:

Heading	Opening balance	Increase	Adjustments	Closing balance
28 – Adjustment to receivables	1.803.861	1.829.629	497.235	3.136.255
39 – Stock adjustment (consumables)	41.485	250.043	14.452.633	119.855

36. SALES AND SERVICES RENDERED BY BUSINESS AND GEOGRAPHICAL MARKET

Domestic market: EUR 24,657,033; External market: EUR 198,670,728.

Business segments: In operational terms, the Group is organized into two major segments: public works and private works.

	Public works		Private works		Consolidated	
	2008	2007	2008	2007	2008	2007
REVENUE						
Sales & services rendered	188.152.612	117.996.788	35.175.149	8.674.900	223.327.761	126.671.688
INCOME						
Operating income	24.917.557	15.255.141	19.688.799	2.563.184	44.606.356	17.818.325
Interest expenses					-8.836.726	-9.486.554
Interest income					7.502.721	3.618.990
Tax on profits					-16.763.188	-5.436.798
Income from current activities					26.509.163	6.513.963
Extraordinary income					-142.223	552.997
Minority interests					-53.511	-83.231
Net income					26.313.429	6.983.729
OTHER INFORMATION						
Assets per segment	204.108.515	144.007.252	14.074.660	1.635.064	218.183.175	145.642.316
Non-attributed company assets					420.604	419.174
Consolidated total assets					218.603.779	146.061.490
Liabilities for segment	207.032.625	100.348.522	11.071.154	6.265.677	218.103.779	106.614.199
Non-attributed company liabilities					500.000	2.036.999
Consolidated total liabilities					218.603.779	108.651.198
Fixed capital expenses	16.943.922	11.236.071	1.666.979	256.279	18.610.901	11.492.350
Depreciation	6.936.524	5.171.571	682.430	117.957	7.618.954	5.289.528

Geographical segments: The Company operates in 5 geographical areas: Portugal, Angola, Botswana, Mozambique and Morocco.

Revenue from sales and services rendered by geographical market	2008	2007
Portugal	24.657.033	41.850.044
Angola	140.644.113	46.055.561
Mozambique	24.540.514	16.844.710
Botswana	1.313.063	
Morocco	32.173.038	21.921.373
	223.327.761	126.671.688

Assets and investments in tangible and intangible fixed assets per geographical area:

	Net assets per segment		Investments	
	2008	2007	2008	2007
Portugal	48.437.338	59.309.811	2.792.790	1.466.758
Angola	116.714.882	49.955.399	14.452.633	9.447.221
Botswana	3.828.588		1.172.660	
Mozambique	35.394.156	20.593.723	191.846	563.987
Morocco	14.228.814	16.264.649	970	14.384
Total	218.603.779	146.123.582	18.610.901	11.492.350

38. DIFFERENCES BETWEEN TAXES APPORTIONED TO THE FINANCIAL YEAR OR TO PRIOR YEARS AND PAID OR PAYABLE

The Group's application of the International Accountancy Standard no. 12 (Reviewed) has led to the Group reporting deferred tax assets and liabilities in its financial statements, when deemed relevant. As such, provided that a tax-generating transaction occurs, and when reversible, it is reported in the financial statements of the company and the group, irrespective of the date on which the tax is paid or settled.
Deferred tax assets arise from the integration of the accounts of the branch office in Botswana.
Deferred taxes liabilities concern the impact on future depreciation not accepted for tax purposes and deriving from legal revaluation and different free revaluations.

39. REMUNERATION OF THE MEMBERS OF THE CORPORATE BODIES

The remuneration of members of the corporate bodies for the performance of their roles in the 2008 financial year was as follows: Board of Directors: EUR 1,022,125

41. TANGIBLE FIXED ASSET REVALUATIONS

Tangible fixed asset revaluation operations to date have been carried out by the Group in accordance with legal requirements, namely:

- Decree-Law no. 430/78 of 27 December
- Decree-Law no. 219/82 of 2 June
- Decree-Law no. 399-G/84 of 28 December
- Decree-Law no. 118-B/86 of 27 May
- Decree-Law no. 111/88 of 2 April
- Decree-Law no. 49/91 of 25 January
- Decree-Law no. 264/92 of 24 November
- Decree-Law no. 31/98 of 11 February.

Further to these revaluation operations, others have been carried out on a free basis. As mentioned in note 23 b), land and buildings were assessed at market price during the 2001 financial year, by a duly accredited independent entity. A new revaluation was carried out at the start of 2004 by the same entity. The impact of these revaluations on the net value of real estate and other fixed assets of the Group can be seen in the following note.

42. TANGIBLE FIXED ASSET REVALUATIONS

The historic purchase cost of tangible fixed assets and financial investments and their corresponding revaluation of 31 December 2004, net accrued depreciation, were as follows as at 31 December 2008:

Heading	Historic cost (a)	Revaluations (a) and (b)	Revalued book values (a)
Tangible fixed assets			
Land and natural resources	2.790.264	3.692.095	6.482.359
Buildings & other constructions	6.575.261	2.975.547	9.550.808
Basic plant, machinery and equipment	14.225.440	53.752	14.279.192
Transport equipment	7.636.545	8.728	7.645.273
Loose tools	140.101		140.101
Office equipment	326.166	882	327.048
Other tangible fixed assets	43.010		43.010
Fixed assets in progress	381.344		381.344
	32.118.132	6.731.003	38.849.134

a) Net of depreciation

b) Including successive revaluations net of depreciation

43. COMMENTS ON THE ACCOUNTS OF THE FINANCIAL STATEMENTS CONTAINING NON-COMPARABLE CONTENT

In the 2008 financial statements, the company made no changes to accountancy practices or policies.

44. CONSOLIDATED FINANCIAL INCOME STATEMENT

The financial profit/loss is broken down as follows:

Costs and losses	Financial Year		Income and gains	Financial Year	
	2008	2007		2008	2007
681 - Interest incurred	1.875.094	2.110.296	781 - Interest earned	862.412	506.247
685 - Unfavourable exchange rate diff	5.881.080	6.230.710	784 - Return on shareholdings	1.513	200
686 - Cash discounts granted	1.531	12.448	785 - Favourable exchange rate diffe	6.510.767	2.903.349
688 - Other financial costs and losses	1.079.021	1.133.100	786 - Cash discounts obtained	38.683	121.960
			788 - Reversals and other	89.345	87.234
Financial income	-1.334.005	-5.867.564	income & gains		
	7.502.721	3.618.990		7.502.721	3.618.990

45. CONSOLIDATED EXTRAORDINARY INCOME STATEMENT

The extraordinary profit/loss is broken down as follows:

Costs and losses	Financial Year		Income and gains	Financial Year	
	2008	2007		2008	2007
691 - Donations	396.035	26.464	791 - Tax refund	61.802	13.825
692 - Bad debt	48.763	18.337	792 - Gains in current resources	28.972	12.520
694 - Fixed asset losses	315.808	37.156	794 - Gains on fixed assets	341.077	
695 - Fines and penalties	32.945	78.135	795 - Inc.from contract penalties		147.717
696 - Depreciation increase	91.791		796 - Provision reductions	165.163	
697 - Prior-year corrections	384.873	123.942	797 - Prior-year corrections	191.112	
698 - Other extraordinary costs & losses	3.430.018	194.182	798 - Other extraordinary income		857.150
Extraordinary income	-142.223	552.997	and gains	3.769.884	
	4.558.010	1.031.213		4.558.010	1.031.212

46. MOVEMENTS IN PROVISION ACCOUNTS

Movements in provision accounts during the financial year were as follows:

Heading	Opening balance	Increase	Adjustments	Closing balance
298 - Provision for pensions	225.788		225.788	0
296 - Other provisions	166.650		0	166.650

47. FINANCIAL LEASING

The following assets were held by the Group through financial leasing as at 31 December 2008:

Headquarters	Acquisition cost	Accrued depreciation for financial year	Book values
Basic equipment	5.501.506	4.329.583	1.171.923
Transport equipment	3.118.802	2.467.903	650.899

VII – Other Information

49. MEDIUM AND LONG-TERM CREDITORS

The medium and long-term debts as at 31 December 2008 are essentially the following:

- Fixed asset suppliers: EUR 1,571,541, concerning the sums still payable on leasing contracts.
- Commercial paper: Santander Totta EUR 2,250,000; BCP EUR 5,000,000; BES EUR 3,000,000; Barclays EUR 2,250,000.
- Bank loans contracted by the Angola subsidiary: EUR 6,635,452.

50. INFORMATION ON ENVIRONMENTAL MATTERS

Costs of an environmental nature incurred during the financial year were EUR 55,000.

51. EXPLANATORY NOTES TO THE INCOME STATEMENT BY FUNCTION

The cost of sales and services rendered reported in the income statement by function was calculated as follows:

Movements	Services rendered
Incoming from production	173.520.640
Outgoing to production and fixed asset	1.986.622
Cost of sales and services rendered	175.507.262

STATUTORY AUDITOR'S REPORT AND OPINION
CONSOLIDATED ACCOUNTS

To the shareholders of
Conduril – Construtora Duriense, S.A.

Pursuant to current legislation and the mandate provided us, we hereby submit our Report and Opinion for your appraisal. This Report and Opinion is focused on the work we have carried out and the consolidated financial statements of Conduril – Construtora Duriense, S.A. (the Company) for the financial year ending on 31 December 2008, which are the responsibility of the Company's Board of Directors.

We have monitored the development of the business activity and transactions of the Company and the main companies encompassed by the consolidation, the accuracy of the accounting records and compliance with current legislation and the articles of association in force. All information and clarification that we requested from the Board of Directors and the different departments of the Company and the main companies within the consolidation perimeter were provided us.

We examined, as part of our duties, the consolidated Balance Sheet as at 31 December 2008, the consolidated income statements by nature and by function and the consolidated cash-flow statement for the financial year ending on the aforementioned date, as well as the notes thereto. Furthermore, we analysed the consolidated annual report for the 2008 financial year, drawn up by the Company's Board of Directors, with particular reference to the proposal contained therein. As a result of the legal audit performed, we have issued the Statutory Audit Certificate on this date, which does not include any reservation nor is any matter emphasized.

In view of the above-stated, it is our opinion that the consolidated financial statements referred to above are in conformity with applicable accounting, legal and statutory provisions and, consequently, should be approved in the General Meeting of Shareholders.
We would also like to express our gratitude to the Board of Directors and services of the Company for all the assistance they provided us.

Porto, 10 March 2009

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HORWATH & ASSOCIADOS, SROC, LDA.
Represented by Ana Raquel Borges L. Esperança Sismeiro (Statutory Auditor no. 1126)

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STATUTORY AUDIT CERTIFICATE OF CONSOLIDATED ACCOUNTS

Introduction

1. We have examined the attached consolidated financial statements of Conduril – Construtora Duriense, S.A. (the Company), comprising the consolidated balance sheet as at 31 December 2008 (which reports a total balance of EUR 218,603,779 and total equity of EUR 60,370,223 including a net income of EUR 26,313,429), the consolidated income statements by nature and by function, and the consolidated cash-flow statement for the financial year ended on that date, as well as the corresponding notes thereto.

Responsibilities

2. It is the responsibility of the Company's Board of Directors to draw up the consolidated financial statements in a manner that presents a true and fair view of the financial state of affairs of the set of companies included in the consolidation procedure, the consolidated income from their business operations and the consolidated cash-flows, as well as to adopt appropriate accountancy policies and criteria and to ensure compliance and the upkeep of appropriate internal control systems.

3. It is our responsibility to express a professional and independent opinion of those financial statements, based on our audit.

Scope

4. Our audit was carried out in accordance with the Technical Standards and Audit Directives of the Portuguese Society of Auditors, which demand that the same be planned and performed with the objective of ensuring, to an acceptable degree of certainty, that the consolidated financial statements are free of any material misstatement. The audit included:

   - checking whether the financial statements of the companies included in the consolidation have been appropriately examined and where they have not been, checking in significant cases, by sampling, the physical proof of the figures and statements contained therein and assessing the estimates used in their drafting, which are based on judgements and criteria defined by the Board of Directors;

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Share capital EUR 51,300 | Legal person number and registered in Porto Company Register under no. 506 942 155
Lisbon: Avenida Miguel Bombarda, no. 21 – 3º esq., 1050-161 Lisbon
Tel.: +351 21 319 00 90 Fax: 351 21 354 15 59
Horwath & Associados, SROC, Lda. is a Portuguese member firm of Horwath International, a Swiss association of several firms. Each member firm is an independent and separate legal entity operating under the Horwath brand.

- checking the consolidation operations;

- appraising whether the adopted accounting policies and their disclosure are appropriate, bearing in mind the circumstances;

- checking whether the going concern basis has been applied or not; and

- assessing the overall adequacy of the presentation of the consolidated financial statements.

5. Our examination also checked whether the financial information provided in the Consolidated Annual Report matched that disclosed in the other consolidated financial statements.

6. We believe that our audit provides reasonable basis for expressing our opinion.

Opinion

7. In our opinion, the referred to consolidated financial statements provide a true and appropriate view, in all materially relevant aspects, of the consolidated financial position of Conduril – Construtora Duriense, S.A., as at 31 December 2008, as well as the consolidated income resulting from its business operations and consolidated cash-flows for the financial year ended on that date, in accordance with the accounting principles generally accepted in Portugal.

Porto, 10 March 2009

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HORWATH & ASSOCIADOS, SROC, LDA.
Represented by Ana Raquel Borges L. Esperança Sismeiro (Statutory Auditor no. 1126)

A Member firm of
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INDIVIDUAL REPORT

AND ACCOUNTS

2008

Dear Shareholders,

In accordance with current law and the Company's Articles of Association, we hereby submit the 2008 Report and Accounts for your appreciation.

1.

CONDURIL commemorates its 50th anniversary in 2009. The Company was taken over on 2 January 1970 by its current reference shareholders. It has planned, adjusted and implemented balanced growth policies during its half century of life. These growth policies have focused on the quality and technical advances to building work, productivity and profitability, the well being of employees and the continued international geographical expansion of the business, and they have deserved the respect of all those who have engaged in the business process. This engagement was recognised, much to our honour, with the award of Best Company in the Construction Sector by *Exame* magazine, in its ranking of the 500 Largest and Best Companies of 2008, based on the relative performance in eight indicators (sales and income growth, profitability, value added, liquidity and solvency) of the sector’s 20 largest companies.

The 2008 financial year ended with CONDURIL reporting its best ever profit. We have worked and equipped ourselves for the Company’s lifecycles, continuously updated with new problems and new requirements and depending on the meticulously prepared revitalization of the new management to be elected by the General Meeting.

2.

In 2008, against the backdrop of the serious domestic and worldwide economic and financial crisis, the damaging impact of which is still ongoing and nobody is certain when such will end, especially the turmoil in the financial system and its immediate and direct repercussions on the life of companies and through the worrying rise in unemployment, CONDURIL achieved its best ever financial performance, despite the decline in actual output in Portugal. This performance was primarily driven by the business abroad, through the local infrastructures in Angola, Mozambique and Morocco that we have consolidated over the years, and also the start of operations in Botswana with a EUR 40 million contract to build a motorway.

3.

In 2008, overall sales grew 64% on the 2007 figure, to register a total of EUR 203 million, 88% of which was achieved abroad.

The GVA in 2008 was EUR 79 million (up from EUR 44 million in 2007), generating EBITDA of EUR 53 million.

The good prospects of improvement in the civil engineering sector in Portugal combined with the order book for our foreign operations allows us to forecast a positive year for 2009, which shall be necessarily anchored in much hard work and the balancing of decisions that are adjusted to the dynamism of each market in which we operate.

The net income for 2008 of EUR 26.313 million led to the substantial improvement to CONDURIL’s economic and financial situations, as shown by the indicators below:

%

	2007	2008
Growth in net income	269	277
Return on Assets (ROA)	5	12
GVA by sales	36	39
Solvency	33	40
General liquidity	156	211
Fixed asset coverage	186	223

4.

The management of human resources, a core strategy of our operating policies, was the subject of special attention due to the impact of the current crisis, and we were able to ward off the concerns of our staff in relation to the spectre of redundancy. We wanted to commemorate our 50th anniversary with the symbolic and across-the-board pay-out of a special “50-years Conduril bonus” to our staff.

45 training courses involving 236 trainees and totalling 5213 training hours were held in 2008, as well as 504 “welcoming, awareness raising and training in the workplace” courses.

The Conduril pension fund, which is an important component of our personnel policy, received an exceptional Company contribution of EUR 1.1 million, so that no liabilities were left uncovered, a satisfying situation for us. The value of the pension fund as at 31 December 2008 was EUR 4.8 million.

5.

The 200 000 company shares that we hold as treasury stock were not transacted in any form in 2007.

The exchange risk management policy continues to be the object of our full attention, so that satisfactory solutions may be found for this risk.

Our Quality and Safety Management System had its certification according to the NP EN ISO 9001:2000 standard renewed and compliance of the safety component was transferred to the OSHAS 18001:2007 standard.

These changes were approved by APCER.

6.

The constant concern with providing a fair remuneration to our shareholders could provide us, through the fortunate coincidence of our 50th anniversary with the best ever profits reported by the company, with the satisfaction of making the following proposal for the appropriation of the net income of EUR 26,313,429 for the financial year:

a. EUR 3,600,000 = to dividends, equivalent to EUR 2 per share;
b. EUR 1,316,000 = to the legal reserve;
c. EUR 21,397,429 = to free reserves.

7.

We express our gratitude to Carmo Coelho Moreira Pereira and Ricardo Manuel de Araújo Catarino, who are going to leave the Board of Directors, for their dedication and the competent job they have performed for a number of years.

We would also like to thank our clients, the other construction companies with whom we have worked, the banks and suppliers for the mutually profitable relationships developed.

We thank the corporate bodies for their permanent availability.

We also highlight the fundamental importance of our staff in Portugal and abroad to the path that we have forged over the last 50 years for our Group.

Ermesinde, 27 February 2009
THE BOARD OF DIRECTORS

NOTES TO THE MANAGEMENT REPORT

1. Shares held by company officers

	Shares held at 31/12/2008
António Luís Amorim Martins	281,408
Carmo Coelho Moreira Pereira	108,218
Ricardo Manuel de Araújo Catarino	70,884
Maria Luisa Andrade Amorim Martins	68,458
Maria Benedita Andrade de Amorim Martins	7,210
António Baraças Andrade Miragaia	6,802
Ademar Américo Soares Paiva	6,284

No change from 31/12/2007 as regards the number of shares held.

2. Qualifying holdings

	Number of shares	Voting rights (%)	
António Luís Amorim Martins			
directly	281,408	15.63	
through Geonorte Geotecnia e Fundações Especiais, Lda	179,252	9.96	(a)
total attributable	460,660	25.59	(a)
BPI – SGPS, SA	244,668	13.59	(a)
José Álvaro Fonseca Moura	213,684	11.87	
Maria Estela Pinto de Andrade Amorim Martins	164,842	9.15	
Carlos da Silva Teixeira Mourão	149,700	8.31	
Carmo Coelho Moreira Pereira	108,218	6.01	
Ricardo Manuel de Araújo Catarino	70,884	3.93	
Maria Luísa Andrade Amorim Martins	68,458	3.80	
AF-INVESTIMENTOS	43,418	2.41	(a)

(a) - holding calculated in terms of voting rights and in accordance with article 20 of the Portuguese Securities' Code

3. Cash-Flow Statement

EUR

	2008		2007	
OPERATING ACTIVITIES				
Received from clients	185.457.988		125.624.649	
Payments to suppliers	-70.852.723		-70.909.437	
Payments to employees	-28.491.603		-16.749.472	
Cash-flows from operating activities	86.113.663		37.965.740	
Corporate tax payment/income	-2.424.908		-3.782.719	
Other income/payments for operational activity	1.662.023		-16.871.734	
Cash-flow before extraordinary items	85.350.778		17.311.286	
Received from extraordinary items	426.479		117.279	
Payments for extraordinary items	-23.564		-484.679	
Cash-flow from operating activities (1)		**85.753.693**		**16.943.886**
INVESTMENT ACTIVITIES				
Received from:				
Financial investments			954.324	
Tangible fixed assets	80.282		2.451.968	
Intangible fixed assets			0	
Interest and similar income	1.826.237		72.910	
Dividends		1.906.519	0	3.479.201
Payments to:				
Financial investments	-648.778		-954.324	
Tangible fixed assets	-14.781.275		-10.986.374	
Intangible fixed assets	-6.156	-15.436.209	0	-11.940.698
Cash-flow from investment activities (2)		**-13.529.691**		**-8.461.497**
FINANCING ACTIVITIES				
Received from:				
Borrowings	12.500.000	12.500.000	18.133.317	18.133.317
Payments to:				
Borrowings	-23.374.613		-6.940.817	
Leasing contracts depreciation	-1.235.667		-2.087.870	
Dividends	-720.000		-360.000	
Interests and similar expenses	-2.875.675	-28.205.955	-1.862.858	-11.251.546
Cash-flow from financing activities (3)		**-15.705.955**		**6.881.771**
Change in cash & cash equivalents (1)+(2)+(3)		56.518.048		15.364.160
Cash and cash equivalents at financial year start		18.885.918		3.521.758
Cash and cash equivalents at financial year end		75.403.966		18.885.918

ANNEX TO THE CASH-FLOW STATEMENT

Breakdown of cash & cash equivalents

	2008	2007
Cash	111.083	186.097
Cash resources carried on balance sheet	75.292.883	3.335.661
Disponibilidades constantes do balanço	75.403.966	3.521.758

- BALANCE SHEET
- INCOME STATEMENT
- NOTES TO THE BALANCE SHEET AND THE INCOME STATEMENT

BALANCE SHEET AS AT 31 DECEMBER 2008

EUR

ASSETS	2008 AB	2008 AA	2008 AL	2007 AL
FIXED ASSETS				
Intangible fixed assets				
Start-up expenditure	11.607	11.318	289	289
	11.607	11.318	289	289
Tangible fixed assets				
Land and natural resources	6.820.215	337.857	6.482.358	6.526.305
Buildings & other constructions	16.912.628	10.456.022	6.456.606	6.220.008
Basic plant, machinery and equipment	31.852.877	20.616.051	11.236.826	6.676.702
Transport equipment	14.330.749	7.536.241	6.794.508	3.656.127
Loose tools	165.510	70.181	95.329	47.102
Office equipment	1.069.381	835.409	233.972	216.435
Other tangible fixed assets	34.943	8.948	25.995	1.263
Fixed assets in progress	44.587		44.587	274.423
	71.230.890	39.860.709	31.370.181	23.618.365
Financial investments				
Shareholdings in group companies	4.327.650		4.327.650	3.915.477
Loans to group companies	152.370		152.370	33.655
Shareholdings in associate companies	55.062		55.062	494.541
Securities and other financial investments	418.190		418.190	418.190
	4.953.272		4.953.272	4.861.863
CURRENT ASSETS				
Stocks				
Raw and subsidiary materials and consumab	5.371.199	38.963	5.332.236	3.146.328
Products and works in progress	6.161.525		6.161.525	2.373.719
Finished and intermediate products	398.814		398.814	319.690
	11.931.538	38.963	11.892.575	5.839.737
Short-term debtors				
Trade accounts receivable	63.923.743		63.923.743	62.072.086
Clients w/ retaining of guarantees	5.496.725		5.496.725	4.146.236
Doubtful debtors - customers	3.069.005	3.069.005		
Advances to suppliers	1.994.736		1.994.736	171.477
State and other public entities	3.245.912		3.245.912	4.573.158
Other debtors	8.728.486		8.728.486	11.241.961
	86.458.607	3.069.005	83.389.602	82.204.918
Cash in hand and in banks				
Bank deposits	75.292.883		75.292.883	18.830.979
Cash	111.083		111.083	54.939
	75.403.966		75.403.966	18.885.918
ACCRUALS AND DEFERRALS				
Accruals & income	4.993.581		4.993.581	5.895.352
Deferred costs	1.091.014		1.091.014	437.488
Deferred tax assets	98.168		98.168	62.092
	6.182.763		6.182.763	6.394.931
TOTAL DEPRECIATION		39.872.027		
TOTAL ADJUSTMENTS		3.107.968		
TOTAL ASSETS	256.172.643	42.979.995	213.192.647	141.806.021

BALANCE SHEET AS AT 31 DECEMBER 2008

EUR

EQUITY AND LIABILITIES

	2008	2007
EQUITY		
Capital	10.000.000	10.000.000
Own shares		
Nominal value	-1.000.000	-1.000.000
Discounts & premiums	50.000	50.000
Adjustments to shareholdings in subsidiaries and associates	2.860.353	1.260.462
Revaluation reserves	4.760.088	5.206.668
Reserves		
Legal reserves	1.533.856	1.183.856
Other reserves	12.065.768	7.824.020
Retained profit/loss	3.805.496	3.358.916
	34.075.561	27.883.921
Net income for financial year	26.313.429	6.983.729
Total equity	60.388.991	34.867.651
LIABILITIES		
Provisions		
Provision for pensions		225.788
Other provisions	7.235.398	5.110.313
	7.235.398	5.336.101
MEDIUM AND LONG-TERM CREDITORS		
Debts to credit institutions	6.635.452	7.133.317
Other loans contracted	12.500.000	10.500.000
Fixed assets suppliers - current account	1.571.541	419.269
	20.706.993	18.052.586
SHORT TERM CREDITORS		
Debts to credit institutions	2.855.153	6.397.529
Suppliers - current account	34.244.982	32.975.949
Suppliers - Invoices pending approval	373.662	512.022
Suppliers - Trade bills payable	1.208.511	2.130.653
Fixed asset suppliers - Bills payable		56.531
Advances from customers		10.532.234
Other loans contracted		5.500.000
Fixed assets suppliers - current account	908.481	1.225.292
State and other public entities	15.907.170	8.031.920
Other creditors	25.398.669	1.294.944
	80.896.628	68.657.074
ACCRUALS AND DEFERRALS		
Accrued costs	5.448.711	3.888.455
Deferred income	36.810.990	9.181.821
Deferred tax liabilities	1.704.937	1.822.333
	43.964.638	14.892.609
Total liabilities	152.803.657	106.938.370
TOTAL EQUITY AND LIABILITIES	213.192.647	141.806.021

INCOME STATEMENT

EUR

COSTS AND LOSSES	2008		2007	
Costs of goods sold & materials consumed				
Material	37 673 277	37 673 277	22 586 425	22 586 425
External supplies and services		94 098 155		62 320 918
Staff costs				
Wages	18 307 308		13 441 360	
Social contributions				
Pensions	464 098		315 131	
Other	7 414 279	26 185 685	6 169 075	19 925 566
Depreciation of tangible and intangible fixed assets	5 799 231		4 265 009	
Adjustments	1 443 932	7 243 163	76 323	4 341 332
Taxes	1 880 988		1 120 419	
Other operating costs	47 830	1 928 818	77 796	1 198 216
(A)		167 129 099		110 372 456
Losses in group and associate companies	2 635 415		5 114 523	
Interests and similar expenses				
Other	7 659 460	10 294 876	8 181 823	13 296 347
(C)		177 423 974		123 668 803
Extraordinary costs and losses		3 303 185		265 273
(E)		180 727 159		123 934 075
Tax on income for financial year		16 549 843		5 144 329
(G)		197 277 002		129 078 404
Net income for financial year		26 313 429		6 983 729
		223 590 431		136 062 133

INCOME AND GAINS				
Sales:				
Goods				
Products	2 243 548		461920	
Services rendered	201 080 047	203 323 595	123 379 179	123 841 098
Change in output		3.748.625		1.054.623
Own work capitalised		101 170		937 172
Supplementary income	5 294 319		3 839 790	
Other operating income	338 317		697 306	
Depreciation reversals and adjustments	75 234	5 707 870		4 537 096
(B)		212 881 260		130 369 990
Gains in group and associate companies	986 345		1 671 981	
Income from stock held				
Relative to other companies			1 312 152	
Other interests and similar gains				
Other	6 694 548	7 680 893	2 158 259	5 142 392
(D)		220 562 153		135 512 382
Extraordinary income and gains		3 028 278		549 751
(F)		223 590 431		136 062 133

SUMMARY

		2008	2007
Operating income	(B) - (A)	45.752.161	19.997.534
Financial income	(D-B) - (C-A)	-2.613.982	-8.153.954
Current income	(D) -(C)	43.138.179	11.843.580
Income before tax	(F) - (E)	42.863.272	12.128.058
Net income for financial year	(F) - (G)	26.313.429	6.983.729

INCOME STATEMENT BY FUNCTION

EUR

	Financial Year	
	2008	**2007**
Sales & services rendered	203.323.595	123.841.098
Cost of sales & services rendered	150.950.329	103.590.182
Gross income	**52.373.266**	**20.250.916**
Other operating income and gains	6.732.978	6.033.704
Distribution costs		
Administrative costs	10.501.327	4.529.436
Other operating costs and losses	6.882.964	3.125.484
Operating income	**41.721.953**	**18.629.700**
Net financing cost	1.152.068	1.543.363
Gains (losses) in subsidiaries and associates	-1.649.070	-3.442.541
Gains (losses) in other investments		1.312.152
Exceptional or irregular income	3.942.457	-2.827.890
Current income	**42.863.272**	**12.128.058**
Tax on current income	16.549.843	5.144.329
Current income after tax	**26.313.429**	**6.983.729**
Extraordinary income		0
Tax on extraordinary income		
Net income	**26.313.429**	**6.983.729**
Earnings per share	**14,62**	**3,88**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2008
(All figures expressed in euro)

INTRODUCTION

Conduril – Construtora Duriense, S.A. is a public limited company that has registered offices in Ermesinde, and which was founded on 14th February 1959. The company's main business activity is public or private construction work, and all activities associated to this business sector.
The Company shall draw up and publish consolidated financial statements separately.
These notes follow the numbering scheme defined in the Portuguese Chart of Accounts (POC). The notes that have been omitted are neither applicable to the Company nor material for an understanding of the attached financial statements.

3. BASIS OF PRESENTATION AND MAIN VALUATION CRITERIA

The financial statements have been prepared, based on going concern operations, from the books and accounting records of the Company, according to accounting principles generally accepted in Portugal.
Owing to the fact that the Company uses the Equity Equivalence Method in its individual financial statements, this method was also used to prepare the financial statements of the group and associate companies. Hence, this influenced the value reported under financial investments in the Assets, Gains and Losses of capital income in group and associate companies indicated in the Income Statement and Equity Adjustment headings, reported under Shareholders' Equity.
The main valuation criteria used to draw up the financial statements were as follows:

a) Tangible fixed assets

Land and buildings belonging to the Company are registered at the market value, based on valuations made by an independent assessment entity. In 2004, the land and buildings were re-valued. The increase or decrease to the current value was reported in the surplus deriving from the first evaluation and included under equity, in compliance with Accounting Directive no. 16 – Revaluation of tangible fixed assets.
All other tangible fixed assets are initially reported at their respective acquisition cost. Some of these goods were later re-valued in accordance with legislation, in line with the provisions of Note 12 (see Note 13 too).
The depreciation and reintegration of tangible fixed assets are calculated using the straight-line depreciation method on the cost or revaluation value. The annual rates used satisfactorily reflect the lifespan of the assets and correspond to the maximum rates indicated in Regulatory Decree no. 2/90 of 12 January.

b) Financial leasing

Fixed assets acquired under leasing contracts, and their respective liabilities, are reported using the financial method. Accordingly, the cost of the asset is reported under tangible fixed assets, the corresponding liability is reported under liabilities and the depreciation of these assets and the interest included in the rent instalments are reported as costs in the income statement for the year to which they relate.

c) Financial investment

Holdings in group companies are reported using the Equity Equivalence Method. Under this method, the holdings are initially reported at acquisition cost, which was added to or subtracted from the amount proportional to the holding in the equity capital of these companies, the reference date for this process being the acquisition date or the date on which the equity accounting method was first implemented.
Each year, the shareholdings in the group's companies are reported at the foreign exchange rate in force on the balance sheet date, offset against the shareholdings' adjustment account.

According to the Equity Equivalence Method, shareholdings are annually adjusted by the amount corresponding to the share in the net profit of group companies, and offset against the gains or losses for the financial year.
All other shareholdings are reported at acquisition cost or, in the case of loans granted to Group companies, at nominal value converted at the exchange rate in force on the balance sheet date.

d) Stocks

Raw & subsidiary materials and consumables

The raw material, subsidiary goods and consumables are valued at cost of acquisition. A provision for the depreciation of stock was created, amounting to the difference between the cost price and the respective sale value of used stock, in the event that this is less than the cost price.

Products in progress and finished products

The revenue in relation to contracts that exceed one year is calculated in accordance with the finished percentage method as established in Accounting Directive no. 3, measured through partial deliveries, identification of segments, measurement reports or other means that allow reliable estimates of the costs to be borne up to completion of the project or the termination of invoices to be issued for the customer. When it is not possible to estimate the revenues or costs to a reasonable degree of accuracy, the costs incurred are registered under Stocks – Products and work in progress. In such an event, products and work in progress are valued based on the construction cost, as established in the specifications, which includes the cost of the raw materials used, as well as labour and general manufacturing overheads.

e) Accrual basis

Income and expenses are recorded on an accrual basis as they are generated during the period to which they refer to, irrespective of when they are received or paid. The differences between the amounts received and paid and the corresponding income and expenses generated are reported under accruals and deferrals.

f) Own work capitalised

Work where the company proper is the customer corresponds to the costs associated to the performance and repair of the company's own equipment, including material, direct labour and subcontracting costs.

g) Balances and transactions reported in foreign currency

All assets and liabilities in foreign currency are translated into euro at the rate of exchange in force on the date of the balance sheet.
Favourable or unfavourable exchange rate differences, brought about by differences in the foreign exchange rate in force on the transaction date and the rate in force on the collection or payment date, or the balance sheet date, were reported as income and costs in the income statements for the relevant financial year.

4. FOREIGN EXCHANGE RATES USED FOR CONVERSION INTO EURO

The following exchange rates were used to convert the assets and liabilities in foreign currency into Euros:

USD 1.00	=	MZM 25.09
EUR 1.00	=	MAD 11.3015
EUR 1.00	=	USD 1.3945

6. TAXES

The Company acknowledges the adjustments concerning deferred tax assets and deferred tax liabilities, in compliance with the Accounting Directive no. 28 – Income Tax. As such, provided that a tax-generating transaction occurs, and when reversible, it is reported in the financial statements of the Company, irrespective of the date on which the tax is paid or settled.
Deferred tax assets arise from the integration of the accounts of the branch office in Botswana.
Deferred taxes liabilities concern the impact on future depreciation not accepted for tax purposes and deriving from legal revaluation and different free revaluations.

7. AVERAGE WORKFORCE

The Company's average headcount in 2008 was:

Registered office: 333
Branch office in Angola: 1411
Mozambique Delegation: 74
Branch office in Botswana: 28
Morocco: 145

10. FIXED ASSET ADJUSTMENTS

During the 2008 financial year, the movements in the cost value of intangible and tangible fixed assets and in financial assets, as well as in their accumulated depreciation, were as follows:

GROSS ASSETS

Heading	Opening balance	Increase	Transfers	Adjustments	Closing balance
Intangible fixed assets					
Start-up expenditure	11.607				11.607
	11.607				11.607
Tangible fixed assets					
Land and natural resources	6.820.215				6.820.215
Buildings & other constructions	15.818.823	1.093.805			16.912.628
Basic plant, machinery and equipment	26.226.109	7.823.276		-2.196.508	31.852.877
Transport equipment	9.744.128	5.239.437		-652.816	14.330.750
Loose tools	101.035	64.475			165.510
Office equipment	969.137	100.243			1.069.380
Other tangible fixed assets	8.590	26.354			34.944
Fixed assets in progress	274.423	1.269.146		-1.498.983	44.586
	59.962.460	15.616.736		-4.348.306	71.230.890
Financial investments					
Shareholdings in group companies	3.915.477	515.028		-102.856	4.327.650
Shareholdings in associate companies	494.541	13.750		-453.229	55.062
Loans to group companies	33.655	120.000		-1.286	152.370
Securities and other financial investment	418.190				418.190
	4.861.863	648.778		-557.370	4.953.272

DEPRECIATION

Heading	Opening balance	Increase	Transfers	Adjustments	Closing balance
Intangible fixed assets					
Start-up expenditure	11.318				11.318
	11.318				11.318
Tangible fixed assets					
Land and natural resources	293.911	43.946			337.857
Buildings & other constructions	9.598.815	857.207			10.456.022
Basic plant, machinery and equipment	19.549.408	2.869.189		-1.802.546	20.616.051
Transport equipment	6.088.000	1.928.314		-480.073	7.536.240
Loose tools	53.934	16.248			70.182
Office equipment	752.702	82.707			835.409
Other tangible fixed assets	7.327	1.621			8.948
	36.344.097	5.799.231		-2.282.619	39.860.708

The movement registered under financial investments reflects the application of the equity equivalence method.

12. TANGIBLE FIXED ASSET REVALUATIONS

Tangible fixed asset revaluation operations to date have been carried out by the Company in accordance with applicable legislation, namely:

Decree-Law no. 430/78 of 27 December	Decree-Law no. 111/88 of 2 April
Decree-Law no. 219/82 of 2 June	Decree-Law no. 49/91 of 25 January
Decree-Law no. 399/G/84 of 28 December	Decree-Law no. 264/92 of 24 November
Decree-Law no. 118/B/86 of 27 May	Decree-Law no. 31/98 of 11 February

Further to these revaluation operations, two unrestricted revaluations were carried out in 2001 and

13. TANGIBLE FIXED ASSET REVALUATIONS

The data regarding the acquisition cost of tangible fixed assets and the corresponding revaluation of 31 December 2004, net of accumulated depreciation, was as follows as at 31 December 2008:

Heading	Historic cost (a)	Revaluations (a) and (b)	Revalued book values (a)
Tangible fixed assets			
Land and natural resources	2.790.264	3.692.095	6.482.359
Buildings & other constructions	3.732.920	2.723.687	6.456.607
Basic plant, machinery and equipment	11.183.074	53.752	11.236.826
Transport equipment	6.785.781	8.728	6.794.509
Loose tools	95.328		95.328
Office equipment	233.090	882	233.972
Other tangible fixed assets	25.996		25.996
Fixed assets in progress	44.587		44.587
	24.891.040	6.479.144	31.370.182

a) Net of depreciation

b) Including successive revaluations net of depreciation

15. FINANCIAL LEASING

The following assets were held at the Company's head office through financial lease, as at 31 December 2008:

	Acquisition cost	Accumulated depreciation for financial year	Book value
Basic plant, machinery and equipment	5,501,506	4,329,583	1,171,923
Transport equipment	3,118,802	2,467,903	650,899

As indicated in note 3(b), the Company reports its assets via the financial method.

16. GROUP COMPANIES

The Group companies as at 31 December 2008 were:

Company and Registered Office	Percentage of share capital	Equity	Income for Financial Year
ENOP-Engenharia e Obras Públicas, Lda. Av. 25 de Setembro, 1123-10º Maputo – Mozambique	85.47%	2,100,916	327,703
Conduril – Engenharia (Angola), Lda. R. Kima Kyenda 2 - IL Luanda - Angola	99%	2,491,266	344,631
Mabalane-Inertes, Lda. Av. 25 de Setembro, 1123-10º Maputo – Mozambique	85%	77,228	16,626
Conduril – Gestão de Concessões de Infra-estruturas, SA Av. Engº. Duarte Pacheco, 1835 Ermesinde - Valongo - Portugal	100%	50,572	-172,284
Edifer / RRC / Conduril, ACE R. das Fontaínhas, 62 – Venda Nova 2701-658 - Amadora	33.33%	123,950	-9,822
Groupement Adriano/Jaime Ribeiro/Conduril Construção ACE. Rua Maria da Paz Varzim, 116 4490-658 Póvoa do Varzim	33.33%	-21,500,061	-3,127,404
Groupement Túnel de Nador – Construção ACE Lugar de Fermil – Cadavão – Vilar do Paraíso 4405-849 Vila Nova de Gaia	50%	27,500	-69,074

31. Overall value of Off-balance Sheet financial commitments and pension commitments:

a) Liability for discounted bills of exchange: the sum of discounted bills as at 31 December 2008 was EUR 1,545,529.

b) Pension fund: The Company set up a pension fund in order to voluntarily top-up the pensions granted to its employees by the Social Security. The excess liability not covered at 31 December 2008, in the value of EUR 410,114, is registered under Deferred Costs - Sum to be Settled Pension Fund.

32. GUARANTEES STOOD

As at 31 December 2008, the Group was liable for guarantees provided for contract work totalling EUR 72,015,132.

34. MOVEMENTS IN PROVISION ACCOUNTS

The operations in provision accounts for 2008 were as follows:

Heading	Opening balance	Increase	Adjustments	Closing balance
298 - Provision for pensions	225.788	874.212	1.100.000	0
296 - Other provisions	5.110.313	2.125.086		7.235.399

The increase registered under "Other provisions" refers to the setting up of provisions in group companies, relative to the application of the equity equivalence method of Rocade and the Concessions, which has been offset under losses in group and associate companies.

36. SHARE CAPITAL DETAILS

As at 31 December 2008, the Company's share capital, fully subscribed and paid up, was composed of 2,000,000 shares, each with a face value of 5 euros.

39. CHANGE IN REVALUATION RESERVES DURING THE FINANCIAL YEAR

Heading	Opening balance	Decrease	Closing balance
Due to revaluation under DL 31/98 of 11 Feb.	21.337	5.961	15.376
Revaluation reserves freely carried out 2001	3.971.651	101.436	3.870.215
Revaluation reserves freely carried out 2004	1.213.679	339.182	874.497
Total	5.206.667	446.580	4.760.088

The changes in revaluation reserves refer to the transfers to retained earnings due to the carrying of surpluses, in accordance with Accounting Directive no. 16.

40. OTHER CHANGES IN EQUITY

The movement in the equity categories in 2008 was as follows:

Heading	Opening balance	Increase	Decrease	Closing balance
51 - Capital	10.000.000			10.000.000
52 - Own shares				
521 - Nominal value	-1.000.000			-1.000.000
522 - Discounts & premiums	50.000			50.000
55 - Adjustment shareholdings in group companies	1.260.462	1.890.181	290.290	2.860.353
56 - Revaluation reserves	5.206.668		446.580	4.760.088
57 - Reserves				
571 - Legal reserves	1.183.856	350.000		1.533.856
574 - Free reserves	7.824.020	4.241.748		12.065.768
59 - Retained earnings	3.358.916	9.010.827	8.564.247	3.805.496
88 - Net income	6.526.804	26.313.429	6.526.804	26.313.429

41. COST OF GOODS SOLD AND MATERIALS CONSUMED

The cost of goods sold and materials consumed in the 2008 financial year was as follows:

Movements	Raw & subsidiary materials and consumables
Opening stocks	3.187.813
Purchases	39.856.663
Closing stocks	5.371.199
Cost of raw and subsidiary materials and consumables	37.673.277

42. CHANGE IN OUTPUT

The output statement for the 2008 financial year was as follows:

Movements	Products and works in progress	Finished products
Stock settlement		
Closing stocks	6.161.525	398.814
Increase/decrease in financial year	3.787.806	79.124

The cost of sales and services rendered reported in the income statement by function was calculated as follows:

Movements	Services rendered
Incoming from production	150.849.159
Outgoing to production and fixed asset	101.170
Cost of sales and services rendered	150.950.329

The income statement by function was drawn up in conformity with Directive no. 20, which uses a definition of extraordinary income that is different to that defined in the Portuguese Official Chart of Accounts for the income statement by nature. Therefore, the total value - EUR 274,907, reported as extraordinary income on the Income Statement by nature was reclassified in the Income Statement by function, in its entirety, as current income.

43. REMUNERATION OF THE MEMBERS OF THE CORPORATE BODIES

Board of Directors: EUR 1,022,125

44. SALES AND SERVICES RENDERED BY MARKET

Domestic market: EUR 24,645,399; External market: EUR 178,678,196.

45. FINANCIAL INCOME STATEMENT

The financial profit/loss is broken down as follows:

Costs and losses	Financial Year		Income and gains	Financial Year	
	2008	2007		2008	2007
681 - Interest incurred	1,824,134	2,187,757	781 - Interest earned	838,946	425,956
682 - Losses in group companies	2,635,415	5,114,523	782 - Gains in group	986,345	1,671,981
684 - Adjustments on fin. investment			784 - Return on		1,312,152
685 - Unfavourable exchange rate	4,813,654	4,959,200	785 - Favourable exchange	5,727,833	1,594,079
686 - Cash discounts granted	1,430	12,448	786 - Cash discounts	38,683	121,331
688 - Other costs and losses	1,020,241	1,022,418	788 – Reversals and others		
Financial income	-2,613,982	- 8,153,954	income & gains	89,085	16,893
	7,680,893	5,142,392		7,680,893	5,142,392

The exchange rate differences are essentially owing to the Angola branch office and the Mozambique delegation.

Losses in group companies arise from:

- applying the equity equivalence method: Groupment Adriano/Jaime Ribeiro/Conduril ACE (EUR 2,055,658), Túnel Nador (EUR 34,537), Conduril–Gestão de Concessões de Infra-estruturas, SA (EUR 172,284) and Edifer/RRC/Conduril, ACE (EUR 3,228);
- the adjustment to the depreciation of the sale of equipment to ENOP in 2007 (EUR 4,211) and in 2004 (EUR 111,377), and to Angola in 2008 (EUR 254,120).

Gains in group companies arise from:

- applying the equity equivalence method: Conduril Engenharia (Angola), Lda. (EUR 341,185), ENOP-Engenharia e Obras Públicas, Lda. (EUR 280,088) and Mabalane - Inertes, Lda. (EUR 14,132).
- the adjustment to the depreciation of the sale of equipment to ENOP and to Angola (EUR 350,941)

The “Other financial costs and losses” category essentially includes fees with guarantees.

46. EXTRAORDINARY INCOME STATEMENT

The extraordinary profit/loss is broken down as follows:

Costs and losses	Financial Year		Income and gains	Financial Year	
	2008	2007		2008	2007
691 - Donations	395,728	25,742	791 - Tax refund	61,802	
692 - Bad debt	41,392	17,794	794 – Gains on fixed assets	253,024	13,577
694 - Fixed asset losses	172,742	10,259	795 - Income from contract		12,520
695 - Fines and penalties	28,867	34,131	798 - Other extraordinary		
697 - Prior-year corrections	310,074	10,231	income and gains	2,713,452	523,654
698 - Other extraordinary costs and	2,354,382	167,116			
Extraordinary income	-274,907	284,478			
	3,028,278	549,751		3,028,278	549,751

48. OTHER INFORMATION

Medium and long-term creditors

The medium and long-term debts as at 31 December 2008 are essentially the following:

- Fixed asset suppliers: EUR 1,571,541 concerning the sums still payable on leasing contracts.
- Commercial paper: Santander Totta EUR 2,250,000; BCP EUR 5,000,000; BES EUR 3,000,000; Barclays EUR 2,250,000.
- Bank loans contracted by the Angola subsidiary: EUR 6,635,452.

Expenses of an environmental nature: incurred during the financial year were EUR 55,000.

STATUTORY AUDITOR'S REPORT AND OPINION

To the shareholders of
Conduril – Construtora Duriense, S.A.

Pursuant to current legislation and the mandate provided us, we hereby submit our Report and Opinion for your appraisal. This Report and Opinion is centred on the work we have carried out and the financial statements of Conduril – Construtora Duriense, S.A. (the Company) for the financial year ending on 31 December 2008, which are the responsibility of the Company's Board of Directors.

We have monitored the development of the business activity and transactions of the Company, the accuracy of the accounting records and compliance with current legislation and the articles of association in force. All information and clarification that we requested from the Board of Directors and the different departments of the Company were provided us.

We examined, as part of our duties, the Balance Sheet as at 31 December 2008, the income statements by nature and by function and the cash-flow statement for the financial year ending on the aforementioned date, as well as the notes thereto. Furthermore, we analysed the annual report for the 2008 financial year, drawn up by the Company's Board of Directors, with particular reference to the proposals contained therein. As a result of the legal audit performed, we have issued the Statutory Audit Certificate on this date, which does not include any reservation nor is any matter emphasized.

In view of the above-stated, it is our opinion that the abovementioned financial statements are in accordance with applicable accounting, legal and statutory provisions and, consequently, should be approved in the General Meeting of Shareholders.

We would also like to express our gratitude to the Board of Directors and services of the Company for all the assistance they provided us.

Porto, 10 March 2009

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HORWATH & ASSOCIADOS, SROC, LDA.
Represented by Ana Raquel Borges L. Esperança Sismeiro (Statutory Auditor no. 1126)

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STATUTORY AUDIT CERTIFICATE

Introduction

1. We have examined the attached financial statements of Conduril - Construtora Duriense, S.A. (the Company), comprising the balance sheet as at 31 December 2008 (which reports a total balance of EUR 213,192,647 and total equity of EUR 60,388,991 including a net income of EUR 26,313,429), the income statements by nature and by function, and the cash-flow statement for the financial year ended on that date, as well as corresponding notes thereto.

Responsibilities

2. It is the responsibility of the Company's Board of Directors to draw up the financial statements in a manner that presents a true and fair view of the financial state of affairs of the Company, the income from its business operations and the cash-flows, as well as to adopt appropriate accountancy policies and criteria and to ensure compliance and the upkeep of appropriate internal control systems.

3. It is our responsibility to express a professional and independent opinion of those financial statements, based on our audit.

Scope

7. Our audit was carried out in accordance with the Technical Standards and Audit Directives of the Portuguese Society of Auditors, which demand that the same be planned and performed with the objective of ensuring, to an acceptable degree of certainty, that the financial statements are free of any material misstatement. The audit included:

   - checking, by sampling, the physical proof of the figures and information disclosed in the financial statements and assessing the estimates used in the same, based on the criteria and judgements defined by the Board of Directors;

   - appraising whether the adopted accounting policies and their disclosure are appropriate, bearing in mind the circumstances;

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- checking whether the going concern basis has been applied or not; and

- appraising whether the financial statements have been, in general terms, appropriately presented.

8. Our audit also checked whether the financial information provided in the annual report matched that provided in the financial statements.

9. We believe that our audit provides reasonable basis for expressing our opinion.

Opinion

10. In our opinion, the referred to financial statements provide a true and appropriate view, in all materially relevant aspects, of the financial position of Conduril – Construtora Duriense, S.A. as at 31 December 2008, as well as the income resulting from its business operations and cash-flows for the financial year ended on that date, in accordance with accounting principles generally accepted in Portugal.

Porto, 10 March 2009

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HORWATH & ASSOCIADOS, SROC, LDA.
Represented by Ana Raquel Borges L. Esperança Sismeiro (Statutory Auditor no. 1126)