ANNUAL REPORT AND ACCOUNTS
2009

CONDURIL

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2009

CONDURIL – CONSTRUTORA DURIENSE, SA
SHARE CAPITAL - EUR 10 000 000
HEAD OFFICE: ENGº DUARTE PACHECO, 1835 ERMESINDE – VALONGO
LISTED PUBLIC LIMITED COMPANY – LEGAL PERSON No. 500 070 210
REGISTERED AT PORTO COMMERCIAL REGISTRY OFFICE UNDER NUMBER 500 070 210
LICENCE No. 568

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CORPORATE BODIES

GENERAL MEETING

Mr. João Oliveira (Chairman)
Mr. Amadeu Augusto Vinhas
Mr. António Emanuel Lemos Catarino

BOARD OF DIRECTORS
Mr. António Luís Amorim Martins (Chairman)
Ms. Maria Benedita Andrade de Amorim Martins (Chairman of Executive Commission)
Mr. Ademar Américo Soares Paiva
Mr. Álvaro Duarte Neves Vaz
Mr. António Baraças Andrade Miragaia
Mr. Carlos António Soares de Noronha Dias
Ms. Maria Luísa Andrade Amorim Martins
Mr. Ricardo Nuno Araújo Abreu Vaz Guimarães

SUPERVISORY BOARD

Mr. Crisóstomo Aquino de Barros (Chairman)
Ms. Daniela Brás Vigário Silva
Mr. José Tiago Sapage Meireles de Amorim

REGISTERED AUDITING COMPANY
Horwath & Associados, SROC, Lda.
Represented by Ana Raquel Borges L. Esperança Sismeiro (Statutory Auditor no. 1126)

MANAGEMENT REPORT

Dear Shareholders,

In accordance with current law and the Company's Articles of Association, we hereby submit the 2009 Report and Accounts for your appreciation.

1.

Within the context of the biggest economic and financial crisis in the last eighty years, the Portuguese economy saw the aggravation of its base structural weaknesses: weak product growth, unsupportable external dependence, debt exceeding tolerable limits and serious insufficiency of savings. Added to the fact that 2009 was a year of elections (European, local and national), the result was particularly bad macroeconomic results: the product decreasing 2.7%, unemployment reaching 10.4%, the public deficit surprising at 9.3% and the public debt increasing to 76.6% the GNP. The most optimistic perspectives for 2010 point no further than an insufficient product growth of 0.8%. The new situation of a minority government in parliament increases unpredictability and confuses the expectations of economic agents.

2.

Given the electoral calendar, but also due to the impulse for modernisation of schools taken on to combat the recession and continually increasing unemployment, the effective values of reasonable production in public works were justified, in contrast to the very weak performance of private markets where all indicators fell. The number of public tender awards grew 4%, but the tender value fell by almost one third.

3.

Our direct activity abroad - in Angola, Mozambique, Botswana and Morocco - remained clearly dominant, with sales reaching 81% of the overall value of 240 million euros, a result of the persistent work done on local implantation, garnering the respect of customers and of suppliers. However, internal market sales increased from 25.6 million euros in 2008 to 44.6 million euros in 2009, the result of some improvement in demand, but also due to our committed work in all phases of our business process. The annual objectives were achieved satisfactorily, despite collection difficulties, responsible for the high value of our credits. The coming years are causing some apprehension.

4.

We were very pleased that the Revista Exame magazine, from eight of the most significant economic and financial indicators, considered us to be “The best company in the construction sector”, repeating the success achieved in 2008, while now honouring us, according to the same assessment criteria, with the simultaneous award of “Company of the Year”, in the Portuguese business community. But we went even further: the very same Revista Exame magazine, in a study carried out by Heidrick & Struggles, following “very strict selection criteria which took place over five months and which began with a questionnaire sent to all employees, to find out their degree of satisfaction with the company and human resource management practices, plus a survey answered by managers on these same practices and which also involved a visit to the company by a journalist” we were considered to be, in the “Large Companies” sector, the “Best to Work for in the Construction Sector” and the “Fourth Best Company to Work for in the General Ranking” behind three service companies.

The Quality and Occupational Health and Safety Management System (NP EN ISO 9001:2008, NP 4397:2008 and OHSAS 18001:2007) – updated version of the system implemented and certified in CONDURIL in 1998 – was the object of monitoring audits and the transition to APCER, with favourable results. The Central Laboratory also underwent an IPAC audit, which was also successful. At environmental level, we began a process to implement NP EN ISO 14001:2004 – Environmental Management System.

In the professional training area, 53 courses were organised, involving 251 trainees with 785.5 training hours and a volume of 2453 hours training provided in addition to 1680 “welcoming, awareness raising and training in the workplace” courses for 555 in-house trainees and 3967 external trainees, comprising 544 hours of training and leading to a total of 1822 hours of training provided

In 2009, the Conduril Pension Fund - one of the valuable practical expressions of our social responsibility practices - received a subsidy of EUR 1.1 million, with full coverage of responsibilities which, due to a reduction in the Technical and Income Rate, underwent an increase of 18%. The value of the pension fund as at 31.12.2009 was EUR 6.25 million.

5.

When compared with the preceding year, which showed exceptional performance, the close of 2009 showed positive income of EUR 33 854 588, representing an improvement of 28.6%. The EBITDA generated was EUR 61.3 million, 15.8% more than that of 2008. The gross added value reached the interesting value of 94 million against 79 million in 2008.

The table below shows the satisfactory performance for the year and the good economic and financial position of CONDURIL.

	PERCENTAGE VALUES		
	2007	2008	2009
Sales growth	17	64	18
Growth in net income	26 9	27 7	29
Return on assets (ROA)	5	12	12
Return on total equity	20	44	37
Return on sales calculated from current income	10	21	21
Gross value added by sales	36	39	39
Solvency	33	40	44
General liquidity	15 6	21 1	21 6
Fixed asset coverage	18 6	22 3	23 9

6.

Pursuing our policy of fair return on capital and reflecting the happy coincidence of the result achieved, we propose that the net income for the year of EUR 33 854 588 be distributed as follows:

a. 3 600 000€ = to dividends, equivalent to EUR 2 per share;
b. 30 254 588€ = to free reserves.

7.

We would like to thank our customers, the counterparts we have worked with, the banks and our suppliers for the part they played in our success in 2009.

We thank the corporate bodies for their ever demonstrated availability.

We would also like to mention our employees in Portugal and abroad and their great importance to the success achieved.

Ermesinde, 27 February 2010
THE BOARD OF DIRECTORS

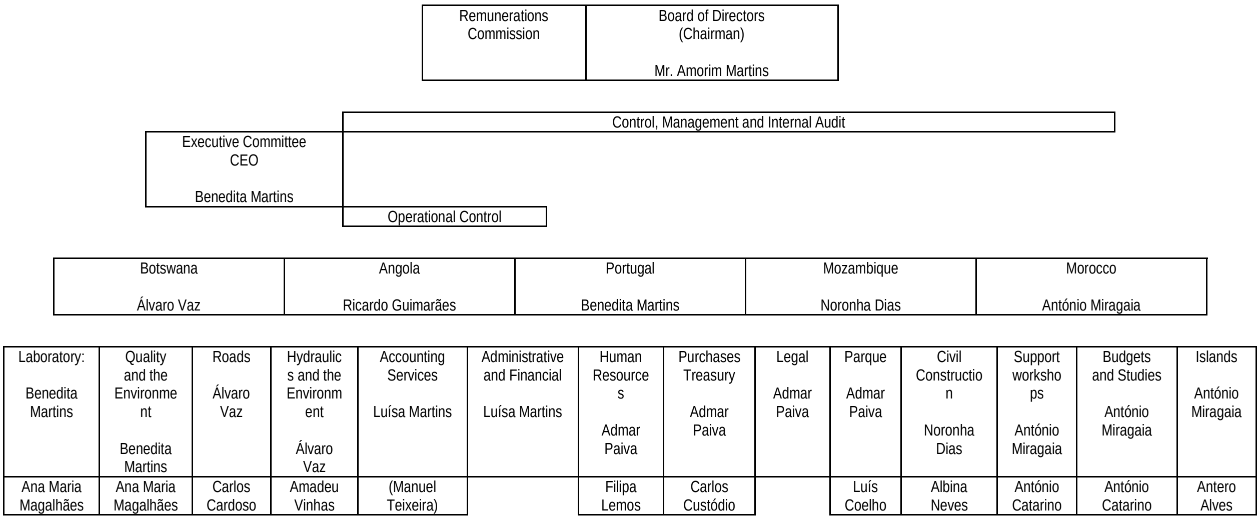
NOTES TO REPORT

- REPORT ON THE CORPORATE GOVERNANCE OF CONDURIL
- CASH-FLOW STATEMENT

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 Occupational Health and Safety Management System: NP EN ISO 9001:2008, NP 4397:2008 and OHSAS 18001:2007.
      - Contract Analysis Committee: requirements for contracts, conformity of bids and safeguarding of company's capacity.

   2.2. exchange rate risks: based essentially on regular meetings of the Cash and Finances Committee to monitor the development of exchange rates associated to investment abroad;

   2.3. financial risks: Cash and Finances Committee and Audit Control Committee.

3. The years' dividends were EUR 0.20 in 2006, EUR 0.40 in 2007 and EUR 2.00 in 2008. These were paid on 18.05.2007, 30.04.2008 and 30.04.2009 respectively.

4. The objective of the dividend policy is to provide a good return on capital invested while safeguarding the company's progress.

5. No share award or share option plans exist.

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

Chapter II – Exercise of voting rights and shareholder representation

One vote is allocated for every 100 shares.

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 for 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 and Audit.

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 role of Chairman is reserved for the Chairman of the Board of Directors.

2. The Executive Commission, designated at the first meeting of the Board of Administration, is presided over by the vice-Chairman of the Board, who has all competences which may be delegated under the terms of the Commercial Companies Code. It pursues the annual and multi-annual strategic objectives established by the Board of Directors.

CASH-FLOW STATEMENT

Unit Euro

	2009		2008	
OPERATING ACTIVITIES				
Received from clients	129 191 269		185 457 988	
Payments to suppliers	-112 389 421		-70 852 723	
Payroll	-34 338 246		-28 491 603	
Cash flows from operating activities	-17 536 397		86 113 662	
Corporate income tax payment/receipt	-8 499 002		-2 424 908	
Other income/payments for operational activity	2 249 896		1 662 023	
Cash flow before extraordinary items	-23 785 503		85 350 777	
Received from extraordinary items	1 249 000		426 479	
Payments for extraordinary items	-1 258 000		-23 563	
Cash flow from operating activities (1)		**-23 794 503**		**85 753 693**
INVESTMENT ACTIVITIES				
Income from:				
Tangible fixed assets	105 818		80 282	
Interest and similar gains	1 325 000		1 826 237	
Dividends		1 430 818		1 906 518
Expenditure due to:				
Financial investments	-1 522 557		-648 778	
Tangible fixed assets	-15 878 640		-14 781 275	
Intangible fixed assets	-1 772	-17 402 969	-6 156	-15 436 209
Cash flow from investment activities (2)		**-15 972 151**		**-13 529 691**
FINANCING ACTIVITIES				
Income from:				
Borrowings	11 750.000	11 750 000	12 500 000	12 500 000
Expenditure due to:				
Borrowings	-13 743 565		-23.374.613	
Amortization of financial leasing contracts	-1 471 364		-1.235.667	
Dividends	-3 600 000		-720.000	
Interest and similar costs	-7 359 784	-26 174 713	-2.875.674	-28.205.954
Cash flow from financing activities (3)		**-14 424 713**		**-15 705 955**
Change in cash & cash equivalents (1)+(2)+(3)		-54 191 367		56 518 048
Cash and cash equivalents at start of period		75 403 966		18 885 918
Cash and cash equivalents at end of period		21 212 599		75 403 966

ANNEX TO THE CASH-FLOW STATEMENT

2. Breakdown of cash & cash equivalents

	2009	2008
Cash	98 085	111 083
Cash in banks available on demand	21 114 514	75 292 883
Cash resources carried on balance sheet	21 212 599	75 403 966

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

BALANCE SHEET AS AT 31 DE December DE 2009

unit EUR

ASSETS	2009 AB	2009 AA	2009 AL	2008 AL
FIXED ASSETS				
Intangible fixed assets				
Start-up expenditure	11 618	11 318	299	289
Industrial property & other rights	1 761	175	1 586	
	13 379	11 494	1 884	289
Tangible fixed assets				
Land and natural resources	7 272 883	69 445	7 203 438	6 482 358
Buildings & other constructions	17 579 317	11 232 033	6 347 285	6 456 606
Basic plant, machinery and equipment	36 758 885	21 681 943	15 076 942	11 236 826
Transport equipment	17 856 113	9 629 949	8 226 164	6 794 508
Tools and utensils	177 547	109 099	68 449	95 329
Office equipment	1 429 672	927 918	501 754	233 972
Other tangible fixed assets	41 381	12 277	29 105	25 995
Fixed assets in progress	563 631		563 631	44 587
	81 679 430	43 662 662	38 016 767	31 370 181
Financial investments				
Shareholdings in group companies	5 354 552		5 354 552	4 327 650
Loans to Group companies	378 303		378 303	152 370
Shareholdings in associate companies	24 949		24 949	55 062
Securities and other financial investments	547 690		547 690	418 190
	6 305 494		6 305 494	4 953 272
CURRENT ASSETS				
Stocks				
Raw and subsidiary materials and consumables	6 365 406	92 223	6 273 182	5 332 236
Products and work in progress	4 612 992		4 612 992	6 161 525
Finished and intermediate products	398 814		398 814	398 814
	11 377 212	92 223	11 284 989	11 892 575
Short-term debtors				
Trade accounts receivable	184 882 657		184 882 657	63 923 743
Clients w/ retaining of guarantees	7 802 522		7 802 522	5 496 725
Doubtful debtors	2 366 696	2 366 696		
Advances to suppliers	560 770		560 770	1 994 736
State and other public entities	5 462 265		5 462 265	3 245 912
Other debtors	10 156 279		10 156 279	8 728 486
	211 231 188	2 366 696	208 864 493	83 389 602
Bank deposits and cash				
Bank deposits	21 114 514		21 114 514	75 292 883
Cash	98 085		98 085	111 083
	21 212 599		21 212 599	75 403 966
ACCRUALS AND DEFERRALS				
Accruals & income	6 484 964		6 484 964	4 993 581
Deferred costs	2 058 988		2 058 988	1 091 014
Deferred tax assets				98 168
	8 543 952		8 543 952	6 182 763
TOTAL AMORTIZATION		43 674 156		
TOTAL ADJUSTMENTS		2 458 919		

TOTAL ASSETS	340 363 254	46 133 075	294 230 179	213 192 648

BALANCE SHEET AS AT 31 DE December DE 2009

unit EUR

EQUITY AND LIABILITIES

	2009	2008
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	3 176 166	2 860 353
Revaluation reserves	4 640 036	4 760 088
Reserves		
Legal reserves	2 849 856	1 533 856
Other reserves	32 827 793	12 065 768
Retained earnings	3 925 547	3 805 496
	56 469 399	34 075 561
Net income for financial year	33 854 588	26 313 429
Total equity	90 323 986	60 388 990
LIABILITIES		
Provisions		
Provision for pensions		
Other provisions	6 980 017	7 235 398
	6 980 017	7 235 398
BORROWED CAPITAL - MEDIUM AND LONG-TERM		
Debts to credit institutions	3 025 979	6 635 452
Other loans contracted	11 750 000	12 500 000
Fixed asset suppliers - Trade accounts	973 833	1 571 541
	15 749 812	20 706 993
SHORT-TERM CREDITORS		
Debts to credit institutions	1 611 588	2 855 153
Suppliers - current account	65 079 055	34 244 982
Suppliers - Invoices pending approval	611 740	373 662
Suppliers - Trade bills payable	234 337	1 208 511
Advances from customers	9 889 876	
Fixed asset suppliers - Trade accounts	1 303 190	908 481
State and other public entities	14 656 092	15 907 170
Other creditors	18 478 868	25 398 669
	111 864 747	80 896 628
ACCRUALS AND DEFERRALS		
Accrued costs	5 588 621	5 448 711
Deferred income	61 841 019	36 810 990
Deferred tax liabilities	1 881 977	1 704 937
	69 311 617	43 964 638
Total liabilities	203 906 192	152 803 657

TOTAL EQUITY AND LIABILITIES	294 230 179	213 192 647

INCOME STATEMENT

unit EUR

COSTS AND LOSSES	**2009**		**2008**	
Costs of goods sold & materials consumed				
Material	29 643 463	29 643 463	37 673 277	37 673 277
External supplies and services		120 221 170		94 098 155
Staff costs				
Wages	23 468 370		18 307 308	
Social contributions				
Pensions	997 290		464 098	
Other	8 589 244	33 054 904	7 414 279	26 185 685
Depreciation of tangible and intangible fixed assets	7 466 477		5 799 231	
Adjustments	347 192	7 813 670	1 443 932	7 243 163
Tax	1 678 398		1 880 988	
Other operating costs	214 796	1 893 194	47 830	1 928 818
(A)		192 626 401		167 129 098
Losses in group and associate companies	1 174 644		2 635 415	
Interest and similar costs				
Other	13 794 387	14 969 031	7 659 460	10 294 875
(C)		207 595 433		177 423 973
Extraordinary costs and losses		3 857 064		3 303 185
(E)		211 452 496		180 727 158
Tax on income for financial year		18 003 309		16 549 843
(G)		229 455 806		197 277 001
Net income for financial year		33 854 588		26 313 429
		263 310 394		223 590 431
INCOME AND GAINS				
Sales				
Goods				
Products	2 501 910		2 243 548	
Provision of services	237 758 397	240 260 307	201 080 047	203 323 595
Output variation		-1.548.533		3.748.625
Own work capitalised		563 631		101 170
Supplementary income	6 535 157		5 294 319	
Other operating income	23 595		338 317	
Reversal of amortization and adjustments	360 706	6 919 459	75 234	5 707 870
(B)		246 194 865		212 881 260
Gains in group and associate companies	2 416 192		986 345	
Other interest and similar gains				
Other	8 434 600	10 850 792	6 694 548	7 680 893
(D)		257 045 657		220 562 153
Extraordinary income and gains		6 264 737		3 028 278
(F)		263 310 394		223 590 431

SUMMARY

Operating income	(B) - (A)	53.568.464	45.752.161

Financial profit/loss	(D-B) - (C-A)	-4 118 240	-2 613 982
Current income	(D) - (C)	49 450 224	43 138 179
Income before tax	(F) - (E)	51 857 897	42 863 272
Net income for financial year	(F) - (G)	33 854 588	26 313 429

INCOME STATEMENT BY FUNCTION

unit Euro

	Financial Year	
	2009	**2008**
Sales & provision of services	240 260 307	203 323 595
Cost of sales & provision of services	182 211 840	150 950 329
Gross income	**58 048 467**	**52 373 266**
Other operating income and gains	8 734 423	6 732 978
Distribution costs		
Administrative costs	10 069 899	10 501 327
Other operating costs and losses	8 749 876	6 882 964
Operating income	**47 963 115**	**41 721 953**
Net financing cost	461 761	1 152 068
Gains (losses) in subsidiaries and associates	1 241 548	-1 649 070
Gains (losses) in other investments		
Exceptional or irregular income	3 114 995	3 942 457
Current income	**51 857 897**	**42 863 272**
Tax on current income	18 003 309	16 549 843
Current income after tax	**33 854 588**	**26 313 429**
Extraordinary profit/loss		
Tax on extraordinary income		
Net income	**33 854 588**	**26 313 429**
Earnings per share	**18.81**	**14.62**

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DE December DE 2009
(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 National Plan 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 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 and associate 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.
The difference between acquisition cost of investments in subsidiary and associate companies and the value proportional to Company participation in the equity of these subsidiary and associate companies on the date of acquisition were calculated. These are amortized over an average period for investment recovery, currently estimated at 5 years.
According to the Equity Equivalence Method, shareholdings are annually adjusted by the amount corresponding to the share in the net profit of group and associate 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

Raw materials, 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 converted into euros 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 EUROS

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

USD 1.00	=	MZM 27.51
1 €	=	MAD 11.3811
1 €	=	USD 1.4435
1 €	=	BWP 0.1038

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 2009 was:

Head office: 357
Branch office in Angola: 1316
Mozambique Delegation: 50
Branch office in Botswana: 153
Branch office in Morocco: 141

10. FIXED ASSET ADJUSTMENTS

During the 2009 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

Item	Opening Balance	Increase	Adjustments	Closing Balance
Intangible fixed assets				
Start-up expenditure	11 607	1 772		13 379
	11 607	1 772		13 379
Tangible fixed assets				
Land and natural resources	6 820 215	452 668		7 272 883
Buildings & other constructions	16 912 628	666 689		17 579 317
Basic plant, machinery and equipment	31 852 877	8 801 086	-3 895 079	36 758 885
Transport equipment	14 330 749	5 015 070	-1 489 707	17 856 113
Tools and utensils	165 510	12 038		177 547
Office equipment	1 069 381	361 020	-729	1 429 672
Other tangible fixed assets	34 943	6 438		41 381
Fixed assets in progress	44 587	563 631	-44 587	563 631
	71 230 891	15 878 640	-5 430 101	81 679 430
Financial Investments				
Shareholdings in group companies	4 327 650	1 164 557	-137 655	5 354 552
Shareholdings in associate companies	55 062		-30 113	24 949
Loans to group companies	152 370	228 500	-2 567	378 303
Securities and other financial investment	418 190	129 500		547 690
	4 953 272	1 522 557	-170 335	6 305 494

AMORTIZATION

Item	Initial balance	Increase	Adjustments	Closing Balance
Intangible fixed assets				
Start-up expenditure	11 318	175		11 494
	11 318	175		11 494
Tangible fixed assets				
Land and natural resources	337 857	435	-268 846	69 445
Buildings & other constructions	10 456 022	776 011		11 232 033
Basic plant, machinery and equipment	20 616 051	3 103 843	-2 037 951	21 681 943
Transport equipment	7 536 241	3 451 259	-1 357 551	9 629 949
Tools and utensils	70 181	38 917		109 099
Office equipment	835 409	92 509		927 918
Other tangible fixed assets	8 948	3 329		12 277
	39 860 708	7 466 302	-3 664 348	43 662 661

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

12. TANGIBLE FIXED ASSET REVALUATION

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. 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

In addition to these revaluation operations, another two were carried out on a free basis. in 2001 and 2004.

13. TANGIBLE FIXED ASSET REVALUATION

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 de December de 2009:

Item	**Historic cost (a)**	**Revaluations (a) and (b)**	**Revalued book values (a)**
Tangible fixed assets			
Land and natural resources	5 062 941	2 140 496	7 203 438
Buildings & other constructions	5 598 233	749 052	6 347 285
Basic plant, machinery and equipment	15 076 942		15 076 942
Transport equipment	8 226 164		8 226 164
Tools and utensils	68 449		68 449
Office equipment	500 873	882	501 754
Other tangible fixed assets	29 105		29 105
Fixed assets in progress	563 631		563 631
	35 126 337	2 890 430	38 016 765

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 2009:

	Acquisition cost	Accumulated amortization for financial year	Accounting value
Basic plant, machinery and equipment	5 581 663	4 647 055	934 609
Transport equipment	3 423 297	2 619 641	803 656

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

16. GROUP COMPANIES

The Group companies as at 31 de December de 2009 were:

Company and Registered Office	Percentage of share capital held	Equity	Income for Financial Year
ENOP-Engenharia e Obras Públicas, Lda. Av. 25 de Setembro, 1123-10º Maputo - Mozambique	85.47%	2 627 851	776 791
Conduril – Engenharia (Angola), Lda. R. Kima Kyenda 2 - IL Luanda - Angola	99%	2 905 645	498 946
Mabalane-Inertes, Lda. Av. 25 de Setembro, 1123-10º Maputo – Mozambique	85%	-138 897	-206 941
Edirio-Construções, S.A. Avª Engenheiro Duarte Pacheco, 1835 Ermesinde - Valongo - Portugal	100%	27 402	8 950
Conduril – Gestão de Concessões de Infra-estruturas, SA Av. Engº. Duarte Pacheco, 1835 Ermesinde - Valongo - Portugal	100%	181 840	-84 731
Edifer / RRC / Conduril, ACE R. das Fontaínhas, 62 – Venda Nova 2701-658 - Amadora	33.33%	24 949	-16 363
Groupement Adriano/Jaime Ribeiro/Conduril Construção ACE. Construções, ACE Rua Maria da Paz Varzim, 116 4490-658 Póvoa do Varzim	33.33%	-6 227 903	938 067
Groupement Túnel de Nador – Construção ACE Lugar de Fermil – Cadavão – Vilar do Paraíso 4405 -849 Vila Nova de Gaia	50%	-479 891	-493 641
Edifer, Dragados, Tecnovia, Conduril – Rodovias do Algarve Concessões – Algarve Litoral Litoral, ACE Av. Visconde Valmor, 66-5º 1050-242 Lisboa	10%	23	23
Edifer, Dragados, Tecnovia, Conduril – Rodovias do Baixo Alentejo, ACE Estrada do Seminário, 4 Alfragide - Amadora	10%	-	-

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

a) Liability for discounted bills of exchange: totalling EUR 374 403 as at 31 December 2009.

b) Pension fund: The Company set up a pension fund in order to voluntarily top-up the pensions granted to its employees by Social Security. The excess liability covered at 31 de December de 2009, in the value of EUR 512,824, is registered under Deferred Costs - Sum to be Settled Pension Fund.

32. GUARANTEES STOOD

As at 31 December 2009, the Group was liable for guarantees provided for contract work totalling EUR 124 306 308.

34. MOVEMENTS IN PROVISION ACCOUNTS

Heading	Initial balance	Increase	Adjustments	Closing balance
296 - Other provisions	7 235 399	682 686	938 067	6 980 017

The operations in provision accounts for 2009 were as follows:

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

36. SHARE CAPITAL DETAILS

As at 31 December 2009 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	Initial balance	Decrease	Closing Balance
Due to revaluation under Decree Law no. 31/98 of 11 Feb.	15 376	5 862	9 514
Free revaluation reserves	4 744 712	114 190	4 630 523
Total	4 760 088	120 052	4 640 036

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 2009 was as follows:

Heading		Initial 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 - Adjustments to shareholdings in group companies		2.860.353	635 405	319 592	3 176 166
56 - Revaluation reserves		4 760 088		120 052	4 640 036
57 - Reserves				0	
	571 - Legal reserves	1 533 856	1 316 000	0	2 849 856
	574 - Free reserves	12 065 768	21 397 429	635 405	32 827 793
59 - Retained earnings		3 805 496	120 052	0	3 925 547
88 - Net income		26 313 429	33 854 588	26 313 429	33 854 588

41. COST OF GOODS SOLD AND MATERIALS CONSUMED

The cost of goods sold and materials consumed was determined as follows:

Movements	Raw & subsidiary materials and consumables
Opening stocks	5 371 199
Stock settlement	
Purchases	30 637 670

Closing stocks	6 365 406
Cost of raw and subsidiary materials and consumables	29 643 463

42. CHANGE IN OUTPUT

The output statement for the 2009 financial year was as follows:

Movements	Products and work in progress	Finished products
Opening stocks	6 161 525	398 814
Stock settlement		
Closing stocks	4 612 992	398 814
Increase/decrease in financial year	-1 548 533	0

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

Movements	Services rendered
Incoming from production	181 648 209
Outgoing to production and fixed asset	563 631
Cost of sales and services rendered	182 211 840

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 National Plan 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

The remuneration assigned to members of corporate bodies in the 2009 financial year was as follows:

Board of Directors - €1 022 125

44. SALES AND SERVICES RENDERED BY MARKET

Sales and provision of services in the 2009 financial year were divided as follows:

Domestic - €44 687 428
External market - €195 572 879

45. FINANCIAL INCOME STATEMENT

The financial profit/loss is broken down as follows:

Costs and losses	Financial Year		Income and gains	Financial Year	
	2009	2008		2009	2008
681 - Interest incurred	1 168 356	1 824 134	781 - Interest earned	728 385	838 946
682 - Losses in group companies	1 174 644	2.635.415	782 - Gains in group companies	2 416 192	986 345
685 - Unfavourable exchange rate differences	10 282 152	4 813 654	785 - Favourable exchange rate differences	7 132 411	5 727 833
686 - Cash discounts granted	391 585	1 430	786 - Cash discounts obtained	483 111	38 683
688 - Other costs and losses	1 952 294	1 020 241	788 - Reversals and other income & gains	90 693	89 085
Financial profit/loss	-4 118 240	-2 613 982			
	10 850 792	7 680 893		10 850 792	7 680 893

The exc han

ge rate differences arise essentially from the Angola branch office and the Mozambique delegation.
Losses in group companies arise from:

- applying the equity equivalence method:
  Mabalane (EUR 175 900), Nador Tunnel (EUR 493 641), Conduril–Gestão de Concessões de Infraestruturas, SA (EUR 84 731);
- adjustment to the depreciation of the sale of equipment :
  Enop in 2005 (EUR 65 144) and in 2004 (EUR 111 377) and Angola in 2008 (EUR 128 571).

Gains in group companies arise from:

- applying the equity equivalence method: Conduril Engenharia (Angola), Lda. (EUR 493 956), ENOP-Engenharia e Obras Públicas, Lda. (EUR 663 924), Rocade (EUR 938 067), Edirio (EUR 8 950)
- 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**	
	2009	2008		2009	2008
691 - Donations	64 306	395 728	791 - Tax refund	205 989	61 802
			Gains on fixed assets		
692 - Bad debt	103 427	41 392	792 - Compensation	58 937	
694 - Fixed asset losses	179 930	10 259	794 – Gains on fixed assets	105 818	253 024
			Income from contract penalties		
695 - Fines and penalties	24 263	34 131	796 - Reduction in provisions	750 533	
697 - Prior-year corrections	24 024	310 074	798 - Other extraordinary		
698 - Other extraordinary costs and losses	3 461 114	2 354 382	income and gains	5 143 459	2 713 452 452
Extraordinary profit/loss	2 407 673	-274 907			
	6 264 737	3 028 278		6 264 737	3 028 278

48. OTHER INFORMATION

Medium and long-term creditors

The medium and long-term debts as at 31 de December de 2009 are essentially the following:

- Fixed asset suppliers: EUR 973 833 concerning the sums still payable on leasing contracts.
- Commercial paper: Santander Totta EUR 1 500; BCP EUR 5000 000; BES EUR 3 000 000; Barclays EUR 2 250 000.
- Bank loans contracted by the Angola subsidiary: EUR 3 025 979.

Expenses of an environmental nature: incurred during the financial year were EUR 55 560.

SUPERVISORY BOARD

2009 FINANCIAL YEAR

Dear Shareholders,

In accordance with the provisions of paragraph g) of no. 1 of article 420 of the Commercial Companies Code, the Supervisory Body presents its Report and gives its Opinion on the management report, balance sheet and accounts and the proposal for the appropriation of net income which were presented by the Board of Directors of CONDURIL-Construtora Duriense, S.A., relative to the year ended as at 31 December 2009.

REPORT

In the performance of its duties, the Supervisory Board met regularly, monitoring the social activity and the business evolution of CONDURIL, S.A. watching over and upholding observation of the law and the articles of association, and keeping up to date on acts carried out by the Board of Directors, which also provided any clarification requested.

The Board carried out a detailed analysis of the management report, presented by the Board of Directors, of the Balance Sheet as at 31 December 2009, of the income statement and the notes relative to the year ended as at 31 December 2009, which documents were found to be in good order.

The Board kept itself informed on the work carried out during the year by the Registered Auditing Company, obtained the information and clarifications, provided by its representative, necessary to supervising the audit of the documents reporting documents, acknowledged the Audit Conclusions and Recommendations Report sent to the Board of Directors and proceeded with the analysis of the Statutory Audit Certificate of Accounts which document merits the agreement of the Board relative to its content.

The Board, under the scope of its competence, also expresses its agreement concerning the accounting policies and the valuation criteria used.

Given the above, the Board believes that the aforementioned documents permit, as a whole, the correct understanding of the financial situation of CONDURIL, S.A., as at 31 December 2009, and the results for the year ended on that date. It also finds that the provisions of the law and of the articles of association have been complied with.

In conclusion, the Board would like to express its gratitude for the reference made to its activity in the management report and to join with the Board of Directors in its recognition of the dedication of its employees.

Thus, the Supervisory Board is of the

OPINION

1. that the management report, the balance sheet, the income statement and the respective notes, relative to the year ended as at 31 December 2009 be approved,
2. that the proposal for appropriation of retained earnings contained in the management report presented by the Board of Administration be approved.

Ermesinde, 11 March 2010

THE SUPERVISORY BOARD
Crisóstomo Aquino de Barros (Chairman)
Daniela Brás Vigário Silva
José Tiago Sapage Meireles de Amorim

[Horwarth]

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STATUTORY AUDIT CERTIFICATE

Introduction

1. We have examined the financial statements of Conduril - Construtora Duriense, S.A. (the Company), comprising the balance sheet as at 31 de December de 2009 (which reports a total balance of EUR 294 230 179 and total equity of EUR 90 323 986, including a net income of EUR 33 854 588), the income statements by nature and by function, and the 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 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 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. The examination was conducted following the technical and auditing standards issued by the Auditing Practices Board, which require that the audit is planned and performed so as to provide reasonable assurance that the financial statements are free of material misrepresentation. Therefore, the audit included the following:

- examining, on a sampling basis, the proof for the amounts 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 and used in the drawing up of same;

- appraising whether the accountancy policies adopted and their disclosure are appropriate, taking into consideration the circumstances;

- checking whether the going concern basis can be applied or not; and

- appraising the overall adequacy of the presentation of the financial statements.

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

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

[Horwarth]

[Horwarth & Asociados, SROC, Lda.
Registered at OROC # 186
Registered at CMVM # 9171]

Opinion

7. In our opinion, the aforementioned 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 2009, 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 2010

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

[A member firm of
Horwarth International]