

**ANNUAL REPORT AND  
CONSOLIDATED ACCOUNTS  
2009**



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ACCOUNTS**

**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./Ms. 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)

## **CONSOLIDATED MANAGEMENT REPORT**

**Dear Shareholders,**

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

1.

The year 2009 passed sadly into the history of world economy for the aggravation of the biggest economic and financial crisis since the Great Depression in the nineteen thirties, with devastating effects which are still present despite the uncommon public effort - in particular at European Union level but also that of other world bodies - in guiding economic and financial policies to combat the crisis, avoiding the collapse of financial markets and generalised bankruptcy of banks and helping sectors that are more at risk and more likely to generate unemployment by an increase in public investment.

In Portugal, the structural weaknesses at base – weak product growth, unsupportable external dependence, debt exceeding tolerable limits and serious insufficiency of savings - as well as the political party context in 2009 (holding European, local and national elections) led to particularly serious 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 most optimistic GDP growth forecast for 2010 points to 0.8%. The new situation of a minority government without stable agreements in parliament increases unpredictability and confuses the expectations of economic agents.

2.

As a result of the calendar of elections, whose consequences in the public works sector are generally predictable, the number of public tenders opened fell 29% relative to 2008, while in terms of value the decrease was almost one third. The number of awards grew 4%, particularly due to the impulse for modernisation of schools, under the scope of emerging anti-crisis policies. In this context, actual and reasonable values of production in public works were justified, in contrast with the very weak input from private markets where all of the indicators fell.

With the inconstancy that has been seen in the area and in the magnitude of effect assessment, in product growth and in the multiplier of public investment in construction, the result has been that international activity continues to be the challenge to be overcome for the sustainability of large and medium-sized national companies.

3.

In 2009, CONDURIL celebrated its 50<sup>th</sup> anniversary, coinciding with the balance sheet for 2008, which showed the best performances in its entire history, due to the large increase in international activity. At that time and under the scope of the generation transition process, put in motion some years ago, the Board of Directors, elected in March, opted for a new management model, by setting up the Executive Commission, presided over by the vice-chairman of the Board and with competence in day-to-day management, pursuing the annual and multi-annual strategic objectives established and the subsequent budgets, taking the role of chairman. The revitalisation of the behavioural objectives pyramid was a successful initial project for the effective framing of the new organizational chart implemented.

Using outside consultants, we began, in the administrative management area, the process for improvement of gathering and handling accounting data and economic and financial analysis of all of the Group units, promoting uniformity and increased efficiency.

We were unsuccessful in our efforts with the CMVM (Securities Market Commission) to shed our quality of listed public limited company - which was suggested to us some time ago by a qualified shareholder - with a view to increasing the framework of legal restructuring opportunities which could assist future returns for the company, greater articulation with our increasingly more important activities abroad and to better safeguard the legitimate interests of our shareholders, which are manifestly part of our current development.

Relative to obtaining work, in Portugal we took part in 156 large and medium-sized tenders, taking care to offer an increasingly greater quality/price ratio, based on gains in productivity and improvement in processes and to which end the acquisition of Edirio is part. This company works in the quarrying industry. In the area of concessions, work is underway in the Baixo Alentejo and the Algarve Litoral. As to the construction and running of the high-speed stretch between Lisbon and Poceirão, which includes the third Tagus crossing, our group is taking part in the final phases of negotiation.

With regard to foreign markets, we expect to expand our business activity to European Union countries and we are continuing to work towards penetration in some more countries in Africa. In the countries where we are already established, we have taken part in 89 public tenders, with satisfactory results. However, the coming years are causing some apprehension.

Our business expansion, which has taken place mainly due to activities developed abroad, in an industry such as ours where the human resources employed have a very significant specific weight - from 2008 to 2009, the number of employees of the group rose from 2401 to 2586, of which 2229 (2088 in 2008) work abroad and of these 207 (152 in 2008) are Portuguese working abroad – and who we wish to dignify in the context of their own countries of origin, has been the object of repeated actions for continuous improvement to the social and economic well-being of our employees, in particular in the area of professional training. A very concrete example of this attitude is the setting up and implementation in Angola of the Conduril Academy, aimed at professional training, theoretical and practical, with especial attention on the latter, and covering all of the professions which are part of our activity.

4.

International activity was developed directly by our branches in Angola, Mozambique, Morocco and Botswana, and also by group companies: in Angola: Conduril – Engenharia Angola, Lda.. For operational reasons, this company will change its name to Métis, Engenharia, Lda. and, in the short term, will become a limited company; and in Mozambique: ENOP – Engenharia e Obras Públicas, Lda<sup>a</sup>. and Mabalane Inertes, Lda.

Production levels abroad have been quite satisfactory and have complied with scheduled objectives, both in terms of volume and in results obtained but, with regard to Angola and Mozambique, and despite every effort, have been the cause for some apprehension in relation to the insufficient collection rate which has caused an increase in credits to amounts which will have to be substantially reduced. Naturally, we are keeping a very close eye on the situation, redoubling efforts so that it can be settled as soon as possible.

5.

Group sales grew 15% relative to 2008, reaching EUR 257 million, of which 82% was abroad, reaffirming the international bent of our business activity. The internal market has shown an improvement in sales, exceeding 80%, breaking the difficult cycle of the recent past. The overall order portfolio has an approximate value of EUR 500 million, of which 80% refers to work abroad. From the certain difficulty of raising the exceptional levels which we have reached in the last two years, perspectives for 2010 will necessarily be based on hard work, but encouraged in the context of participative dynamic planning and control, involving all phases of our business process. All markets must be closely watched so that adjustments may be made timely to concrete policies, bearing in mind the changes that may be brought about.

6.

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% and the success of the efforts made in the pursuit of this difficult objective, with particular success in activities carried out abroad. The EBITDA generated was EUR 67.6 million,



25% more than that of 2008. The gross added value reached the interesting value of EUR 103.7 million against EUR 82.3 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	3	76	15
Growth in net income	269	277	29
Return on assets (ROA)	5	12	11
Return on total equity	20	44	30
Return on sales calculated from current income	9	19	20
Gross value added by sales	36	37	40
Solvency	32	38	43
General liquidity	144	184	200
Fixed asset coverage	176	206	244

7.

CONDURIL's commitment to sustainability, looked at from the traditional angles - environmental, social and economic - has been well proved in the performances recorded in 2009 and which, to our great satisfaction, were publicly recognised by the Revista Exame magazine which, 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 this time 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 involves 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 success we have achieved is pleasing and stimulating but also holds us

responsible for making opportune adjustments to policies in force in a business world that is undergoing constant and complex mutations of rules and values.

We are continuing our efforts to consolidate the international universe which is the working force of the group, making the whole greater than the individual parts, for exchange of knowledge and experience while respecting the various idiosyncrasies.

In Portugal, despite the greatest social and economic crisis in recent years, we were able to keep the spectre of unemployment at bay. We were also able to offer young and more experienced staff the possibility of making a career abroad.

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 14,001:2004 – Environmental Management System.

Professional training continued to be a central axis for the management of human resources: 44 external courses were organised, involving 108 trainees with 778 training hours and a volume of 2311 hours training provided; 9 internal courses were held for 143 trainees, with 7.5 hours and a volume of 142 training hours provided. We also held 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.

8.

In the pursuit of our policy of fair return on capital invested, the Annual Report and Company Accounts for 2009 includes a proposal for the distribution of the net income for the year of EUR 33 854 588, reflecting the happy conjugation of the results achieved, as follows:

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

9.

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 in the success achieved.

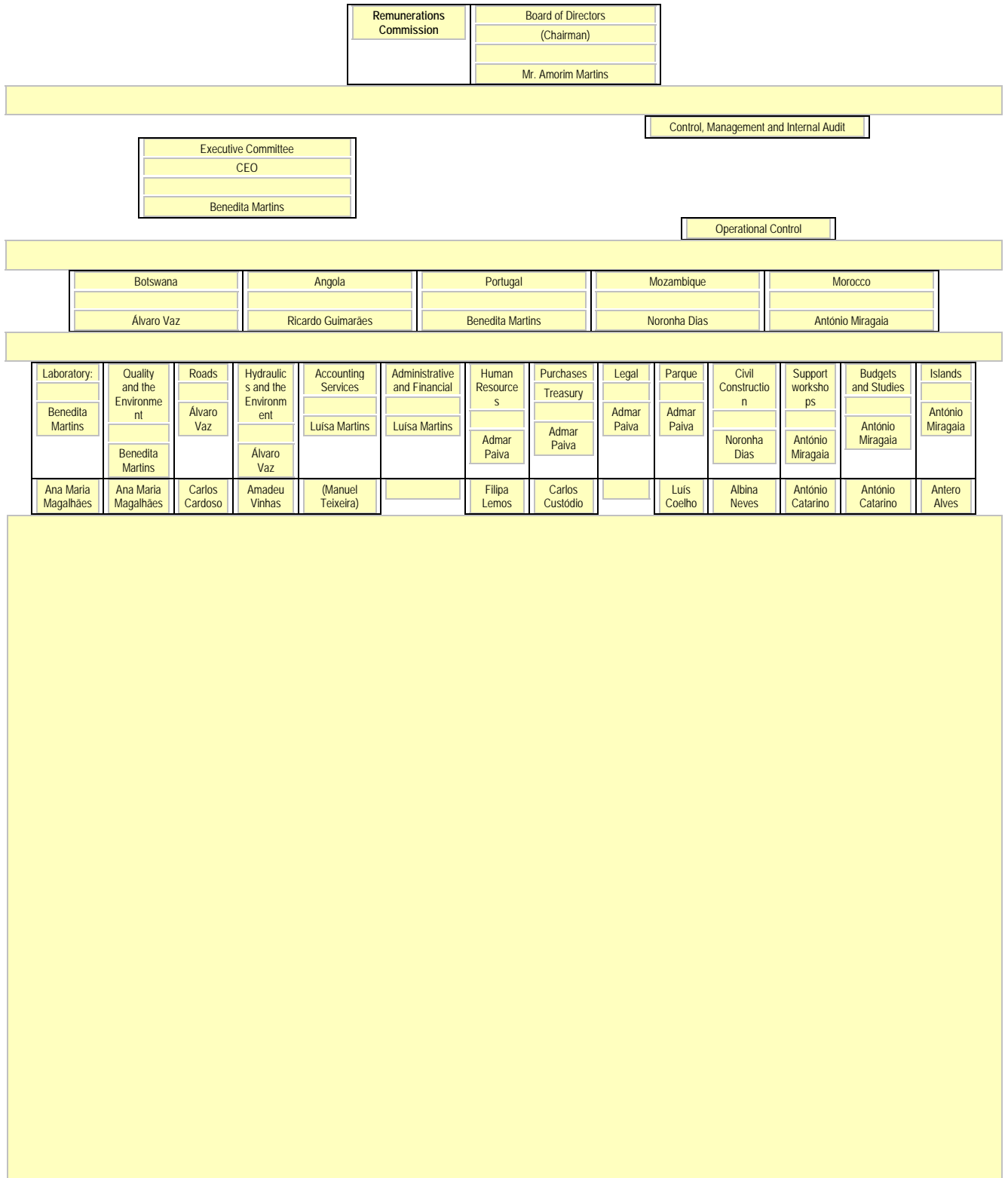
Ermesinde, 27 February 2010

THE BOARD OF DIRECTORS

## NOTES TO REPORT

- REPORT ON THE CORPORATE GOVERNANCE OF CONDURIL
- CONSOLIDATED 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 [luísa@conduril.pt](mailto:luísa@conduril.pt), functions as a clearing house for all issues raised by shareholders.

The company site [www.conduril.pt](http://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.

## CONSOLIDATED CASH FLOW STATEMENT

Unit EUR

	2009		2008	
<b>OPERATING ACTIVITIES</b>				
Received from clients	154 191 269		288 335 265	
Payments to suppliers	-129 389 421		-149 168 238	
Payroll	-34 338 246		-37 243 128	
<b>Cash flows from operating activities</b>	-9 536 397		101 923 899	
Income tax paid/recovered	-10 855 002		-8 140 735	
Other income/payments for operational activity	2 404 496		247 099	
<b>Cash flow before extraordinary items</b>	-17 986 903		94 030 264	
Received from extraordinary items	1 249 000		426 479	
Payments for extraordinary items	-1 258 000		-23 564	
<b>Cash flow from operating activities (1)</b>		<b>-17 995 903</b>		<b>94 433 179</b>
<b>INVESTMENT ACTIVITIES</b>				
<b>Income from:</b>				
Tangible fixed assets	105 818		80.282	
Interest and similar gains	1 325 000		1.826.239	
Dividends	0	1 430 818	0	1.906.521
<b>Expenditure due to:</b>				
Financial investments	-1 522 557		-648 778	
Tangible fixed assets	-18 518 640		-16 113 839	
Intangible fixed assets	-1 772	-20 042 969	-6 156	-16 768 773
<b>Cash flow from investment activities (2)</b>		<b>-18 612 151</b>		<b>-14 862 252</b>
<b>FINANCING ACTIVITIES</b>				
<b>Income from:</b>				
Borrowings	11 750 000	11 750 000	12 500 000	12 500 000
<b>Expenditure due to:</b>				
Borrowings	-17 254 988		-31 754 194	
Amortization of financial leasing contracts	-1 471 364		-1 979 553	
Dividends	-3 600 000		-720 000	
Interest and similar costs	-7 609 784	-29 936 136	-3 389 474	-37 843 221
<b>Cash flow from financing activities (3)</b>		<b>-18 186 136</b>		<b>-25 343 221</b>
<b>Change in cash &amp; cash equivalents (1)+(2)+(3)</b>		<b>-54 794 190</b>		<b>54 227 707</b>
<b>Cash and cash equivalents at start of period</b>		<b>76 862 943</b>		<b>22 635 236</b>
<b>Cash and cash equivalents at end of period</b>		<b>22 068 753</b>		<b>76 862 943</b>

### NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

#### 2. Breakdown of cash & cash equivalents

	2009	2008
Cash	111 925	216 211
Cash in banks available on demand	21 956 828	76 646 732
<b>Cash resources carried on balance sheet</b>	<b>22 068 753</b>	<b>76 862 943</b>

## CONSOLIDATED ACCOUNTS

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



**CONSOLIDATED BALANCE SHEET AS AT 31.12.2009**

ASSETS	2009			unit EUR
	AB	AA	AL	2008 AL
<b>FIXED ASSETS</b>				
<b>Intangible fixed assets</b>				
Start-up expenditure	12 834	11 318	1 515	1 513
Industrial property & other rights	1 761	175	1 586	
Consolidation differences	<u>289 048</u>	<u>57 810</u>	<u>231 238</u>	
	<u>303 642</u>	<u>69 303</u>	<u>234 339</u>	<u>1 513</u>
<b>Tangible fixed assets</b>				
Land and natural resources	7 272 883	69 445	7 203 438	6 482 359
Buildings & other constructions	21 070 038	12 078 097	8 991 941	9 550 808
Basic plant, machinery and equipment	52 957 671	36 877 037	16 080 634	14 279 192
Transport equipment	19 597 427	10 822 202	8 775 225	7 645 273
Tools and utensils	279 114	176 190	102 924	140 100
Office equipment	1 610 753	1 033 436	577 317	327 048
Other tangible fixed assets	79 165	37 650	41 515	43 010
Fixed assets in progress	<u>944 910</u>		<u>944 910</u>	<u>381 344</u>
	<u>103 811 962</u>	<u>61 094 058</u>	<u>42 717 904</u>	<u>38 849 134</u>
<b>Financial investments</b>				
Shareholdings in group companies	2 293		2 293	1 014
Loans to group companies	23 800		23 800	1 400
Securities and other financial investments	<u>567 690</u>		<u>567 690</u>	<u>418 190</u>
	<u>593 783</u>		<u>593 783</u>	<u>420 604</u>
<b>CURRENT ASSETS</b>				
<b>Stocks</b>				
Raw and subsidiary materials and consumables	9 110 007	673 445	8 436 562	6 689 021
Products and work in progress	5 173 750		5 173 750	7 960 006
Finished and intermediate products	<u>548 583</u>		<u>548 583</u>	<u>560 233</u>
	<u>14 832 340</u>	<u>673 445</u>	<u>14 158 895</u>	<u>15 209 261</u>
<b>Short-term debtors</b>				
Trade accounts receivable	185 747 053		185 747 053	63 776 006
Clients w/ retaining of guarantees	7 521 659		7 521 659	5 763 511
Doubtful debtors	2 538 246	2 538 246		
Associate companies	2 965 272,16		2 965 272	2 691 487
Advances to suppliers	684 127		684 127	925 388
State and other public entities	6 768 292		6 768 292	5 011 486
Other debtors	<u>4 060 952</u>	<u>59 252</u>	<u>4 001 700</u>	<u>4 440 404</u>
	<u>210 285 601</u>	<u>2 597 497</u>	<u>207 688 103</u>	<u>82 608 282</u>
<b>Negotiable securities</b>				
Other negotiable securities	<u>3 306</u>		<u>3 306</u>	<u>3 332</u>
	<u>3 306</u>		<u>3 306</u>	<u>3 332</u>
<b>Bank deposits and cash</b>				
Bank deposits	21 956 828		21 956 828	76 646 732
Cash	<u>111 925</u>		<u>111 925</u>	<u>216 211</u>
	<u>22 068 753</u>		<u>22 068 753</u>	<u>76 862 943</u>

<b>ACCRUALS AND DEFERRALS</b>			
Accruals & income	9 597 120	9 597 120	3 448 189
Deferred costs	2 083 605	2 083 605	1 102 353
Deferred tax assets			98 168
	<u>11 680 725</u>	<u>11 680 725</u>	<u>4 648 710</u>
<b>TOTAL AMORTIZATION</b>		61 163 361	
<b>TOTAL ADJUSTMENTS</b>		<u>3 270 943</u>	
<b>TOTAL ASSETS</b>	<u>363 580 112</u>	<u>64 434 304</u>	<u>299 145 808</u>
			<u>218 603 779</u>

**CONSOLIDATED BALANCE SHEET AS AT 31.12.2009**

unit EUR

**EQUITY AND LIABILITIES**

	<b>2009</b>	<b>2008</b>
<b>EQUITY</b>		
<b>Capital</b>	10 000 000	10 000 000
<b>Own shares</b>		
Nominal value	-1 000 000	-1 000 000
Discounts & premiums	50 000	50 000
<b>Consolidation differences</b>	280 928	280 928
<b>Revaluation reserves</b>	5 015 623	5 186 371
<b>Reserves</b>		
Legal reserves	2 937 116	1 534 011
Free reserves	32 830 493	12 068 469
<b>Retained earnings</b>	<u>6 364 763</u>	<u>5 937 014</u>
	56 478 924	34 056 793
<b>Net income for financial year</b>	<u>33 854 588</u>	<u>26 313 429</u>
<b>Total equity</b>	<u>90 333 511</u>	<u>60 370 222</u>
<b>MINORITY INTERESTS</b>		
	<u>390 049</u>	<u>341 760</u>
<b>LIABILITIES</b>		
<b>Provisions</b>		
Other provisions	<u>169 938</u>	<u>166 650</u>
	<u>169 938</u>	<u>166 650</u>
<b>Medium and long-term creditors</b>		
Debts to credit institutions	3 025 979	6 635 452
Fixed asset suppliers - Trade accounts	973 833	1 571 541
Other loans contracted	<u>11 750 000</u>	<u>12 500 000</u>
	<u>15 749 812</u>	<u>20 706 993</u>
<b>Short-term creditors</b>		
Debts to credit institutions	2 803 699	3 525 933
Suppliers - current account	64 616 934	35 333 421
Suppliers - Invoices pending approval	733 837	464 099
Suppliers - Trade bills payable	693 386	1 400 439
Associate companies	3 349 940	3 243 768
Advances from customers	10 536 058	2 995 456
Fixed asset suppliers - Trade accounts	1 303 190	908 481
State and other public entities	17 317 929	19 268 715
Other creditors	20 898 061	27 581 957

	<u>122 253 032</u>	<u>94 722 269</u>
ACCRUALS AND DEFERRALS		
Accrued costs	7 353 662	4 104 940
Deferred income	61 013 827	36 486 008
Deferred tax liabilities	<u>1 881 977</u>	<u>1 704 937</u>
	<u>70 249 466</u>	<u>42 295 885</u>
<b>Total liabilities</b>	<u>208 422 248</u>	<u>157 891 797</u>
TOTAL EQUITY, MINORITY INTERESTS AND LIABILITIES	<u>299 145 808</u>	<u>218 603 779</u>

### CONSOLIDATED INCOME STATEMENT

	2009		2008	
	unit EUR			
<b>COSTS AND LOSSES</b>				
Cost of goods sold and material consumed				
Material	<u>32 107 530</u>	32 107 530	<u>43 368 361</u>	43 368 361
External supplies and services		128 271 250		108 595 683
Staff costs				
Wages	24 696 330		19 115 859	
Social contributions				
Pensions			464 098	
Other	<u>11 649 005</u>	36 345 335	<u>8 885 600</u>	28 465 557
Depreciation of tangible and intangible fixed assets	9 134 085		7 648 223	
Adjustments	<u>857 055</u>	9 991 140	<u>1 647 784</u>	9 296 007
Tax	1 871 013		2 152 775	
Other operating costs	<u>156 986</u>	2 027 999	<u>47 830</u>	2 200 605
	( A )	208 743 254		191 926 213
Interest and similar costs				
Other	<u>15 871 540</u>	15 871 540	<u>8 836 726</u>	8 836 726
	( C )	224 614 794		200 762 939
Extraordinary costs and losses		<u>6 572 683</u>		4 700 234
	( E )	231 187 477		205 463 172
Tax on income for financial year		<u>18 406 915</u>		16 763 188
	( G )	249 594 392		222 226 360
Minority Interests		86 816		53 511
Consolidated net income for financial year		<u>33 854 588</u>		<u>26 313 429</u>
		<u>283 535 796</u>		<u>248 593 300</u>
<b>INCOME AND GAINS</b>				
Sales				
Products	6 483 789		6 746 966	
Provision of services	<u>250 186 077</u>	256 669 866	<u>216 580 794</u>	223 327 761
Output variation		-1,022,830		4,894,673
Own work capitalised	565 136		1 986 622	

Supplementary income	9 044 608		5 876 345	
Other operating income	735 527		371 933	
Reversal of amortization and adjustments	<u>360 706</u>	<u>10 705 978</u>	<u>75 234</u>	<u>8 310 134</u>
( B )		266 353 015		236 532 568
Gains in associate companies				
Other interest and similar gains				
Other	<u>9 363 567</u>	<u>9 363 567</u>	<u>7 502 721</u>	<u>7 502 721</u>
( D )		275 716 581		244 035 289
Extraordinary income and gains		<u>7 819 216</u>		<u>4 558 011</u>
( F )		<u><u>283 535 796</u></u>		<u><u>248 593 300</u></u>

#### SUMMARY

Operating income	(B) - (A)	57 609 761	44 606 355
Financial profit/loss	(D-B) - (C-A)	- 6 507 974	- 1 334 005
Current income	(D) - (C)	51 101 788	43 272 350
Income before tax	(F) - (E)	52 348 319	43 130 128
Consolidated income with minority interests for the financial year	(F) - (G)	33,941,404	26,366,941

## CONSOLIDATED INCOME STATEMENT BY FUNCTION

Unit Euro

	Financial Year	
	2009	2008
Sales & provision of services	256 669 866	223 327 761
Cost of sales & provision of services	198 675 176	175 507 262
<b>Gross income</b>	<b>57 994 690</b>	<b>47 820 499</b>
Other operating income and gains	11 279 781	8 438 163
Distribution costs		
Administrative costs	9 062 909	9 323 673
Other operating costs and losses	10 995 885	7 981 391
<b>Operating income</b>	<b>49 215 677</b>	<b>38 953 598</b>
Net financing cost	642 744	1 012 682
Gains (losses) in subsidiaries and associates		
Gains (losses) in other investments	-326 320	1 513
Exceptional or irregular income	4 101 706	5 187 699
<b>Current income</b>	<b>52 348 319</b>	<b>43 130 128</b>
Tax on current income	18 406 915	16 763 188
<b>Current income after tax</b>	<b>33 941 404</b>	<b>26 366 940</b>
Minority Interests	86 816	53 511
Extraordinary profit/loss		
Tax on extraordinary income		
<b>Net income</b>	<b>33 854 588</b>	<b>26 313 429</b>
<b>Earnings per share</b>	<b>18.81</b>	<b>14.62</b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS AT 31 DECEMBER 2009**

(Amounts expressed in euros)

**INTRODUCTION**

The following notes comply with the numbering sequence set forth in the National Plan of Accounts (POC) for the reporting 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 others**

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 2009 are as follows:

Company and Registered Office	Percentage of share capital held	Reasons for inclusion
Conduril – Construtora Duriense, SA Avª Eng Duarte Pacheco, 1835 4445-416 Ermesinde	Mother company	
ENOP – Engenharia e Obras Públicas, Lda. Avª 25 de Setembro, 1123 – 10º Apart. A Maputo – Moçambique	85,47%	DL.238/91,art. 1, no. 1, para. a)
Conduril – Engenharia (ANGOLA), Lda. Rua Kima Kyenda 2-IL Luanda – Angola	99%	DL.238/91,art. 1, no. 1, para. a)
Mabalane – Inertes, Lda. Avª 25 de Setembro, 1123 – 10º Porta-F Maputo - Moçambique	85%	DL.238/91,art. 1, no. 1, para. a)
Conduril–Gestão de Concessão de Infraestruturas, SA Avª Engº Duarte Pacheco, 1835 Ermesinde	100%	DL.238/91,art. 1, no. 1, para. a)
Edirio-Construções, S.A. Avª Engº Duarte Pacheco, 1835 Ermesinde	100%	DL.238/91,art. 1, no. 1, para. a)
Edifer / RRC / Conduril, ACE R. das Fontainhas, 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 V. N. de Gaia	50%	
Edifer, Dragados, Tecnovia, Conduril – Rodovias do Algarve Litoral, ACE Avª. Visconde Valmor, 66-5º 1050-242 Lisboa	10%	
Edifer, Dragados, Tecnovia, Conduril – Rodovias do Baixo Alentejo, ACE Estrada do Seminário, 4 Alfragide - Amadora	10%	

## 7. AVERAGE WORKFORCE

In the 2009 financial year, the average headcount of the companies included in the consolidation procedure was:

Head office: 357  
Branch office in Angola: 1337  
Conduril Engenharia (Angola), Lda: 173  
Mozambique Delegation: 51  
Branch office in Botswana: 153  
Branch office in Morocco: 141  
ENOP – Engenharia e Obras Públicas, Lda: 405  
Mabalane Inertes, Lda: 10  
Nador Marrocos: 37  
Rocade Marrocos: 1

## 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

#### Included in equity

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 de December de 2009.

#### Included in intangible fixed assets

On 31 December 2009, this item balance covers differences between the acquisition cost and the value proportional to the equity of companies through financial holdings, and is composed as follows (net of amortizations):

<u>Company</u>	<u>Amount</u>
Edirio	EUR 231 238

This consolidation difference is amortized over an average period of investment recovery which is currently estimated at 5 years.

## IV – Information on Commitments

### 21. OFF-BALANCE SHEET FINANCIAL COMMITMENTS UNDERTAKEN

- a. Liability for discounted bills: the sum of discounted bills as at 31 de December de 2009 was EUR 374 403.
- 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 de December de 2009, the Group was liable for guarantees provided for contract work totalling EUR 124 306 308.

## **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 acquisition cost. 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

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.

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 income and expenses generated 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 EUROS

The following exchange rates were used to convert the assets and liabilities in foreign currency into euro: USD 1.00 = MZM 27.51 (Mozambique); EUR 1 = USD 1.4435; EUR 1 = MAD 11,3811 (Morocco) and EUR 1 = Pula 0.1038.

**VI – Information on Selected Headings**

27. 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
<b>Intangible fixed assets</b>				
Start-up expenditure	139 789		-125 955	13 834
Ind. Property & other rights		1 772	-11	1 761
Consolidation differences		289 048		289 048
	139 789	290 820	-125 966	304 643
<b>Tangible fixed assets</b>				
Land and natural resources	6 820 215	452 668		7 272 883
Buildings & other constructions	20 557 731	668 067	-155 760	21 070 038
Basic plant, machinery and equipment	39 898 197	9 096 861	3 962 614	52 957 671
Transport equipment	16 261 789	5 071 336	-1 735 698	19 597 427
Tools and utensils	278 698	15 293	-14 877	279 114
Office equipment	1 269 112	373 525	-31 884	1 610 753
Other tangible fixed assets	76 401	6 438	-3 674	79 165
Fixed assets in progress	381 344	679 096	-115 531	944 910
	85 543 488	16 363 284	1 905 191	103 811 962
<b>Financial Investments</b>				
Shareholdings in group companies	1 014	893	-1 014	893
Shareholdings in associate companies	1 400			1 400
Loans to group companies		23 800		23 800
Securities and other financial investment	418 190	149 500		567 690
	420 604	174 193	-1 014	593 783

**AMORTIZATION**

Item	Initial balance	Increase	Adjustments	Closing balance
<b>Intangible fixed assets</b>				
Start-up expenditure	138 276		-126 957	11 319
Ind. Property & other rights		175		175
Consolidation differences		57 810		57 810
	138 276	57 985	-126 957	69 304
<b>Tangible fixed assets</b>				
Land and natural resources	337 857	435	-268 846	69 445
Buildings & other constructions	11 006 923	1 098 948	-27 774	12 078 097
Basic plant, machinery and equipment	25 619 005	4 191 943	7 066 089	36 877 037
Transport equipment	8 616 516	3 673 456	-1 467 770	10 822 202
Tools and utensils	138 598	46 226	-8 633	176 190
Office equipment	942 064	115 913	-24 540	1 033 436
Other tangible fixed assets	33 391	7 164	-2 905	37 650
	46 694 353	9 134 085	5 265 621	61 094 058

**32. MOVEMENTS IN CURRENT ASSETS NOTES**

These movements during the financial year were:

Heading	Initial balance	Increase	Adjustments	Closing balance
28 – Adjustment to receivables	3 136 255		538 757	2 597 498
39 – Stock adjustment (consumables)	119 855	553 590		673 445

### 36. SALES AND SERVICES RENDERED BY BUSINESS AND GEOGRAPHICAL MARKET

Domestic market: EUR 44 687 428; External market: EUR 211 982 438.

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

	Public Works		Private works		Consolidated	
	2009	2008	2009	2008	2009	2008
<b>REVENUE</b>						
Sales & services rendered	235 696 777	188 152 612	20 973 089	35 175 149	256 669 866	223 327 761
<b>FINANCIALS</b>						
Operating income	53 576 387	24 917 557	4 033 374	19 688 799	57 609 761	44 606 356
Interest expenses					-15 871 540	-8 836 726
Interest income					9 363 567	7 502 721
Tax on profits					-18 406 915	-16 763 188
Income from current activities					32 694 873	26 509 163
Extraordinary income					1 246 531	-142 223
Minority Interests					-86 816	-53 511
Net income					33 854 588	26 313 429
<b>OTHER INFORMATION</b>						
Assets per segment	287 414 629	204 108 515	11 137 396	14 074 660	298 552 025	218 183 175
Non-attributed company assets					593 783	420 604
Consolidated total assets					299 145 808	218 603 779
Liabilities for segment	294 123 880	207 032 625	2 574 968	11 071 154	296 698 848	218 103 779
Non-attributed company liabilities					2 446 960	500 000
Consolidated total liabilities					299 145 808	218 603 779
Fixed capital expenses	15 209 047	16 943 922	1 038 772	1 666 979	16 247 819	18 610 901
Depreciation	8 531 629	6 936 524	582 707	682 430	9 114 336	7 618 954

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

Revenue from sales and services rendered by geographical market	2009	2008
Portugal	44 687 428	24 657 033
Angola	167 507 438	140 644 113
Mozambique	24 101 004	24 540 514
Botswana	5 736 024	1 313 063
Morocco	14 637 972	32 073 038
	256 669 866	223 227 761

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

	Net assets per segment		Investments	
	2009	2008	2009	2008
Portugal	17 524 483	48 437 338	2 378 110	2 792 790
Angola	178 808 900	116 714 882	5 605 425	14 452 633
Botswana	8 675 374	3 828 588	1 813 344	1 172 660

Mozambique	65 202 401	35 394 156	741 930	191 846
Morocco	28 934 650	14 228 814	5 824 476	970
Total	299 145 808	218 603 778	16 363 284	18 610 899

### 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 2009 financial year was as follows: Board of Directors: EUR 1 101 056.

### 41. TANGIBLE FIXED ASSET REVALUATION

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 REVALUATION

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 de December de 2009:

Item	Historic cost (a)	Revaluations (a) and (b)	Revalued book values (a)
<b>Tangible fixed assets</b>			
Land and natural resources	5 062 941	2 140 496	7 203 438
Buildings & other constructions	8 025 403	966 538	8 991 941
Basic plant, machinery and equipment	16 080 634		16 080 634
Transport equipment	8 775 225		8 775 225
Tools and utensils	102 924		102 924

Office equipment	576 435	882	577 317
Other tangible fixed assets	41 515		41 515
Fixed assets in progress	944 910		944 910
	39 609 989	3 107 915	42 717 903

- 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 2009 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	
	2009	2008		2009	2008
681 - Interest incurred	1 296 189	1 875 094	781 - Interest earned	653 445	862 412
684- Financial invest. adjust.	1 347 372		784 - Return on shareholdings	1 021 052	1 513
685 - Unavourable exchange rate differences	10 832 776	5 881 080	785 - Favourable exchange rate differences	7 115 266	6 510 767
686 – Cash discounts granted	391 585	1 531	786 - Cash discounts obtained	483 111	38 683
688 - Other costs and losses	2 003 618	1 079 021	788 - Reversals and other income & gains	90 693	89 345
Financial profit/loss	-6 507 974	-1 334 005			
	9 363 566	7 502 721		9 363 566	7 502 721

#### 45. CONSOLIDATED 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	396 035	791 - Tax refund	205 989	61 802
692 - Bad debt	214 248	48 763	792 - Gains in current resources	194 028	28 972
694 - Fixed asset losses	179 930	315 808	794 - Gains on fixed assets	105 818	341 077
695 - Fines and penalties	53 186	32 945	796 - Reduction in provisions	805 360	165 163
696 - Amortization increase		91 791	797 - Prior-year corrections	339 055	191 112
697 - Prior-year corrections	513 840	384 873	798 - Other extraordinary		
698 - Other extraordinary costs and losses	5 547 173	3 430 018	income and gains	6 168 966	3 769 884
Extraordinary profit/loss	1 246 533	-14 223			
	7 819 216	4 686 010		7 819 216	4 558 010

#### 46. MOVEMENTS IN PROVISION ACCOUNTS

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

Heading	Initial balance	Increase	Closing balance
296 - Other provisions	166 650	3 288	169 938

#### 47. FINANCIAL LEASING

The following assets were held by the Group through financial leasing as at 31 de December de 2009:

Head office	Acquisition cost	Accrued depreciation for financial year	Book values
Basic plant, machinery and equipment	5 581 663	4 647 055	934 609
Transport equipment	3 423 297	2 619 641	803 656

## VII – Other Information

#### 49. MEDIUM AND LONG-TERM CREDITORS

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

- Fixed asset suppliers EUR 973 833, concerning the sums still payable on leasing contracts.
- Commercial paper: Santander Totta EUR 1.500.000; BCP EUR 5 000 000; BES EUR 3 000 000; Barclays EUR 2 250 000.
- Bank loans contracted by the Angola subsidiary: EUR 3 025 979.

#### 50. INFORMATION ON ENVIRONMENTAL MATTERS

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

#### 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	98 110 040
Outgoing to production and fixed asset	65 136
Cost of sales and services rendered	98 675 176

## **SUPERVISORY BOARD**

### **2009 FINANCIAL YEAR**

### **CONSOLIDATED ACCOUNTS**

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 consolidated management report, balance sheet and consolidated 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 consolidated management report, presented by the Board of Directors, of the consolidated 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 Consolidated 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 consolidated 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 consolidated management report, the consolidated balance sheet, the consolidated 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 consolidated 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 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 de December de 2009 (which reports a total balance of EUR 299 145 808 and total equity of EUR 90 333 511 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 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. 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:

- 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;
- checking the consolidation operations;
- Assessment of the adequacy of the accountancy policies, whether they have been disclosed according to the circumstances and applied consistently or not;
- checking whether the going concern basis has been applied or not; and
- assessing whether the global presentation of the consolidated financial statements is adequate.

[Registered at OROC # 186 | CMVM registration # 9171

Share capital EUR 51 300 | Tax Payer and Porto Registration 506 942 155)

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**Horwarth International]**

Horwarth & Asociados, SROC, Lda. is Portuguese company under the umbrella of Horwarth International, a Swiss association of different companies. Each one of these companies belongs to a legal entity operating under the Horwarth brand name]

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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 aforementioned 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 2009, 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 2010

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HORWATH & ASSOCIADOS, SROC, LDA.

Represented by Ana Raquel Borges L. Esperança Sismeiro (Statutory Auditor no. 1126)

[A member firm of  
**Horwarth International**]