

INTEVIAL GESTAO INTEGRAL
RODOVIARIA, S.A

ANNUAL REPORT

2009

AUDITOR'S REPORT

INTRODUCTION

1. We have examined the annual financial statements of INTEVIAL - Gestão Integral Rodoviária, SA, comprising the balance sheet as of 31 December 2009 (that state a total assets of which reflects a total of 3.900.112 euros and total shareholders' equity of 706.655 euros, including a net income of 1.663 euros), the Profit and Loss Account and the cash flow statement for the year then ended and the corresponding notes.

RESPONSABILITIES

2. The Management is responsible for the preparation of financial statements which give a true and fair view of the Company's financial position, the results of its operations and the cash flows. This responsibility also extends to the adoption of appropriate accounting policies and criteria, as well as the maintenance of a proper internal control system.
3. Our responsibility is to express a professional and independent opinion based on our audit of the above-mentioned financial statements.

SCOPE

4. We conducted our audit in accordance with the Technical Standards and Guidelines issued by the Ordem dos Revisores Oficiais de Contas (Portuguese Institute of Statutory Auditors), which require that the audit be planned and performed in such a manner as to obtain an acceptable level of assurance that the financial statements do not contain material misstatements. To this end, our audit included:

- examining, on a test basis, evidence to support the amounts disclosed in the financial statements and assessing of the reasonableness of estimates, based on judgments and criteria defined by the Management, used in their preparation;
- assessing the appropriateness of the accounting policies adopted and their disclosure, taking into account the circumstances;
- verification of the applicability of the going concern principle, and
- consideration of the adequacy of the overall presentation of the financial statements.

5. Our audit also covered the verification of financial information included in the Management Report and its conformity with the financial statements.
6. We believe that the audit performed by us provides an acceptable basis for expressing our opinion.

OPINION

7. In our opinion, the financial statements give, in all material aspects, a true and fair view of the financial position of INTEVIAL - Gestão Integral Rodoviária, SA at 31 December 2009, the results of its operations and the cash flows for the year then ended, in accordance with the generally accepted accounting principles in Portugal.

EMPHASIS

8. Other debtors includes about 812.000 euros concerning to a Brazilian Company, which is in a litigation process. This credit has already been recognized by the Court in 2010, so there is an expectation that it will be paid.

Lisbon, February 15, 2010

Baptista da Costa & Associados, SROC, S.A.
Statutory Auditors
represented by Gabriel Correia Alves
Statutory Auditor



Balance Sheet for the years ended 31 December, 2009 and 2008

INTEVIAL - Gestão Integral Rodoviária, S.A.

NIF: 503970352

(Amounts expressed in Euros)

CAPTION	NOTES	DATE	
		31/12/2009	31/12/2008
Assets			
Non Current Assets			
Tangible assets		260,696.35	414,644.30
Deferred tax expense		454,999.15	482,922.02
		715,695.50	897,566.32
Current Assets			
Inventories		135,964.01	79,530.64
Trade debtors		957,820.71	2,197,990.78
Trade receivables - affiliated		604,517.95	4,517.95
Advances to trade creditors		106,366.12	6,793.49
State and other Public Entities		140,839.37	1,042,376.91
Sundry debtors		887,554.72	844,731.66
Deferred expenses		48,332.14	121,433.46
Cash and banks		303,021.74	191,754.05
		3,184,416.76	4,489,128.94
Total Assets		3,900,112.26	5,386,695.26
Shareholder's Equity and Liabilities			
Shareholders' Equity			
Share Capital		750,000.00	750,000.00
Supplementary Capital		980,909.99	830,909.99
Legal Reserves		92,050.08	92,050.08
Other Reserves		0.00	1,576,145.07
Loss Brought Forward		-1,117,967.18	-1,358,009.55
Loss for the period		1,662.86	-1,336,102.70
Minority interest		0.00	0.00
Total Shareholders' Equity		706,655.75	554,992.89
Liabilities			
Non Current Liabilities			
Loans and overdrafts		536,462.75	996,842.25
		536,462.75	996,842.25
Current Liabilities			
Trade creditors		2,107,826.92	3,009,132.97
Trade creditors - affiliated		19,286.66	154,186.24
State and other Public Entities		89,187.28	176,431.50
Loans and overdrafts		239,880.41	224,663.91
Sundry creditors		200,812.49	270,445.50
		2,656,993.76	3,834,860.12
Total Liabilities		3,193,456.51	4,831,702.37
Total Shareholder's Equity and Liabilities		3,900,112.26	5,386,695.26

0.00

0.00

Statement of Income for the years ended 31 December, 2009 and 2008

INTEVIAL - Gestão Integral Rodoviária, S.A.

NIF: 503970352

(Amounts expressed in Euros)

CAPTION	NOTES	DATE	
		31/12/2009	31/12/2008
Turnover		11,259,460.87	10,597,051.66
Cost of sales		-1,103,185.29	-1,081,552.56
Third party supplies		-7,203,044.56	-6,400,967.49
Personnel costs		-2,064,236.10	-2,585,361.35
Imparity of Trade Debtors (Loss/Reversion)		-696,242.74	-1,564,851.04
Provisões (Reinforcement/Reduction)		0.00	10,329.82
Other Income and Gain		439,003.99	267,137.25
Other Expenses and Loss		-254,150.58	-400,253.67
Result before depreciations, financial expenses and income taxes		377,605.59	-1,158,467.38
Loss/Reversion of Provisions and Depreciations		-128,930.80	-223,351.17
Operacional Result (before financial expenses and income taxes)		248,674.79	-1,381,818.55
Interest and other similar income		38.33	0.00
Interest and other similar expenses		-193,170.20	-281,320.69
Result before income taxes		55,542.92	-1,663,139.24
Income tax		53,880.06	-327,036.54
Result for the period		1,662.86	-1,336,102.70
Result per Share		0.01	-8.91

Cashflow Statement
for the years ended 31 December 2009 and 2008
(in euros)

	2009	2008
Operational activities		
Receivables from clients	11,315,319	11,215,579
Payments to suppliers	(8,415,871)	(8,228,329)
Payments to employees	<u>(2,064,756)</u>	<u>(2,648,139)</u>
Income tax payments	(54,928)	(30,581)
Other operational receivables	0	17,515
Other operational payments	<u>(394,773)</u>	<u>(230,166)</u>
Cashflow before extraordinary activities	384,991	95,879
Receivables/payments from extraordinary activities	<u>(53,248)</u>	<u>(111,037)</u>
Cashflow from operational activities (1)	<u>331,743</u>	<u>(15,158)</u>
Investment activities		
Receivables from:		
Fixed assets	67,614	276,500
Investments		
Investment grants		
Interest		
	<u>67,614</u>	<u>276,500</u>
Payments from:		
Fixed assets	(12,566)	(17,482)
Investments		
	<u>(12,566)</u>	<u>(17,482)</u>
Cashflow from investment activities (2)	<u>55,048</u>	<u>259,018</u>
Financing activities		
Receivables from:		
Capital increases	150,000	400,000
Loan increases		
Dividends		
	<u>150,000</u>	<u>400,000</u>
Payments from:		
Loans obtained	(231,504)	(202,392)
Leasings	0	(58,821)
Interest	(193,170)	(267,642)
	<u>(424,675)</u>	<u>(528,855)</u>
Cashflow from financing activities (3)	<u>(274,675)</u>	<u>(128,855)</u>
Cash and cash equivalents variance (4)=(1)+(2)+(3)	112,116	115,004
Cash and cash equivalents at the beginning of the year	<u>191,754</u>	<u>76,750</u>
Cash and cash equivalents at the end of the year	<u><u>303,870</u></u>	<u><u>191,754</u></u>
Cash and cash equivalents at the end of the year		

Cash	849	3,060
Bank deposits	303,022	188,694
Overdrafts	<u>0</u>	<u>0</u>
	<u>303,870</u>	<u>191,754</u>

INTEVIAL, Gestão Integral Rodoviária, S.A.

Annex to the
Balance Sheet and
Statement of
Results
2009

The Board of Directors
29-01-2010

Introduction

This document presents technical and accounting information of the year 2009 inherent to the company INTEVIAL - Gestão Integral Rodoviária, S.A., with its head office at Av. Jose Gomes Ferreira - Building Atlas II - n.º 11 room 32, 1495-139 Algés, and bearer of the Card of Collective Person n.º 503 970 352. The company dedicates its activity to the scope of construction, benefitting and conservation of roads, aerodromes and streets in urban zones, including all the valences namely, metallic bridges, of hardened bituminous, its protection and painting, parks and gardening and thus special installations of illumination, signaling and security, this way, being able to render contracting services of integral management conservation, maintenance and benefitting of road infrastructures, as well as to commercialize, to manufacture and to contract all the products and services related with these activities (Economic Activity Code 42110-R3).

The financial statements were prepared according to Portuguese General Accepted Accounting Principles (Portuguese GAAP). The following notes are consistent with the sequential numbering called for in the Official Plan of Accounts (Plano Oficial de Contas - Portuguese GAAP) Missing notes are either not applicable to the Company or their presentation is irrelevant to the attached financial statements.

Note 1 - Bases of Presentation

The financial statements assume that the Company is a going concern and were compiled from the ledgers and accounting records of the Company, which were kept according to the accounting principles accepted in Portugal.

In preparing the annexed financial statement, estimates were used, which affect the amounts reported in assets and liabilities, as well as those reported in income and costs for the period reported. All estimates and assumptions made by the Board of Directors were based on the best information available on events and transactions in progress at the date when the financial statements were approved.

The Company Board of Directors believes that the attached financial statements and subsequent notes give a fair presentation of the financial information.

Note 3 - Main value criteria

a) Fixed assets

Fixed assets are registered at acquisition cost, Amortizations are calculated by applying the maximum period of useful life possible, having in mind the adjustment of the fiscal amortization to the effective life of each asset.

b) Inventories

Stocks, raw materials and consumables are valued at either acquisition cost. The cost method used by the Company in the movement of raw materials is the average weighted cost

c) Contracted price adjustments

All adjustments of contracted prices are recognized as profit or loss of the correspondent exercise, independently of the date of invoicing.

d) Factoring

Due to the nature of the business and the level of risk, the company considers all cash advances received from factoring as reduction of debts, independently from the contracted conditions. At 31 of December 2009 the total yield credits are regularized.

e) Adjustments

The adjustments respect exclusively to debts of clients of doubtful recovery.

f) Recognition of the result of contracts

The result of each work is determined by the advance of the work itself, independently of the invoiced amounts. The executed work is supported by internal measurements performed by work engineers.

h) Recognition of income and expenses

The Company records its income and expenses on an accrual basis, whereby income and expenses are recognized as and when generated, independently of when they are received or paid. The respective income and expenses generated are recorded under accruals and deferrals.

i) Income Tax

Income tax is calculated on the basis of the taxable results (which differ from accounting results) of the company in accordance with Portuguese tax rules. Deferred taxes refer to the temporary differences between the figures for assets and liabilities for the purposes of financial reporting and the respective amounts for taxation purposes. Assets and liabilities for deferred taxes are calculated and annually assessed using the tax rates expected to be in force at the reversion date of temporary differences. Deferred tax assets are quoted when there are reasonable prospects of sufficient financial profits for them to be used.

At the time of each balance, the temporary differences underlying assets for deferred taxes are re-assessed to recognize assets for deferred taxes not previous registered because they failed to meet the conditions for registration, and/or to reduce their amount in function of current expectations of future recuperation.

Deferred taxes are registered as cost or income for the year.

Note 6 – Taxes

Under the terms of the prevailing legislation, the financial statements are subject to review and correction by the tax authorities for a period of four years (five years for Social Security). This means that the Company's tax returns since 2006 may still be reviewed.

The Company's Board of Directors is of the opinion that any corrections arising from reviews/inspections of these tax returns by the tax authorities will not have a material impact on the attached financial statements. Under the terms of the prevailing legislation, tax losses can be carried forward for a period of six years following that in which they were incurred and can be deducted from taxable profits during this period.

See tax reconciliation ahead:

	Amounts (Euros)			Total
	Result	Result brought forward	Movements in other Capital captions	
Current result, Reserves and Results brought forward before taxes (accounted)	55.543			55.543
Definitive differences	56.148			56.148
Current result, Reserves and Results brought forward before taxes (fiscal)	111.691			111.691
Current result, Reserves and Results brought forward liquid of taxes (accounted)	1.663			1.663
Tax of the exercise	53.880			53.880
Deferred taxes (benefit)	27.923			27.923
Current tax	25.957			25.957

Algebraic signals

Results: "+" positive

Definitive differences: "+" increases

Tax of the Exercise and Current Tax: "+" Tax in favor of the State

Deferred taxes: "+" increase of Liabilities for deferred taxes or reduction from Asset for Deferred Taxes

Relationship between expenses (income) of taxes and the accountability result and other patrimonial variations (evidencing the average effective tax)

	Total		Operations in P & L	
	2009	2008	2009	2008
1. Patrimonial results and other variations before taxes	55.543	-1.663.139	55.543	-1.663.139
2. Effective tax rate	25%	25%	25%	25%
3. Tax of the exercise	53.880	327.037	53.880	327.037
4. Taxable profit	111.691	-1.439.852	111.691	-1.439.852

5. Income tax	1.675	-	1.675	-
6. Autonomous taxations	24.282	32.926	24.282	32.926
7. Total tax 7=5+6	25.957	32.926	25.957	32.926
8. Average tax 8=7/4	23.24%	-	23.24%	-
9. Effective tax 9=7/1	46.73%	-	46.73%	-

Note 7 – Average Number of Employees

The average number of employees in 2009 was 117 (2008: 160), as follows:

Contract situation	2009	2008
Permanent Contracts	15	20
Fixed-term Contracts	102	140

Note 10 - Movements in Fixed Assets

During the year ending 31 December 2009, changes in the value of fixed assets, as well as in their respective accumulated depreciation, were the following:

Gross Assets

	Opening Balance	Reevaluation/ Adjustment	Increases	Disposals	Transfers	Closing Balance
Intangible Fixed Assets	-	-	-	-	-	-
Tangible Fixed Assets						
Land and natural resources						
Buildings and other constructions						
Basic equipment	3.207.165		24.500	-115.632		3.116.033

Transport equipment	17.669				17.669
Tools and utensils	60.045				60.045
Administrative equipment	47.953		566		48.519
Other tangible assets					
	3.332.832		25.066	-115.632	3.242.266
Financial Assets					
	-	-	-	-	-

Accumulated Depreciation and Adjustments

	Opening Balance	Increases	Write-offs	Closing Balance
Intangible Fixed Assets				
	-	-	-	-
Tangible Fixed Assets				
Land and natural resources				
Buildings and other constructions				
Basic equipment	2.836.189	116.259	-65.549	2.886.899
Transport equipment	15.234	1.659		16.893
Tools and utensils	52.789	5.497		58.286
Administrative equipment	13.975	5.516		19.491
Other tangible assets				
	2.918.187	128.931	-65.549	2.981.569

Financial Assets				
	-	-	-	-

Note 21 – Movements in Current Asset Adjustments

Movements in the category of current assets adjustments were as follows:

Accounts	Opening Balance	Increase	Reduction	Closing Balance
28 - Adjustments				
281 - Debts of clients of doubtful recovery	1.565.908	696.243	-2.073.204	188.947

In the year 2008 a significant part of the debt of PAVIA S.A. was adjusted (1.564.851 Euros), having in consideration that a part of that former debt regarding VAT (IVA) would be recovered in 2009. However that debt was not fully write-off, as an amount of 508.353 Euros still remained in Trade Debtors.

In the current year, the planned amount of VAT was recovered, and the additional amount of PAVIA's debt of 508.353 Euros was adjusted (Provisions). Due to the fact that no amount is expected for recovery as a result of the legal process that occurred in 2009, the total amount of former PAVIA SA's debt is no longer included in INTEVIAL's assets in the Balance Sheet.

In 2009 we also proceeded to the provision of the debt of DINFREX S.A. in the amount of 187.890 Euros.

Note 23 – Doubtful Debtors

As at 31 December 2009, doubtful debtors totaled 188.947 Euros. Such debts are fully covered by provision. Pavia Brazil's debt of 812.502,46 Euros is not considered of bad debt, as there is a legal process in course in which a favorable decision by the Court of Law has been issued in 2010, and also due to the fact that the debt is recognized in Pavia Brazil's accounts.

Note 28 - Amounts Owed to the State and Other Public Entities

As at 31 December 2009, the Company had no amounts overdue to the State and other public entities.

Note 31 – Off Balance Sheet Financial Liabilities

The activity of the company compels to the constitution of bank guarantees that need to be in effect for the period of 5 years past the end of the concession.

Note 32 – Guarantees Provided

As at 31 December 2009, the Company had liabilities for guarantees provided in favor of the Portuguese State amounting to 2.667.780 Euros, distributed by the following financial institutions:

Entities	2009	2008
Millennium BCP	1.382.226	1.669.859
BPN	310.314	399.248
Caja Badajoz	300.387	499.324
ASEFA	258.390	258.390
BANIF	238.423	4.821
COSEC	152.399	260.527
B. Popular	25.641	45.167
TOTAL	2.667.780	3.137.336
ANNUAL EVOLUTION (%)	-15%	
Millennium BCP	1.382.226	1.669.859

Note 36 – Share Capital

As at 31 December 2009, the Company's fully subscribed and paid up share capital was represented by 150.000 shares with a nominal value of €5 each.

Note 37 – Breakdown of Share Capital

Shareholders	Capital	Percentage

Elsamex Internacional, S.L.	750.000	100%
Total	750.000	100%

The following legal entities owned more than 20% of the share capital subscribed as at 31 December 2009:

Elsamex Internacional S.L.: 150.000 shares (100%).

Note 40 – Equity Capital Movements

Accounts	Initial Balance	Increases	Reductions/ Transfers	Closing Balance
51-Share Capital	750.000			750.000
53-Supplementary Capital (a)	830.910	150.000		980.910
57-Reserves:				
571- Legal Reserves	92.050			92.050
574 - Other Reserves	1.576.145		-1576.145	0
59- Results brought forward				
5912-Loss brought forward 2007	-889.449			-889.449
5913-Loss brought forward 2008	-468.561	1.576.145	-1.336.103	-228.519
88- Loss for the period	-1.336.103	1.337.977		1.663
TOTAL	554.992	3.064.122	-2.912.248	706.655

(a) Of the total amount of €980.910 that were incorporated in Shareholders equity, €400.000 derived from bank transfers in 2008 and 150.000 in 2009 as follows: €100.000 at 25th June 2008; €100.000 at 27th June 2008; €50.000 at 12th August 2008; €50.000 at 22th August 2008; €100.000 at 20th November 2008; 150.000 at 28th December 2009;

Other €430.910 came from the conversion of prior Trade Creditors Affiliated amount, which were also originated by bank transfers, as follows: €50.000 at 9th July 2007; €10.000 at 10th July 2007; €100.000 at 13th July 2007; €100.000 at 18th July 2007; €60.000 at 27th July 2007; €110.910 at 27th July 2007.

Note 41 – Cost of Sales

	Raw Materials
1. Inventories opening balance	79.531
2. Purchases	1.134.462
3. Inventories adjustments	12.578
4. Inventories closing balance	123.386
5. Cost of Sales (1+2+/-3-4)	1.103.185

Note 43 – Board Remunerations

The following remunerations were made to members of the board during 2009:

	Value
Audit Committee	10.500

Note 44 – Services Provided by Geographic Market

In 2009, services provided related to transactions in the domestic market amount to 10.659.461 Euros, and in the European market to 600.000 Euros.

Note 45 – Statements of Financial Results

The financial results of the periods ending on 31 December 2009 and 2008 are composed as follows:

Costs and losses	2009	2008
68.1 Interest paid	91.109	197.775
68.8 Other financial costs and losses	102.061	83.546
Financial Result	-135.223	-244.857
	57.947	36.464

Income and Gains	2009	2008
78,1 Interest obtained	38	0
78,6 Cash discounts	43.860	36.340
78.8 Other financial income and gains	14.049	124
	57.947	36.464

Note 46 - Statements of the Extraordinary Results

Extraordinary results for the financial period ending 31 December 2009 and 2008 have the following composition:

Costs and losses	2009	2008
69.1 Donations	30	0
69,4 Fixed assets losses	21.003	80.308
69,5 Fines and penalties	9.724	33.410
69,7 Correction of preceding years	33.725	172.041
69.8 Other extraordinary costs and losses	97.353	6.305
Extraordinary Result	219.056	-61.390
	380.891	230.674
Income and Gains	2009	2008
79.1 Tax refund	66	0
79,3 Inventory gains	0	2.347
79,4 Fixed assets gains	49.314	169.563
79,7 Correction of preceding years	256.713	29.142
79.8 Other extraordinary income and gains	74.798	29.622
	380.891	230.674

Note 48 - Other Information

Accruals and deferrals

The sum booked under “Deferred Expenses” is related to costs with work insurances that extend for its stated period of execution, and expenditures with the acquisition of tools and utensils that will be consumed only in 2010.

Deferred Taxes (benefit) statements are indicated in note 6.

Lisbon, 29th of January, 2010

THE ACCOUNTABILITY TECHNICIAN N. ° 74017

Gonçalo Nuno David Ramos Ferreira

THE FINANCIAL DIRECTOR

António Miguel Gomes Matos de Oliveira

THE BOARD OF DIRECTORS

José Maria Mendez-Vigo De Hita

(In representation of Elsamex Internacional, SA)

Ignácio Maria Chueca Garcia

(In representation of Elsamex Portugal-Engineering e Sistemas de Gestão, SA)

Jose Luis Gonzalez Romero

(In representation of Grusamar Ingenieria y Consulting, S.L.)