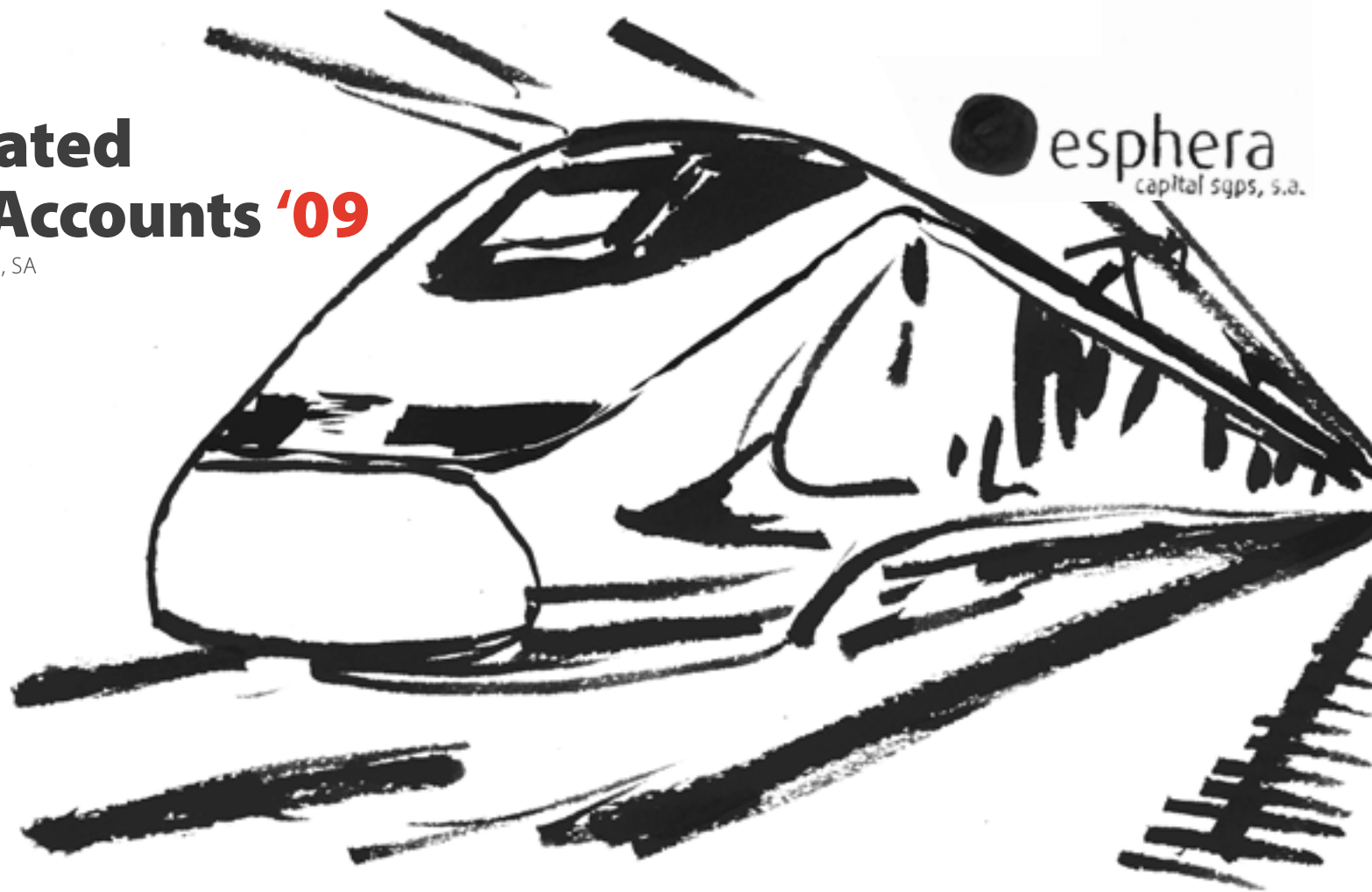


# Consolidated Report & Accounts '09

ESPHERA CAPITAL SGPS, SA

 **esphera**  
capital sgps, s.a.



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**Statement by the  
Chairman of the  
Board of Directors**





**António Simões Marques Couto**

*ESPHERA CAPITAL, SGPS, S.A as a management and investment company, in 2009 continued its highly dynamic business activity development, essentially focusing, on the one hand, on identifying, analysing and evaluating new opportunities and new business and, on the other, on a continuous increase in support, monitoring and improvement of relationships with affiliate companies, in addressing new areas and new markets, always with our distinctive brand of innovation, creativity and differentiation.*

*Among the vast range of activities pursued, it is important to underline particularly our permanent and ongoing presence in East Timor, where we have been operating for over ten years, implementing a clear, rigorous and persistent strategy. This strategy has been followed and is now starting to bear fruit, thanks to the fact that we are recognised as an indisputable source of confidence by the Timorese institutions and bodies, who see in us the qualified, skilled and trustworthy partners they need to move ahead with the development of the country, a process in which they are investing huge commitment and determination.*

*It is in this context that the Special Investment Agreement was recently signed between the East Timorese State and Ensul Engenharia, based on which we will*

*proceed to promote, in a gradual and phased manner, the establishment of a new focus on the city of Dili. This will provide infrastructure, spaces and equipment in the residential and office sector and services, trade and tourism which will be a new reference standard in terms of their quality, functionality, modernity and technological innovation. Our company will therefore be making a decisive contribution to social, economic, environmental and urban development, which will attract new developers, new business activity, new residents and new visitors and provide affirmation, dignity and recognition for the City and the Country.*

*At the same time, there was also a consolidation in East Timor of business activity in the trading sector, with planned entries into new areas, particularly distribution and the automotive sector.*

*The year 2009 was also characterised positively by being the first financial year in which services were actually provided by ESPHERA CAPITAL to its affiliate companies, as a secondary and complementary business*

*activity, following the logic of shared services, in the area of back office logistics.*

*This is a process that brings obvious advantages, in the view of the affiliate companies, as it enables us to eliminate duplication, streamline structures, maximise synergies, reduce costs and also enable our companies to focus on the essential of their core business.*

*And this is our ultimate goal. To grow the value of the Company and of its affiliates, to strengthen our skills, competences and qualifications, to maintain our commitment to innovation, specialisation and differentiation, to conquer new areas and new markets, to build enriching partnerships that add value, to have an increasingly skilled and motivated workforce, to continue to win the trust and respect of customers, financial institutions and business partners. We wish to achieve all of this without neglecting the social and environmental responsibilities which we recognise and do not hide from but take on willingly, in order to leave our mark on the construction of a better, fairer and more equal world.*

# 01

## List of Companies



**Engineering and Energy**

<b>ENSULMECI</b> 66.65% ESPHERA CAPITAL	<b>MECI (France)</b> 100% ENSULMECI	<b>ENSULMECI (Spain)</b> 100% ENSULMECI	<b>MECI (Ireland)</b> 100% ENSULMECI	<b>ENSUL (Australia)</b> 100% ENSULMECI	<b>ENSUL (Timor)</b> 100% ENSULMECI
<b>MECI Somague Cogeração Setúbal. ACE</b> 55.22% ENSULMECI	<b>ESTP</b> 27% ENSULMECI	<b>Open Energy</b> 100% ESPHERA CAPITAL	<b>Pengest (Angola)</b> 90% ENSULMECI 10%JLF	<b>ENSULMECI - Efacec Cogeração do Porto. ACE</b> 51% ENSULMECI	

**Concessions and Public-Private Partnerships**

<b>MTS</b> 10.67% ENSULMECI	<b>Mais Ílhavo</b> 16.83% ENSULMECI	<b>Muvipar</b> 16.83% ENSULMECI	<b>Expoarade</b> 22% ENSULMECI 3.5 JLF	<b>EL –Estacionamentos de Lagos</b> 22% ENSULMECI	<b>Caminhos do Campo</b> 16.83% ENSULMECI
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**Tourism and Integrated Development**

<b>Vista Marina</b> 99.84% JLF 0.10% ENSULMECI	<b>IGP</b> 99.63% ESPHERA CAPITAL	<b>Uprasol</b> 26.67% ESPHERA CAPITAL
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**Asset and Real Estate Management**

<b>JLF</b> 66.63% ESPHERA CAPITAL	<b>IMA</b> 90% JLF 10% ENSULMECI	<b>West Coast (Ireland)</b> 66.67% ESPHERA CAPITAL
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# 02

## Corporate Bodies



**BOARD OF THE GENERAL MEETING**

**CHAIRMAN**

Jorge Manuel Bonifácio  
Pedroso de Almeida

**SECRETARY**

Paulo Alexandre Andrade da Silva

**BOARD OF DIRECTORS**

**CHAIRMAN**

António Simões Marques Couto

**CHIEF EXECUTIVE OFFICER**

Alexandre António da Silva  
Costa Marques Couto

**BOARD MEMBER**

António José Marçal Martins

**BOARD MEMBER**

Sílvia Isabel da Silva Costa  
Marques Couto André

**CERTIFIED AUDITOR**

**STATUTORY AUDITOR**

Armando dos Santos Nogueira

# 03

Mission  
Values  
Ethics



### MISSION

To build the value of our group of companies through integrated management and investment in complementary opportunities, based on the most exacting principles of sustainability and excellence.

### VALUES

Competence  
Rigour  
Innovation  
Vision  
Credibility  
Breadth

### CODE OF ETHICS

The Code of Ethics seeks to guarantee a high moral standard in the professional conduct of all employees of ESPHERA CAPITAL, SGPS, SA and their respect for the company's culture and values, in addition to the legal and regulatory provisions which they must observe.

The Code of Ethics is circulated to all employees and published on the company's website.



# 04

## Directors' Report



## 04.1 Directors' Report Introduction

ESPHERA CAPITAL, SGPS, SA is a Portuguese management and investment company which controls a portfolio of companies with interests in various markets. As the result of the growth of its activities and of its affiliates, the cluster structure has been reviewed and now reflects the new global strategic vision, summarised in the following clusters:

- Engineering and Energy
- Asset and Real Estate Management
- Tourism and Integrated Development
- Concessions and Public-Private Partnerships



## 04.2 Directors' Report Macroeconomic Background

2009 was an especially difficult year for the world economy. The subprime crisis, which began in July 2007, had particularly severe impacts initially on the financial markets which spread later to the real economy, worsening substantially following the failure of Lehman Brothers in September 2008.

From that point on, the crisis deepened, with investors' aversion to risk reaching previously unthinkable levels.

The consequence was an almost complete paralysis of the money and credit markets. Restrictions on credit to companies and households generated a climate of lack of confidence in business circles which had a devastating effect on the real economy, with widespread rises in unemployment and falling investment and consumption.

Against this background, the governments of almost all countries took extraordinary measures to protect the financial system from collapse and restore business confidence. Unprecedented measures in market economies were adopted, such as injecting public capital into banks and private financial institutions (mostly insurance companies and mortgage providers) and providing government guarantees to banks that needed financing, on terms

similar to their countries' sovereign debt (in Portugal, a €20 billion programme of this kind was launched).

The ECB and other central banks also implemented a programme reducing the requirements for the collateral to be presented by banks to guarantee loans from the central banks. All these extraordinary monetary policy measures brought abundant liquidity into the markets, causing interest rates for all maturities to fall to historic lows. These measures, together with public investment programmes and tax incentives, helped to restore business confidence and avert a global recession of incalculable proportions.

However, despite the market being flooded with liquidity, there continued to be greater caution by financial institutions in lending to other financial institutions, as well as to businesses and households.

Governments found themselves forced to bring pressure to bear the financial system in order to increase the level of credit in the economy and allow a resumption of economic activity, which began to be evident from the third quarter of 2009.

These unprecedented public stimulus packages gave rise to significant increases in public spending and budget deficits in many countries, including the EU and the USA.

## 04.2 Directors' Report Macroeconomic Background

Portugal was not immune to this "earthquake" in the world economy, recording a shrinking in GDP of 2.7% which, although very significant, was less than the average of EMU countries.

This performance, although highly negative, was partly due to the Portuguese financial system's very small, almost marginal, exposure to the so-called "toxic" assets that were the cause of this global crisis. In addition, the fact that there was no speculative property bubble, as was the case in other countries, also allowed the financial system to breathe more easily. Although there was a certain correction in property prices, this was not as extensive or generalised across all market segments, as happened in other countries.

Exports held up relatively well, albeit with negative growth of around -11.1% (Imports: -9.2%).

This is due to the fact that, although 70% of Portugal's exports are aimed at the EU and other industrialised countries, in recent years there has been concern to diversify export markets, particularly to certain North African countries, China and other African countries, in particular Angola. These countries have

demonstrated great capacity to grow very rapidly and have needs for goods and services that fit very well with the current orientation of Portuguese industry.

The consequences of the crisis had very significant impacts on the labour market. The unemployment rate rose to around 10% at the end of 2009, an extremely high level for a country that still has structural problems to solve. As a result of measures to control the public deficit, it is likely to increase further in the short term. Unemployment was a determining factor in the negative trend in private consumption, which declined by around 0.8%. The reason this downward trend was not more pronounced was because the Portuguese government introduced a programme of transfers to households which, combined with negative inflation and a generalised fall in many commodity prices, such as oil and its derivatives, resulted in a temporary increase in household disposable income.

Investment fell by approximately 11.1%, contributing significantly to the contraction of GDP. Public consumption within the economic stimulus programme grew by 3.5%.



## 04.2 Directors' Report Macroeconomic Background

There will be some difficulty in maintaining such programmes due to the fact that Portugal already has high levels of debt which could over time give rise to problems in financing the economy. These increased financing requirements of the Portuguese state have been posing problems for the private sector of the economy, since the amount of available credit is lower and the conditions in terms of price and maturity terms are worse.



## 04.3 Directors' Report Activities

### ENGINEERING

In 2009, in line with the planned objective, ENSULMECI's activities were marked by high value projects begun in 2008 and by the start of new projects in areas of major importance both to the company and in terms of their significance to Portugal's infrastructure plans.

### COMMUNICATIONS

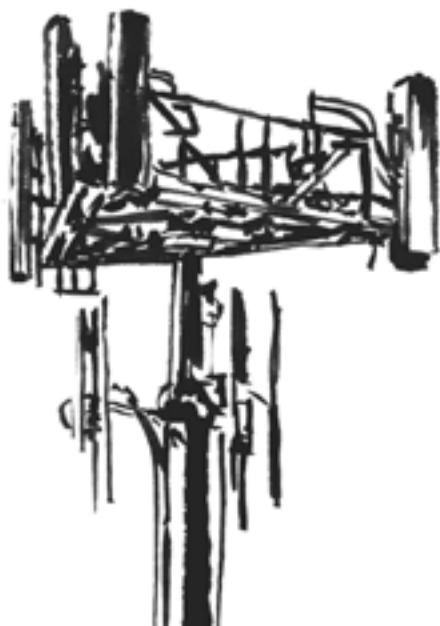
Continuing the pattern of recent years, ENSULMECI maintained its participation in the national Digital Cities and Regions programme, thereby contributing to the Government's objective of developing the Information and Knowledge Society. The main projects in which the Company participated in in 2009 were Digital Algarve, Digital Setúbal Peninsula, Almada Digital City, Évora Digital Broadband Network, and Digital Terras Quentes Community Broadband Network, among others.

Many the projects carried out under the Digital Cities and Regions programme are now being extended with various requests for maintenance,

expansion and improvement of services of the built networks (redundant ring network closures).

For Vodafone, ENSULMECI continued with various fibre optic segment works, in particular in the fibre optic project for linking 50 telecommunications base stations - FTTN (Fibre To The Neighbourhood) - in the Lisbon, Almada, Seixal, Setúbal and Faro areas. This work includes the preparation of RCAO processes, the drafting of local authority licensing applications, the construction of underground infrastructures, the supply and installation of fibre optic cables and the preparation of cadastral surveys.

In this communications segment ENSULMECI initiated a pioneering project that represents a new area of activity and broadens its existing extensive portfolio. The ENSULMECI was the company chosen by Q-FREE for the installation of its technology in a pioneering project in Portugal for AENOR – Virtual Road Tolling. The project started in 2009 and 56 virtual toll sites have been installed. Following the completion of this work, Q-FREE expressed interest in continuing to work with ENSULMECI, and a Maintenance Services contract has already been signed.



## **ENERGY**

As the Company's core business, along with projects in the petrochemicals segment, energy was the area in which ENSULMECI carried out the largest number of projects in 2009. In addition to works on the national electricity grid and gas networks, the Company is involved in large scale projects such as the national dams plan and cogeneration plants for PORTUCEL SOPORCEL and Porto Refinery.

The completion of the contract works for the design, manufacture, supply, construction, installation, commissioning and start-up of the PORTUCEL SOPORCEL cogeneration plant is an essential step in increasing paper production capacity and is associated with the implementation of the new Portucel Soporcel Group paper mill at that manufacturing complex. The new cogeneration power plant, an ENSULMECI / Somague project, is intended to supply steam to the new paper mill belonging to About the Future - Empresa Produtora de Papel S.A., a company of the Portucel Soporcel Group. The power plant will consist of two gas turbines, two recovery boilers and a steam turbine.

The start of works by the ENSULMECI / ANDRITZ

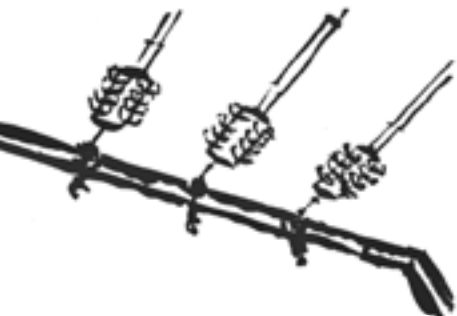
HYDRO consortium to boost the power output of Bemposta II Hydroelectric Plant marks an important milestone for the Company, which was also awarded the contract for the new Baixo Sabor Hydroelectric Plant project. In both projects, the work comprises the supply of all the equipment for the new hydroelectric plants.

In the Substations area, in which ENSULMECI is able to deploy various competencies, it has also carried out various construction works. In this type of work for REN in 2009, the Company was responsible for undertaking the construction of a 400/60kV substation at São Lourenço de Mamporcão, Estremoz. The more significant works carried out include excavations and landfill for the construction of the substation platform and access road, the execution of buried structures and foundation blocks for the electrical equipment, the construction of technical buildings and boundary fencing, and all drainage systems and earthing networks.

In addition to this project, various construction, improvement and conservation works were carried out on other substations (SS). The 400/220/60 kV Batalha SS is one such project, involving highly complex



## 04.3 Directors' Report Activities



installation on the ground as it involves replacing panels in service by others constructed on the same site, but with a different step and avoiding significant interruptions in service.

The expansion of the Fanhões - Loures 400/220/150/60kV SS with new panels for the Carregado II and Alto de Mira II 220kV Line results from the opening of the currently existing 220kV power line between the Carregado and Carriche SS's. The contract works begun on the Pereiros 220/60 kV SS include the partial remodelling of the panels, which will involve the replacement of high voltage equipment, including isolators and their controls, circuit breakers, measurement transformers, voltage arresters, high voltage panel connections (including adaptors, lines, etc.) and insulator chains, together some building works. The scope of the supply also includes carrying out a series of tests on high voltage connections and earthing connections and the electrifications executed.

The conservation works to the Tunes SS included the partial remodelling of the panels, which involved the replacement of high voltage equipment, and the scope of the project at the Portimão SS was the extension of the 400/150/60 kV SS.

Finally, a mention of the Cascais 60/10 kV SS. This project involves the electrical assembly, testing and commissioning of the new Cascais SS, including the assembly and entry into service of the new substation. Additionally, this project includes works to be carried out on the Alcoitão SS relating to the installation and connection of high voltage equipment designed to feed the Cascais SS, and also involves the testing and commissioning of the new equipment and the HV panel.

As part of the National Grid Development and Investment Plan, ENSULMECI was the company commissioned to undertake the uprating of the Carregado – Sacavém 200 KV Line. This project was carried out to enable the line to be operated up to a maximum temperature of 85°C.

At Alto Arganil Wind Farm, another EDP Renováveis wind project, ENSULMECI was the company commissioned to undertake the building works, the substation and the internal medium voltage network. This wind farm is located in the Serra do Cebola and extends for 8 km across Arganil and Covilhã municipalities. The wind farm consists of 18 wind turbines with a unit capacity of 2 MW, giving a

## 04.3 Directors' Report Activities

total installed power of 36 MW. The generators are interconnected via a 20 kV underground internal network. The 60/20 kV substation connects the wind farm to the electricity grid of EDP Distribuição via a 60 kV overhead line constructed between that substation and REN's Tábua Substation.

We highlight below the more significant projects carried by ENSULMECI in the gas segment.

The construction of the Leça Industrial Mains, over a distance of about 23 km in DN 300 steel, which will feed Matosinhos Refinery with high pressure natural gas. In this project, in addition to the construction of a GRMS and a BV and JCT, mention should be made of a significant number of horizontal drilling operations, in particular guided horizontal drilling in the vicinity of Sá Carneiro Airport over a distance of approximately 700m and with a drilling diameter of 630mm, for REN gas pipelines.

For the same customer, ENSULMECI was responsible for building the Ameal, Gaia, Oiã and Roxico ICJCT's.

For Duriensegás, ENSULMECI was responsible for the construction of the Type B natural gas infrastructure, i.e. construction of the secondary distribution network and supply mains in Chaves municipality, amounting

to approximately 7 km of distribution network and 200 supply mains to customers.

For Lusitaniagás, ENSULMECI continued with the execution of the contract for the construction and maintenance of stretches of secondary distribution networks and supply mains in Area 3, which covers the municipalities of Coimbra, Figueira da Foz, Montemor-o-velho, Soure and Pombal.

For EDPgás, ENSULMECI continued with the execution of the "Existing Market" contract, connecting around 1800 natural gas customers in 2009 in the municipalities of Valongo, Paredes, Penafiel and Felgueiras. 2009 also saw the start of the contract for the construction and maintenance of natural gas distribution networks in the municipalities of Porto, Gaia, Gondomar, Valongo, Paredes, Lousada and Pacos de Ferreira. In addition to the construction and maintenance of distribution networks and supply mains, this contract also includes other types of work, in particular call-out and emergency services, both for secondary networks and for customer assistance.

Also for EDPgás, mention should be made of the execution of Systematic Gas Escapes Tracing in distribution networks (primary and secondary) and



## 04.3 Directors' Report Activities

supply mains throughout the distributor's concession area and the maintenance of Class 2 and 3 Regulating and Metering Stations for EDPgás customers.

Finally, for Lisboagás, ENSULMECI continued with the execution of the Cascais and Sintra Natural Gas Project – Type C Natural Gas infrastructure works in Sintra and Cascais municipalities – including the connection of around 2500 customers to natural gas.

Mention should also be made of the continuation of the contract for technical assistance to Lisboagás customers in Lisbon (West) and Amadora municipalities, where a daily average of 250 interventions were made in terms of replacing gas meters, reconnections, cuts and subsequent restoration of the gas supply.



## 04.3 Directors' Report Activities

### GOVERNMENT

ENSULMECI has carried out various works in the area of geo-referenced cadastral surveying of water infrastructures for various public bodies. These include cadastral surveys of stormwater and domestic wastewater drains, topographical surveys, land register surveys of plots, and cleaning and video inspection of sewers by CCTV for Simarsul and Sesimbra Municipal Council.

For ANA – AEROPORTOS DE PORTUGAL, SA, geoinformation solutions are a key pillar supporting decision-making and the work carried out by ENSULMECI has therefore helped to improve the customer's business processes. The infrastructures surveyed at Flores, Santa Maria, Faro and Madeira airports included: power grids, telecommunications networks, water supply networks, drainage networks, sewerage networks, fuel networks and gas networks. The project also includes the integration of data into the GIS application developed for the project (Geomedia).

In 2009 ENSULMECI also expanded its activities delivered through technology partnerships, particularly in the supply of orthorectification and remote sensing software, using the products of PCI Geomatics, for

which it has more than 15 customers in Portugal territory. ENSULMECI is currently the exclusive representative of this partner in Portugal.

In 2009 ENSULMECI strengthened its partnerships with European Space Imaging (EUSI) and Eurimage. Reflecting the huge momentum given by the Angolan market in the area of infrastructure construction, ENSULMECI saw a significant increase during the year in requests for the supply of High Resolution Satellite Images (HRSI) of the many cities in that country for use as cartographical support in the planning of power grids.

With more than 10 years' experience of carrying out Geomatics works, ENSULMECI is well equipped with methods and technologies for undertaking Cartography, Land Register Surveys, Topographical Surveying, GIS, and Inventorying and Cadastral Surveying of Infrastructures. In 2009, apart from the above, ENSULMECI carried out a number of land register survey projects, including the digitisation, georeferencing and vectorisation of 6000 plot plans for Estradas de Portugal (EP), relating to more than 1 million land parcels expropriated by EP and its predecessors during the construction of the national road network. ENSULMECI also began a pilot project for



the Inventorying and Cadastral Surveying of properties for the Instituto da Água (INAG), covering the whole of the expropriation area for the Odeleite- Beliche Water Undertaking, which consists of digitisation, georeferencing and vectorisation of plot plans, and the computerisation of all expropriation files.

#### **INFRASTRUCTURES AND BUILDINGS**

In addition to ENSULMECI's involvement in construction projects in the substations area and, mainly, at Matosinhos and Sines refineries, the Company continued with and completed several other construction projects.

In 2009 it continued the private contract works (for SITH - Sociedade de Investimento Turísticos e Hotelaria, S.A.) for the construction of a 4-star hotel in Pragal alongside the Almada Business Centre, which is also an ENSULMECI project. The hotel is a 9-storey building consisting of 106 rooms, meeting rooms, business centre, bar, restaurant and parking. The work consisted of executing the excavations, special foundations, retaining walls, reinforced concrete structure, finishings and special installations.

Participating in yet another infrastructure project for the country, ENSULMECI, in consortium with EDIFER, was awarded the contract by Parque Escolar, E.P.E. for a group of three projects as part of the Secondary Schools Estate Modernisation Programme. The schools where the works are being carried out under the Schools Estate Modernisation Programme are Paços de Ferreira Secondary School, Maia Secondary School and Rio Tinto Secondary School.

The works consist broadly of the renovation of the existing premises in terms of interior redevelopment, improvements to interior and exterior surfaces, structural maintenance, total modernisation of the electrical, telecommunications, water and sewerage infrastructures, the construction of new buildings, including science and technology centres, and outside and inside sports or multipurpose facilities.

As part of the redevelopment of the Lagos Riverfront, two contracts are ongoing for the design and construction of two car parks by a consortium consisting of ENSULMECI, FDO Construções and IRMÃOS CAVACO. The Riverfront Car Park is a development with a gross built area of 12,570 m<sup>2</sup> and a volume of 40,000 m<sup>3</sup> on two almost totally



## 04.3 Directors' Report Activities

underground floors, rising to three floors at its north end. The car park has a capacity of 493 spaces with, on its roof, a public recreational and commercial space with six bar kiosks, benches and a terrace with awnings.

In the interior of the building the project includes all trade specialties, including smoke removal (HVAC), plumbing and fire fighting system, electrical installations, automatic fire detection system, video surveillance system, lifts, generators and transformer station.

The other undertaking is the Anel Verde Car Park, consisting of three underground floors with a gross built area of 12,569 m<sup>2</sup> and a volume of 41,223 m<sup>3</sup>. This car park has a footprint of 4,164 m<sup>2</sup> and capacity for 396 spaces.

### **OIL AND PETROCHEMICALS**

Participation in major projects in the energy sector in Portugal is one of ENSULMECI's strategic priorities. With the planned investment in domestic refineries, it is essential for ENSULMECI to have a prominent presence in the major projects currently taking place on several fronts, and to project itself as one of the leading companies involved in this segment.

In the Matosinhos Refinery Conversion project, ENSULMECI has several ongoing projects for Petrogal S.A. / Fluor. Project K018 – VUVB CIVIL WORKS comprises the execution of construction works for the Visbreaker Vacuum Unit including excavations, reinforced concrete piles, foundations, foundation blocks for reinforced concrete and steel equipment, buried drainage networks consisting of boxes and sewers in precast concrete and carbon steel tubing, execution of all buried electrical infrastructures, earthing networks, manufacture, raising, positioning and assembly of prefabricated reinforced concrete pipe-racks held together by a steel structure and execution of earthworks and reinforced concrete paving.

Project K030 – A/Y SUBSTATION comprises the execution of excavation works, reinforced concrete foundations and structure, finishings and interior infrastructures of the A/Y Substation building at Matosinhos Refinery.

Also at Matosinhos Refinery, project K038 – SOUR WATER STRIPPER includes excavation works, foundations, reinforced concrete foundation blocks and structures, execution of all buried and above ground electrical infrastructures (electrical installations,



instrumentation and earthing network) and execution of landfill works and reinforced concrete paving. It also includes the excavation and controlled backfill for the foundations of a tank, the execution of a retention basin consisting of a reinforced concrete wall, waterproofing and paving in reinforced concrete, as well as the connection between the main unit and the tank area.

The construction of the new cogeneration plant for Matosinhos Refinery – a core infrastructure in Galp Energia's investment programme for Matosinhos Refinery – and the maintenance of the turbogenerators is the responsibility of a consortium consisting of ENSULMECI and EFACEC. The new plant will be equipped with two turbines with a electricity generation capacity of 82 MW and will result in a significant reduction in atmospheric gas emissions,

particularly CO<sub>2</sub>. This plant will come on stream in 2011 and involves a total investment of 110 million euros.

In the Sines Refinery Conversion for Petrogal S.A. / Técnicas Reunidas, ENSULMECI's participation includes the execution of all construction works including excavation, landfill and general earthmoving, execution of foundation blocks, reinforced concrete foundations and structures in several new processing units, paving, waterproofing, road network, foundations for storage tanks, and the execution of pipe tracks and a storm basin. In addition to these works, ENSULMECI is responsible for the construction of three substation buildings at Sines Refinery, related transformer areas and three Satellite Control Buildings. The work includes siting, excavation, reinforced concrete structure, finishings and installations.



**TRANSPORT**

ENSULMECI has a presence in several aspects of the Lisbon Airport Expansion Plan launched by ANA – Aeroportos de Portugal in 2007. After having participated in the construction of the New Cargo Complex, ENSULMECI is now responsible for maintenance of the special facilities of this new Lisbon Airport infrastructure.

Another project of crucial importance for the expansion of the airport is the construction of new facilities for the FOG (Fuel Operations Group) at Lisbon airport. The works being executed by the MOTA-ENGIL / ENSULMECI / AMAL consortium involve the construction of fuel tanks for fuelling aircraft and the construction of administrative support buildings. Besides these facilities, the project includes process control and maintenance, electro-mechanical installations, electrical power supply, HVAC, water and sewerage networks, firefighting system, telecommunications and security networks, and instrumentation for controlling the entire process of reception and shipment of fuel, as well as the installation complex itself.

Also at Lisbon Airport, ENSULMECI is responsible for the remodelling of the medium voltage network and new electrical power supplies to the airport. The works are designed to meet the current and future medium and low voltage electricity supply requirements for the various hubs and facilities of the Lisbon Airport complex. In addition, ENSULMECI is responsible for the refurbishment and/or replacement of components which, due to their age and the requirements imposed by the expansion of the airport, do not offer the necessary guarantees of reliability of the facility, given the nature of the complex. ENSULMECI is also responsible for restructuring the emergency power supply to the Terminal and the upgrading or replacement of the low voltage distribution boards.



### ASSET AND REAL ESTATE MANAGEMENT

After several years of very heavy investment in two projects that were developed almost simultaneously, 2009 was marked mainly by the beginning of sales of units in the "Panoramic" building and the "Almada Business Centre".

Other matters worthy of mention include:

### PANORAMIC

- In order to comply with the new legislation on the National Energy Certification and Air Quality in Buildings System, the relevant certification processes were effected;
- The Strata Title Certificates required for executing the respective deeds of sale were requested and obtained from Lisbon City Council;
- All the processes for obtaining the certifications required for applying for the Occupancy Permit were also completed;
- All rectification and correction works were carried out during the first quarter, including those listed on the provisional acceptance records;
- Provisional acceptance of the entire development was effected in February;
- The occupancy permits for Lots 1.19.01, 1.19.02 and 1.19.03 were obtained in September, August and July respectively;
- The rectification and correction of certain works on Lot 1.19.04 and the re-inspection of the SBR were completed in January;
- Provisional acceptance of Lot 1.19.04 was effected in February;
- The occupancy permit was obtained in May.



**ABC – ALMADA BUSINESS CENTRE – PRAGAL**

- Work continued on the finishing, special installations and exterior landscaping phase and the procedures for certification and occupancy licensing;
- The Occupancy Permit for the development was obtained at the beginning of December 2008, although there are minor corrections still to be made;
- The record of provisional acceptance of the entire development was signed in January 2009;
- The Occupancy Permit for the development was subject to approved rectification and obtained in December 2008.

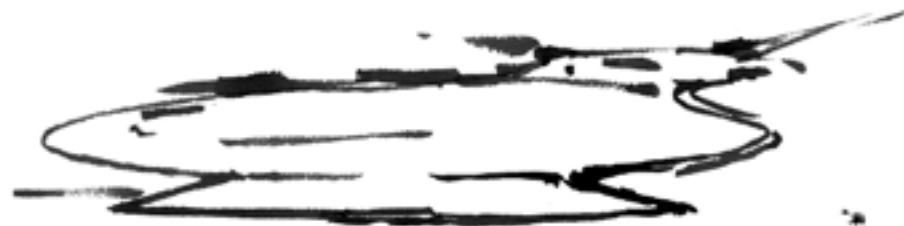
**URBANISATION PLAN FOR THE SINTRA CAMPUS -  
PORTUGUESE CATHOLIC UNIVERSITY (TALAÍDE)**

- The project design department continued work on drawing up the Urbanisation Plan and the process of consulting the CCDRVLTL (Lisbon and Vale do Tejo Regional Coordination and Development Commission);

- Contacts were maintained with the project designers of the Urbanisation Plan and working meetings continued with the owners of Execution Units 2 and 3 with a view to preparing the Joint Lot Development Project.

**PERAFITA CONSTRUCTION YARD – MATOSINHOS**

- Contacts were maintained with the Technical Department of Matosinhos Municipal Council and moves to obtain the occupancy permit for the existing premises were followed up;
- After obtaining the required certifications, application was made for issuance of the occupancy permit, which was granted in September.



## 04.3 Directors' Report Activities

### **YOUR SPACE (QUINTA DAS CONSELHEIRAS), MONTE DE CAPARICA**

In accordance with the schedule of works, the execution of the finishings and special installations phase continued, with completion of the following:

- In June, Lots 1, 2, 3, 7 and 8;
- In July, the common parking for Lots 1 to 6;
- In August, Lots 4, 5 and 6 (except shop);
- In late November, Lot 13 still awaited the supply and installation of the air conditioning equipment and the supply and installation of technical cabinets on the ground floor.

• This situation prevented the completion of the final inspections and certifications and, consequently, the conclusion of the works on Lot 13.

• Some works still awaited completion in the shop on Lot 6, and, consequently, the completion of the final inspections and certifications.

• The topographical survey and preparation of the new exterior landscaping plan for Lots 14-16 were completed and approved for execution by Almada Municipal Council.

• Completion of the project has therefore been put back and the remaining works are now scheduled to be completed during the first quarter of 2010.

• All the applications for the occupancy permits for Lots 1 to 8 were also completed and submitted to Almada Municipal Council with the exception of the shop on Lot 6. It is expected that all the permits will be ready for payment at the beginning of 2010.

### **ENCOSTA DA MARINA, PORTIMÃO**

• Maintenance and after-sales repair work continued on the units yet to be sold and the units still in the warranty period.

### **QUINTA DE SANTO ANTÓNIO, HORTA, FAIAL**

• Work on the project is still suspended at the initial finishing and special installations phase.



## TOURISM

### VISTA MARINA

In relation to the activities of Vista Marina in 2009, we would draw attention to the following points:

- post-construction corrections and repairs;
- general maintenance of the development;
- after-sales assistance in relation to general complaints;
- the start of commercial tourism operations by Vista Marina.

Of the above items, the start of commercial tourism operations by Vista Marina merits special mention.

As we stated in the 2008 Report, Marina Vista had leased the commercial tourism business to a third party. That partnership ended at the end of the third quarter of 2008. Vista Marina then began to manage the business itself at its own risk.

Last financial year was the first full year in which this business was managed by Vista Marina. It was a year focused on the promotion of our tourism offer to operators, concentrating from the outset on tour operators that operate exclusively via the Internet. This was also the way we chose to promote our initiatives directly to our customers.

This first year was broadly satisfactory for a business that was unfamiliar to us before. The results of this first year of commercial operation encourage us to continue this along this path even more energetically in order to achieve the levels of quality and recognition that we have already gained in real estate development.



### AFFILIATES AND PARTNERSHIPS

#### **MTS – METRO, TRANSPORTES DO SUL, S.A.**

MTS – METRO, TRANSPORTES DO SUL, S.A., in which ENSUL MECI, S. A. has a 10.65% holding, is the concessionaire for the design and planning, construction, supply of equipment, operation, maintenance and conservation of the whole of the light metro network on the south bank of the Tagus.

Operation of the entire first phase of the MST network began on 26 November 2008.

In 2009 the company concentrated its efforts on providing a quality service which has resulted in steady growth in passenger numbers – in 2009, 6,088,365 passengers were carried and ticket sales totalled 2.8 million euros – as well as in passenger loyalty, which is reflected in particular in the rising proportion of

passes compared with single or pre-purchased tickets. Our assessment of the first year of operation confirms that the service offered by MTS represents a new and significant development in the transport system south of the Tagus, introducing greater flexibility in the choice of itineraries for those who need to travel to Lisbon or Setúbal, increasing the range of choices in terms of modes of transport and operating as a preferred mode of transport for internal journeys within the municipalities of Almada and Seixal.

Over the coming years the Concessionaire will maintain its commitment to investing in the continuous improvement of the quality of the service as a way of increasing the uptake of passengers for a system that is new in the region and which will progressively consolidate its position.



**FRANCE**

2009 in France was marked, as elsewhere in Europe, by various coordinated government stimulus measures intended to counter the negative effects of the global crisis. Early this year the French government launched an infrastructure and transport development plan which helped to revitalise the economy in the second half of the year.

Even so, this initiative did not prevent turnover on public works decreasing by around 6% compared with the previous year, with MECI, which is 100% owned by ENSULMECI, following the general pattern.

The fall in realisable prices in the sector as a response to a climate of instability, uncertainty in the markets and competitive pressure was another negative feature of the year which resulted in the loss of some complementary short-term tenders for specific projects during the first half of the year. In 2009, MECI continued to pursue traditional contract works through its two branches in France, in Cournon and Lyon. There was a marked increase in turnover in Lyon of around 43% compared with 2008.

Investment in the development of internal competencies made MECI self-reliant in 2009 in the execution of projects in practically all business segments, thereby increasing its competencies for its customer GRDF / ERDF.

MECI also achieved qualification for substations with ERDF, enabling it to join the list of national suppliers for substations. To this end, MECI carried out a test project in the city of Tours, aimed at adapting existing facilities for the installation of a new transformer (90/20 kVA) for the reinforce the power supply to the city.

Another notable project was the award of a contract for continuous works comprising the fitting of steel valves in gas mains up to 19 bar without interrupting the gas supply. This was the first outsourcing of its kind undertaken by GRDF, with MECI being one of the three companies at national level to which this project was awarded. MECI is responsible for about half of the total number of valves put out to tender.

Finally, in 2009 as the result of an audit performed by GRDF, MECI saw all its Gas Competencies revalidated.



## 04.3 Directors' Report Activities

### TIMOR

2009 in Timor was marked by political consolidation and the consolidation of the social structures of a country with seven years' experience of democracy. The Parliamentary Majority Alliance government has completed two years in power and has begun the strategic planning of the major infrastructures that the young country badly needs.

This is without doubt an important step in the sustained policy of providing Timor with basic energy, mobility and telecommunications resources. Timor, a country rich in hydrocarbon resources, had over 5 billion USD in the Petroleum Fund by the end of 2009, allowing it to view this resource as an important source of future funding for its economic development.

In 2009 ENSUL Engenharia S.A., a company established in Timorese law, started or completed several important projects in a nine-year history in the country. Examples include the construction of the residence of the President of the Republic at Lahane Palace, the construction of the military police headquarters, the ammunition magazine for the FDTL and especially, because of its complexity and size, the supply and assembly of Phase 6 of the GSM mobile infrastructure for Timor Telecom, a project worth over 3.5 million USD.

In addition, its activities in the consumer goods trading segment were consolidated with the creation of its own brand – "Páteo" – enabling it to begin to differentiate this business in the eyes of consumers. In this segment it began marketing products through a new sales channel closer to its customers outside the Dili area with notable success.

Also in 2009 ENSUL Engenharia altered its human resources structure to consolidate the budgeting and sales assistance sections. A new sales software solution was implemented and improvements made to the offices and warehouses.

ENSUL Engenharia will complete 10 years' trading in 2010 and has been present continuously throughout all the ups and downs of the history of democratic Timor. This will be a date to celebrate with pride and also with confidence because the recent past in Timor, which is intimately associated with the key projects that ENSUL has completed, enables ENSUL to demonstrate that, with the capabilities and skills of over two hundred employees, it is ready to face new and ambitious projects in practically all areas of economic activity in this strategic country in Southeast Asia. It is also in this area of the globe that the highest rates of economic growth in the world are forecast.



## 04.3 Directors' Report Activities

### IRELAND

On 12 March 2007, MECI - Engineering Project Management Ltd was formed, with its registered office in Dublin, Ireland, with a share capital of 5,000 euros fully subscribed by ENSULMECI. This was the first step in ENSULMECI's internationalisation strategy in the English speaking world, with strategic objectives in the Utilities, Energy, Rail and Environment markets.

In 2008 MECI established a joint venture (50%) with an Irish company to address the substations market, and the JV was one of the companies selected by ESB-Networks for a remodelling programme for 38/20-10kV distribution substations throughout Ireland. The contract was executed in 2009 with the completion of the Longford substation and the first phase of the Ballyjamesduff substation. In 2010 substations will be constructed at Olcastle, Ardenaree and Ballinrobe.

In 2009 the joint venture obtained a second programme contract for the remodelling of 110kV substations in ESB's network will be executed in 2010 and will consolidate this partnership for the ESB substations market.

The prospect for 2010 is the consolidation of the existing contracts and leveraging new partnerships in other areas.



## 04.3 Directors' Report Activities

### ANGOLA

On 28 November 2009, PENGEST – Gestão de Projectos de Engenharia de Angola, Lda was formed, with a share capital of 100,000 USD (one hundred thousand U.S. dollars). ENSULMECI owns 90% of the share capital of this new Luanda-based company, with the remaining 10% owned by JLF – Sociedade de Construções, SA.

This is an initial but important step to enable the company to develop its business in a rapidly growing country in Africa.



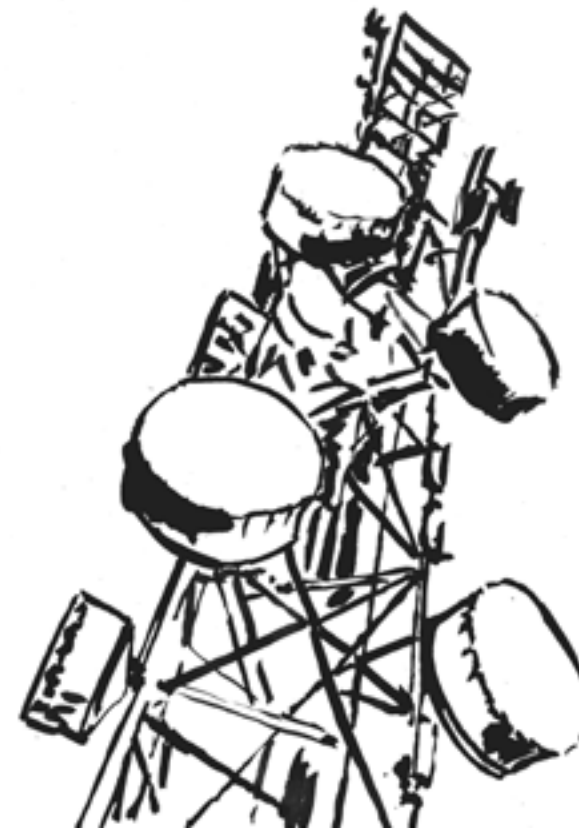
## 04.4 Directors' Report Economic and Financial Analysis

### 1. SUMMARY OF THE YEAR'S TRADING

2009 saw a reduction in the consolidated turnover of Esphera Capital. Nevertheless, there were significant increases in all categories of results.

The Company's financial structure continued to be well balanced, with a significant reduction in liabilities. In addition, the Company's share capital was increased by 9.7 million euros during the year.

Another relevant fact in 2009 was the widening of the consolidation perimeter, indirectly through our affiliate ENSULMECI – Gestão de Projectos de Engenharia, SA, with the start of trading of ENSULMECI EFACEC – Cogeração do Porto, ACE, and the incorporation of PENGEST – Gestão de Projectos de Engenharia de Angola, Lda. These facts reflect once again the Group's strategic focus on large scale projects in Portugal and on diversification in other international markets.



**04.4**  
 Directors' Report  
**Economic and Financial Analysis**

**2. ECONOMIC AND FINANCIAL ANALYSIS**

**2.1 ECONOMIC PERSPECTIVE**

ITEM	2009	2008	VARIATION	
			ABSOLUTE	%
Income	138,127	179,064	-40,937	-22.9%
Costs	138,136	180,029	-41,893	-23.3%
Operating Profit	11,247	8,615	2,631	30.5%
Pre-Tax Profit	-9	-966	957	99.1%
Net Profit for the Year	-864	-1,470	606	41.2%
EBIT	9,024	10,204	-1,180	-11.6%
EBITDA	11,832	13,009	-1,177	-9.0%

**ECONOMIC INDICATORS**, UNITS: THOUSANDS OF EUROS

## 04.4 Directors' Report Economic and Financial Analysis

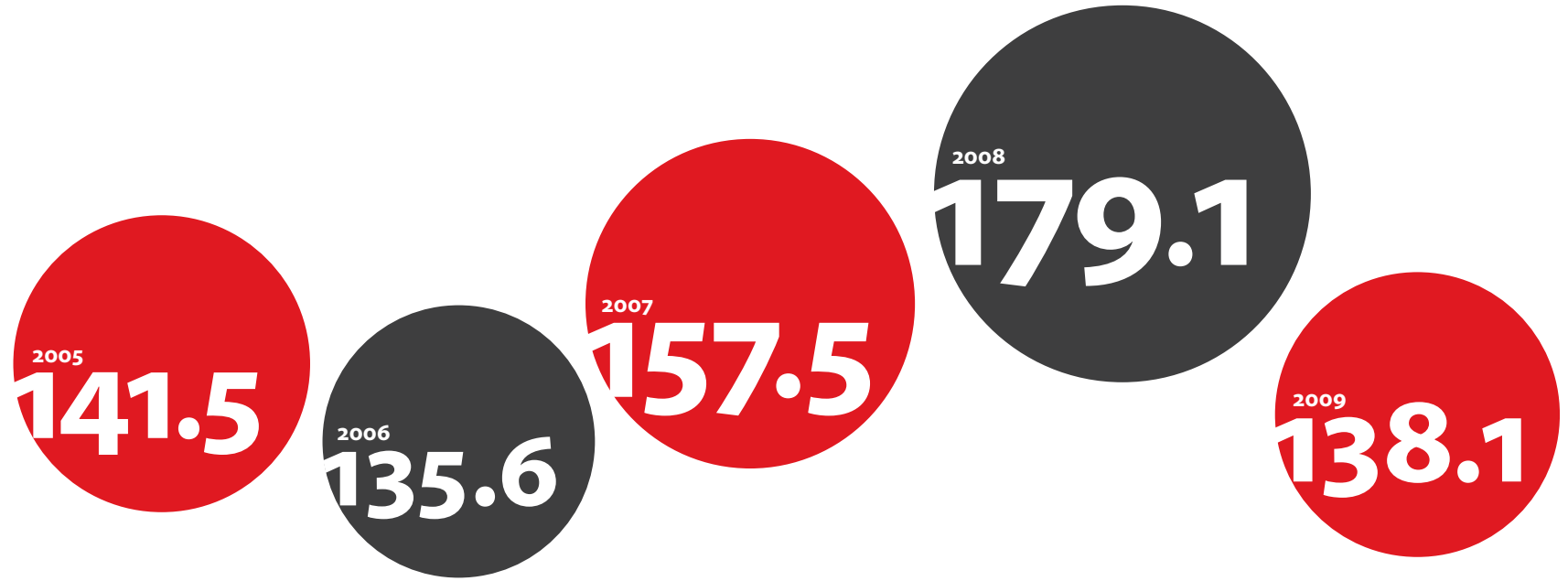
### 2.1.1 INCOME

Income totalled 138.1 million euros.

Operating income totalled 136.9 million euros, representing 99.1% of total income. Other income totalled 1.1 million euros (0.9% of total income).

ITEM	2009	2008	VARIATION	
			ABSOLUTE	%
Production	136,265	173,178	-36,913	-21.3%
Other Operating Income	719	3,066	-2,347	-76.5%
<b>Total Operating Income</b>	<b>136,984</b>	<b>176,244</b>	<b>-39,260</b>	<b>-22.3%</b>
Financial Income	224	1,444	-1,220	-84.5%
Extraordinary Income	920	1,376	-456	-33.2%
<b>Total Non-Operating Income</b>	<b>1,143</b>	<b>2,820</b>	<b>-1,676</b>	<b>-59.5%</b>
<b>Total Income</b>	<b>138,127</b>	<b>179,064</b>	<b>-40,937</b>	<b>-22.9%</b>

INCOME, UNITS: THOUSANDS OF EUROS



**INCOME**  
IN MILLIONS OF EUROS

## 04.4 Directors' Report Economic and Financial Analysis

### 2.1.2 COSTS

Costs totalled 138.1 million euros. Of that amount, 125.7 million euros correspond to operating costs (91.0% of total costs) and 12.4 million euros correspond to non-operating costs (9.0% of total costs).

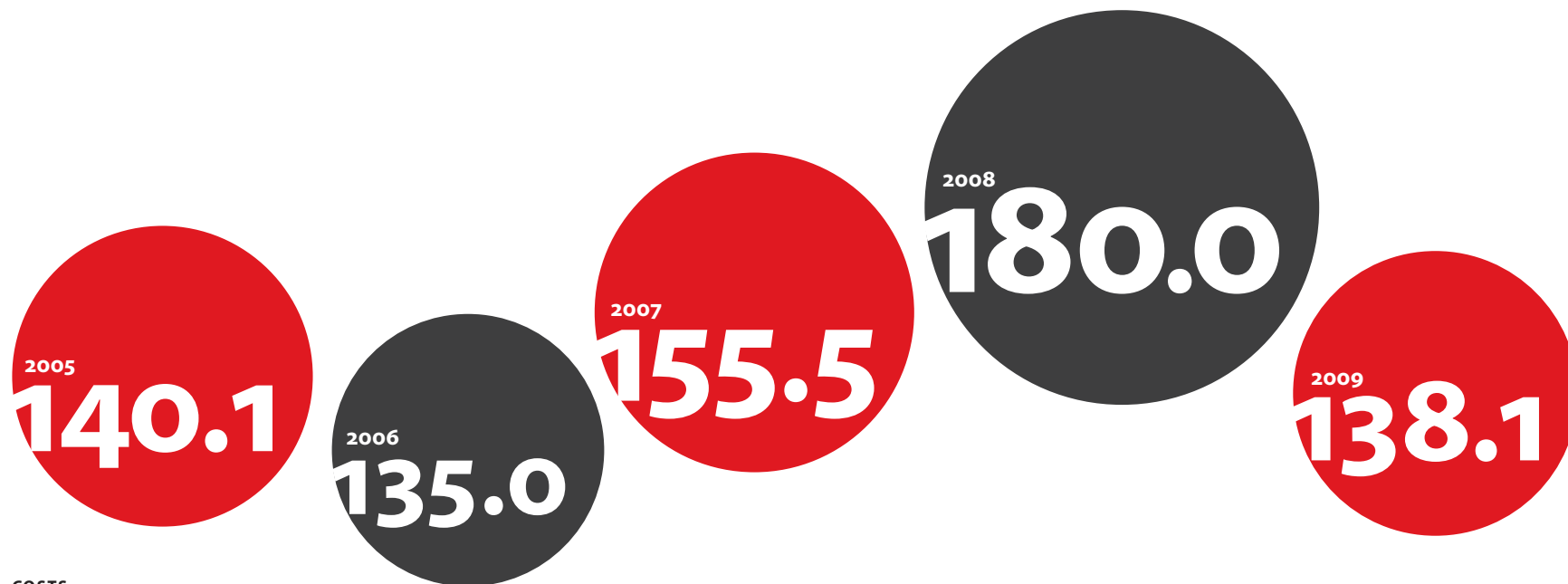
Within non-operating costs, there was a marked reduction in financial costs, which decreased from 11.2 million euros to 9.0 million euros, a reduction of 19%. This significant reduction is attributable to two important factors: firstly the reduction in the debt of affiliates in the Asset and Real Estate Management

cluster, made possible because of the beginning of sales in the Panoramic and ABC projects; and secondly because, in spite of the increase in spreads, Euribor rates for different maturities showed a declining trend throughout 2009.

The sharp increase in extraordinary costs is explained by the fact that, in the Asset and Real Estate Management cluster, a bad debt was incurred in relation to a major customer that ceased trading. This fact alone resulted in the recognition of a cost of €1.98 M.

ITEM	2009	2008	VARIATION	
			ABSOLUTE	%
Cost of Materials Consumed	45,873	38,814	7,059	18.2%
External Supplies and Services	46,571	95,083	-48,512	-51.0%
Staff Costs	28,184	27,825	359	1.3%
Other Operating Costs	5,108	5,906	-798	-13.5%
<b>Total Operating Costs</b>	<b>125,737</b>	<b>167,629</b>	<b>-41,892</b>	<b>-25.0%</b>
Financial Costs	9,034	11,170	-2,136	-19.1%
Extraordinary Costs	3,365	1,230	2,135	173.5%
<b>Total Non-Operating Costs</b>	<b>12,399</b>	<b>12,400</b>	<b>-2</b>	<b>0.0%</b>
<b>Total Costs</b>	<b>138,136</b>	<b>180,029</b>	<b>-41,893</b>	<b>-23.3%</b>

**COSTS**, UNITS: THOUSANDS OF EUROS



**COSTS**  
IN MILLIONS OF EUROS

## 04.4 Directors' Report Economic and Financial Analysis

### 2.1.3 RESULTS

All categories of results showed a marked improvement in 2009.

Operating profit totalled 11.2 million euros, an increase of 2.6 million euros compared with the previous year, corresponding to growth of 31%.

There were also significant increases in current profit (+319%), pre-tax profit (+99%) and net profit (+41%).

ITEM	2009	2008	VARIATION	
			ABSOLUTE	%
Operating Profit	11,247	8,615	2,631	30.5%
Financial Profit	-8,810	-9,726	916	9.4%
Current Profit	2,437	-1,111	3,547	319.4%
Pre-Tax Profit	-9	-966	957	99.1%
Net Profit for the Year	-864	-1,470	606	41.2%

**RESULTS, UNITS: THOUSANDS OF EUROS**

## 04.4 Directors' Report Economic and Financial Analysis

### 2.1.4 EBIT AND EBITDA

Both EBIT and EBITDA decreased by 1.1 million euros, to 9.0 million euros and 11.8 million euros respectively.

ITEM	2009	2008	VARIATION	
			ABSOLUTE	%
EBIT	9,024	10,204	-1,180	-11.6%
EBITDA	11,832	13,009	-1,177	-9.0%
EBIT / Income	6.53%	5.70%	0.83%	14.6%
EBITDA / Income	8.57%	7.26%	1.30%	17.9%

**EBIT / EBITDA**, UNITS: THOUSANDS OF EUROS

However, in terms of the ratio of these results indicators to income, there was a significant improvement in the EBIT/Income ratio from 5.70% to 6.53% and in the EBITDA/Income ratio from 7.26% to 8.57%.

## 04.4 Directors' Report Economic and Financial Analysis

### 2.2 FINANCIAL PERSPECTIVE

ITEM	2009	2008	VARIATION	
			ABSOLUTE	%
Assets	294,448	318,019	-23,571	-7.4%
Equity	58,050	59,571	-1,522	-2.6%
Liabilities	228,847	250,498	-21,652	-8.6%
Liquidity Ratio	1.95	2.05	-0.11	-5.2%
Financial Autonomy (%)	20%	19%	1%	5.2%

**FINANCIAL INDICATORS**, UNITS: THOUSANDS OF EUROS

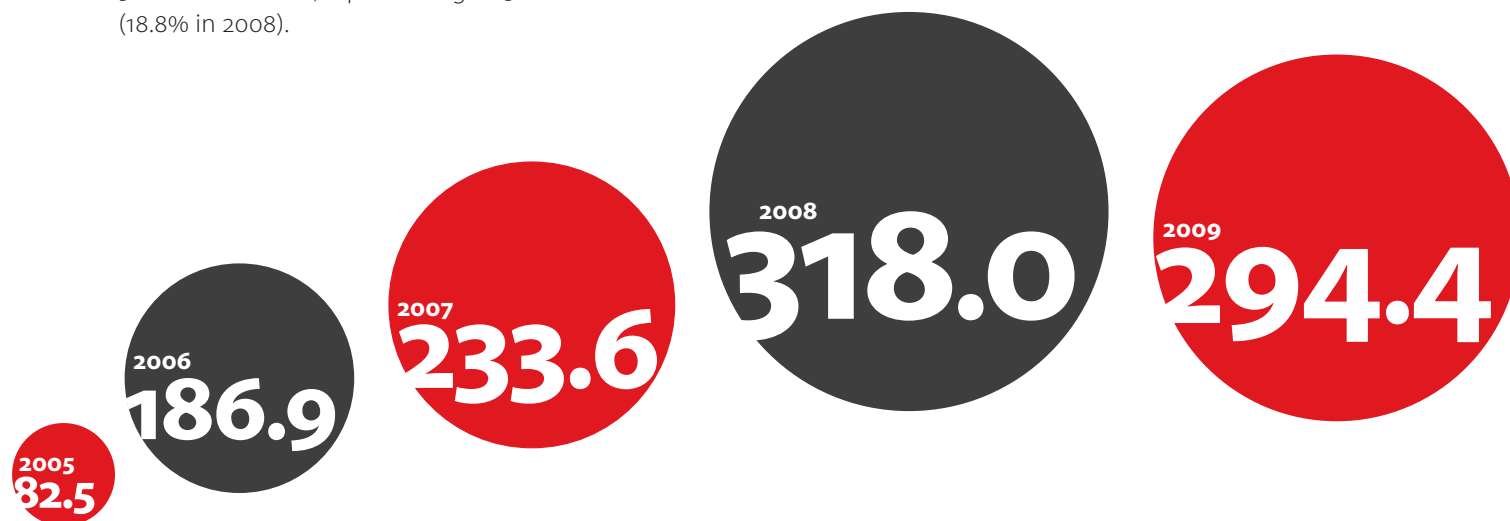
## 04.4 Directors' Report Economic and Financial Analysis

### 2.2.1 ASSETS

Assets totalled 294.4 million euros. Compared with 2008, this represents a decrease of 23.6 million euros.

Fixed assets decreased from 59.8 million euros to 58.6 million euros, representing 20.3% of total assets (18.8% in 2008).

Current assets decreased by 24.5 million euros to 234.9 million euros, representing 79.7% of total assets.



**ASSETS**  
IN MILLIONS OF EUROS

Analysing in detail the various components of assets, special mention should be made of the components of Inventories, where the completion of real estate projects in progress resulted in a "transfer" from Products and Work in Progress to Finished and Intermediary Products. In addition, sales of these projects resulted in an effective reduction in Inventories.

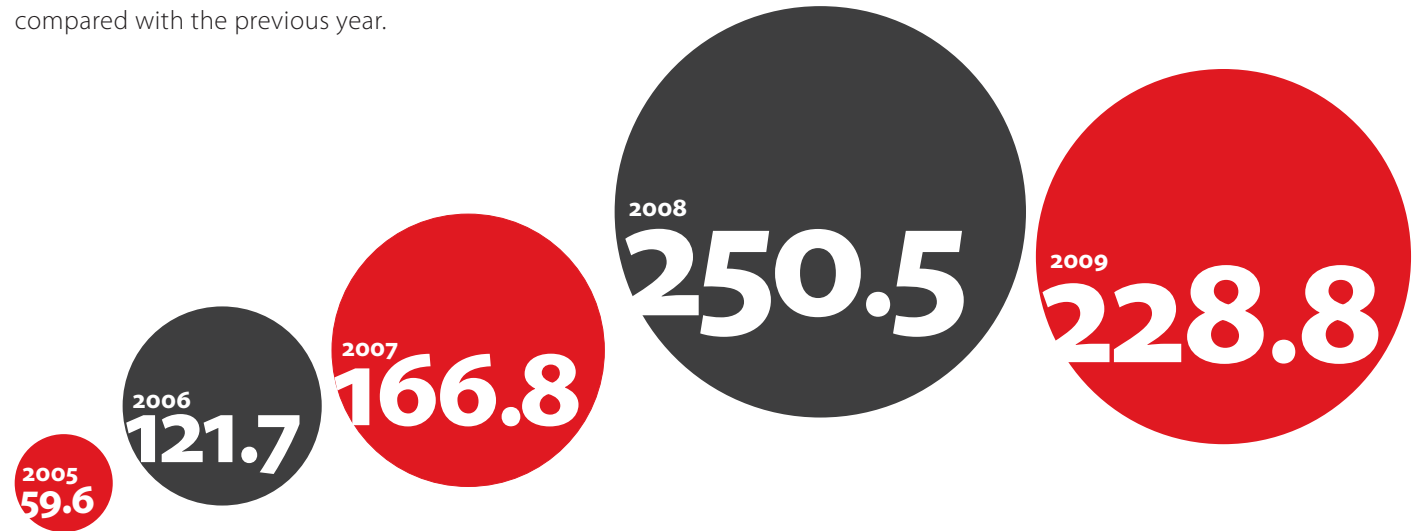
## 04.4 Directors' Report Economic and Financial Analysis

### 2.2.2 LIABILITIES

Liabilities totalled 228.8 million euros, a decrease of 21.7 million euros compared with 2008 (-8,7%).

Medium and long term liabilities totalled 107.6 million euros, a decrease of 17.1 million euros compared with the previous year.

Short term liabilities also decreased, from 125.8 million euros to 121.2 million euros.



**LIABILITIES**  
IN MILLIONS OF EUROS

In terms of the trends in the components of liabilities, particular attention is drawn to the reduction in total bank debt, which decreased from 148.7 million euros to 142.2 million euros, and to the reduction in advances by customers from 33.1 million euros to 20.9 million euros.

Caparica, 25 June 2010

**THE BOARD OF DIRECTORS**

*António Simões Marques Couto*

*António José Marçal Martins*

*Silvia Isabel S. C. Marques Couto André*

*Alexandre António S. C. Marques Couto*

# 05

## Notes to the Directors' Report



## 05 Notes to the Directors' Report

Pursuant to Article 447, paragraph 5 of the Companies Code, the number of shares held by each of the members of the Governance and Audit Bodies is as follows:

**BOARD OF DIRECTORS:**

António Simões Marques Couto	2,835,623 shares
Silvia Isabel da Silva Costa Marques Couto	133,696 shares
Alexandre António da Silva Costa Marques Couto	133,696 shares

Pursuant to Article 448, paragraph 4 of the Companies Code, shareholders who hold shares corresponding to over 10% of the share capital are as follows:

Compagnie Financiere Terriia	71%
António Simões Marques Couto	21%

# 06

## Auditor's Report



### INTRODUCTION

1. We have examined the attached consolidated financial statements of ESPHERA CAPITAL, SGPS, S.A., consisting of the Consolidated Balance Sheet as at 31 December 2009 (showing Total Net Assets of €294,448,443 and total Equity of €58,049,898, including a Consolidated Net Loss of €864,183), the Consolidated Profit and Loss Account by Nature, the Consolidated Cash Flow Statement for the year ended on that date and the related Notes.

### RESPONSIBILITIES

2. The Board of Directors of ESPHERA CAPITAL, SGPS, S.A. is responsible for preparing consolidated financial statements that give a true and fair view of the financial position of the group of companies included in the consolidation and of the consolidated results of its operations and its consolidated cash flow, and for adopting appropriate accounting policies and criteria and for maintaining a suitable internal control system.

3. Our responsibility as auditors is to express a professional, independent opinion based on our examination of the consolidated financial statements.



### SCOPE

4. Our examination was performed in accordance with the Audit Standards and Directives of the Chamber of Certified Auditors, which require that an audit should be planned and performed so as to obtain a reasonable assurance that the Consolidated Financial Statements are free from material misstatements.

For this purpose, the audit included:

- checking that the financial statements included in the consolidation have been properly examined;
- checking, on a sampling basis, the supporting evidence for the amounts and disclosures in the financial statements, and reviewing estimates, based on the judgements and criteria adopted by the Board of Directors of ESPHERA CAPITAL, SGPS, S.A. in their preparation;
- checking the consolidation operations and the application of the full consolidation method;
- reviewing the adequacy of the accounting policies adopted, the uniformity of their application and their disclosure, in light of the circumstances;
- checking that the principle of continuity has been applied; and
- reviewing the adequacy, in overall terms, of the presentation of the consolidated financial statements.

5. Our examination also included checking that the consolidated financial information contained in the Consolidated Directors' Report conforms to that in the consolidated financial statements.

6. We believe that our examination provides a reasonable basis for our opinion.

### OPINION

7. In our opinion, the Consolidated Financial Statements give a true and fair view, in all material respects, of the consolidated financial position of ESPHERA CAPITAL, SGPS, S.A. as at 31 December 2009 and of the consolidated results of its operations and its consolidated cash flow for the financial year ended on that date, in accordance with generally accepted accounting principles in Portugal.

*Armando dos Santos Nogueira*

*Lisbon, 28 June 2010.*

07

Report and  
Opinion of  
the Statutory  
Auditor



eia  
sqps, s.a.

## 07 Report and Opinion of the Statutory Auditor

Notice to Shareholders,  
In accordance with the Law and the Company's Articles of Association, I hereby present, in accordance with the powers vested in me as Statutory Auditor for ESPHERA CAPITAL SGPS S.A., my Report and Opinion on the Consolidated Financial Statements and Consolidated Directors' Report submitted by the Board of Directors for the financial year ended on 31 December 2009.

At the end of the year, I examined the Consolidated Balance Sheet, the Profit and Loss Accounts by Nature and Function, the Consolidated Cash Flow Statement and the Notes to the Consolidated Accounts, which documents comply with the applicable legal provisions and give a true and fair view of the financial position of the companies included in the consolidation.

I have examined the Consolidated Directors' Report prepared by the Board of Directors, which is a fair representation of the consolidated accounts for the year.

Any explanations I requested were always promptly provided.

I hereby issue the Auditor's Report dated 28 June 2010, which, pursuant to the terms of the Law, constitutes an integral part of this Report and Opinion.

In light of what is stated above and of the Auditor's Report, it is my OPINION that there is nothing to prevent you approving:

- a) the Consolidated Directors' Report;
- b) the Consolidated Balance Sheet;
- c) the Profit and Loss Account by nature;
- d) the Consolidated Cash Flow Statement, and
- e) the Notes to the Consolidated Financial Statements for the financial year ended on 31 December 2009.

*Armando dos Santos Nogueira*

*Lisbon, 28 June 2010*

# 08

## Financial Statements



UNIT: EURO

	NOTES	FINANCIAL YEARS			
		2009		2008	
		GROSS ASSETS	DEPRECIATION AND ADJUSTMENTS	NET ASSETS	NET ASSETS
<b>ASSETS</b>					
<b>FIXED ASSETS:</b>					
<b>Intangible Fixed Assets:</b>					
Intangible Fixed Assets	27	2,621,610.05	500,080.01	2,121,530.04	2,239,093.38
Consolidation Differences	27	12,159,518.75	4,401,343.43	7,758,175.32	8,362,606.64
		<b>14,781,128.80</b>	<b>4,901,423.44</b>	<b>9,879,705.36</b>	<b>10,601,700.03</b>
<b>Tangible Fixed Assets:</b>					
Tangible Fixed Assets	27	32,429,750.59	22,523,458.78	9,906,291.81	11,370,707.34
Fixed Assets in Progress	27	10,594.79	0.00	10,594.79	79,021.61
		<b>32,440,345.38</b>	<b>22,523,458.78</b>	<b>9,916,886.60</b>	<b>11,449,728.96</b>
<b>Financial Investments:</b>					
Shareholdings	27	1,206,826.00	0.00	1,206,826.00	1,206,825.00
Investments in Property	27	38,471,183.86	896,950.60	37,574,233.26	36,504,815.30
		<b>39,678,009.86</b>	<b>896,950.60</b>	<b>38,781,059.26</b>	<b>37,711,640.30</b>
<b>CURRENT ASSETS:</b>					
<b>Inventories:</b>					
Goods		36,906,438.68	0.00	36,906,438.68	36,602,625.37
Raw Materials, Parts and Consumables		1,980,044.71	0.00	1,980,044.71	2,753,102.60
Finished and Intermediate Products		106,378,204.22	0.00	106,378,204.22	13,738,183.48
Products and Work in Progress		20,508,503.15	0.00	20,508,503.15	139,009,526.18
Advances for Inventories		2,250,000.00	0.00	2,250,000.00	2,250,000.00
		<b>168,023,190.76</b>	<b>0.00</b>	<b>168,023,190.76</b>	<b>194,353,437.63</b>
<b>Accounts Receivable - Short Term</b>					
Customers, c/a		40,665,630.05	0.00	40,665,630.05	42,130,734.51
Customers, doubtful debts		765,423.44	765,423.44	0.00	0.00
Customers, other receivables		127,693.31	0.00	127,693.31	220,000.00
Advances to Suppliers		364,284.08	0.00	364,284.08	1,288,567.95
State and Other Public Bodies		2,435,313.02	0.00	2,435,313.02	2,455,303.15
Affiliates and Holding Companies		1,110,606.88	0.00	1,110,606.88	1,110,606.88
Other Debtors		288,199.64	0.00	288,199.64	4,209,646.82
		<b>45,757,150.42</b>	<b>765,423.44</b>	<b>44,991,726.98</b>	<b>51,414,859.31</b>
<b>Banks and Cash:</b>					
Bank Deposits		5,103,993.62		5,103,993.62	7,072,473.07
Cash		469,520.14		469,520.14	598,710.47
		<b>5,573,513.76</b>		<b>5,573,513.76</b>	<b>7,671,183.54</b>
<b>Accruals and Prepayments:</b>					
Accrued Income		13,821,815.19		13,821,815.19	3,213,622.91
Prepaid Expenses		3,460,544.59		3,460,544.59	1,602,804.95
		<b>17,282,359.78</b>		<b>17,282,359.78</b>	<b>4,816,427.86</b>
<b>Total Depreciation</b>			28,321,832.82		
<b>Total Adjustments</b>			765,423.44		
<b>Total Assets</b>		<b>323,535,698.76</b>	<b>29,087,256.26</b>	<b>294,448,442.50</b>	<b>318,018,977.61</b>

**CHARTERED ACCOUNTANT**  
Paulo Alexandre Andrade da Silva

UNIT: EURO

	NOTES	FINANCIAL YEARS	
		2009	2008
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY:</b>			
Share Capital	50	23,500,100.00	13,828,000.00
Supplementary Capital Contributions	50	37,430,070.00	47,141,646.00
Revaluation Reserves	50	0.00	0.00
Adjustments to Shareholdings	50	0.00	444,906.00
Conversion Reserves	50	109,121.58	126,309.68
Legal Reserves	50	659,223.57	425,245.74
Free Reserves	50	4,605,051.21	5,245,366.32
Retained Earnings	50	-7,389,485.90	-6,169,876.91
Net Profit for the Year	50	-864,182.57	-1,470,126.35
<b>Total Equity</b>		<b>58,049,897.89</b>	<b>59,571,470.48</b>
<b>MINORITY INTERESTS:</b>			
Minority Interests - Equity	50	7,637,930.27	8,341,654.39
Minority Interests - Profit for the Year	50	-85,940.32	-392,583.44
<b>Total Minority Interests</b>		<b>7,551,989.95</b>	<b>7,949,070.95</b>
<b>LIABILITIES:</b>			
<b>Accounts Payable - Medium and Long Term:</b>			
Bank Debt		85,838,611.11	92,116,515.97
Fixed Asset Suppliers, c/a		21,774,354.55	32,199,533.23
Other Creditors		0.00	386,896.71
		<b>107,612,965.66</b>	<b>124,702,945.91</b>
<b>Accounts Payable - Short Term:</b>			
Bank Debt		34,620,955.01	24,413,197.91
Advances from Customers		20,921,446.35	33,068,122.03
Advances for Inventories		1,019,004.18	883,402.45
Customers, Discounted Bills		127,693.31	220,000.00
Suppliers, c/a		37,617,025.13	44,963,087.13
Fixed Asset Suppliers, c/a		1,261,757.25	2,048,511.12
State and Other Public Bodies		2,142,152.84	1,875,611.87
Other Creditors		745,366.61	785,059.22
		<b>98,455,400.68</b>	<b>108,256,991.73</b>
<b>Accruals and Prepayments:</b>			
Deferred Income		16,304,061.26	10,583,175.96
Accrued Expenses		6,474,127.06	6,955,322.58
		<b>22,778,188.32</b>	<b>17,538,498.54</b>
<b>Total Liabilities</b>		<b>228,846,554.66</b>	<b>250,498,436.18</b>
<b>Total Equity, Minority Interests and Liabilities</b>		<b>294,448,442.50</b>	<b>318,018,977.61</b>

**THE BOARD OF DIRECTORS**

António Simões Marques Couto  
António José Marçal Martins  
Sílvia Isabel S. C. Marques Couto André  
Alexandre António S. C. Marques Couto

UNIT: EURO

	NOTES	FINANCIAL YEARS	
		2009	2008
<b>COSTS AND LOSSES</b>			
<b>Cost of Goods Sold and Materials Consumed:</b>			
Goods		958,131.31	778,595.36
Materials		44,915,336.41	45,873,467.72
			38,035,575.18
			38,814,170.54
<b>External Supplies and Services</b>		46,571,207.61	95,082,870.69
<b>Staff Costs:</b>			
Remuneration		22,045,146.69	21,990,490.51
Social Charges:			
Other		6,138,831.48	28,183,978.17
			5,834,957.07
			27,825,447.58
<b>Depreciation of Tangible and Intangible Fixed Assets</b>	27	2,807,134.75	2,804,567.43
<b>Adjustments</b>		0.00	0.00
<b>Provisions</b>		0.00	2,807,134.75
			0.00
			2,804,567.43
<b>Taxation</b>		2,192,027.44	3,004,696.68
<b>Other Operating Costs</b>		109,297.54	2,301,324.99
	(A)		97,051.50
			3,101,748.18
			167,628,804.42
<b>Losses in Group Companies and Affiliates</b>		0.00	0.00
<b>Depreciation of and Adjustments to Financial Investments</b>		0.00	0.00
<b>Amortisation of Goodwill</b>	10	607,975.95	622,029.60
<b>Interest and Similar Costs:</b>			
Other	44	8,425,555.25	9,033,531.21
	(C)		10,547,914.76
			11,169,944.36
			134,770,644.44
			178,798,748.78
<b>Extraordinary Costs and Losses</b>	45		3,365,198.82
	(E)		1,230,466.39
			180,029,215.17
<b>Tax on Earnings for the Year</b>			941,055.88
	(G)		897,101.79
			139,076,899.14
			180,926,316.95
<b>Minority Interests</b>	50		-85,940.32
	(H)		-392,583.44
			138,990,958.81
			180,533,733.51
<b>Net Profit for the Year</b>		-864,182.57	-1,470,126.35
		<b>138,126,776.24</b>	<b>179,063,607.17</b>
<b>INCOME AND GAINS</b>			
<b>Sales</b>		36,681,726.11	3,985,640.45
<b>Services Rendered</b>		121,350,865.99	158,032,592.10
			139,254,989.40
			143,240,629.84
<b>Change in Inventories</b>			-21,767,890.62
			29,937,359.70
<b>Supplementary Income</b>		616,019.54	2,111,645.14
<b>Operating Subsidies</b>		9,990.57	731,484.70
<b>Own Work Capitalised</b>		90,066.21	219,463.88
<b>Other Operating Income</b>		2,909.60	1,489.40
<b>Write-back of Depreciation and Adjustments</b>		0.00	718,985.92
	(B)		1,955.18
			3,066,038.30
			136,983,687.41
			176,244,027.84
<b>Other Interest and Similar Income:</b>			
Other	44	223,570.48	223,570.48
	(D)		1,444,006.69
			1,444,006.69
			137,207,257.89
			177,688,034.53
<b>Extraordinary Income and Gains</b>	45		919,518.35
	(F)		1,375,572.63
			138,126,776.24
			179,063,607.17
<b>SUMMARY:</b>			
<b>Operating Profit: (B) - (A)</b>		<b>11,246,574.18</b>	<b>8,615,223.42</b>
<b>Financial Profit: (D - B) - (C - A)</b>		<b>-8,809,960.73</b>	<b>-9,725,937.67</b>
<b>Current Profit: (D) - (C)</b>		<b>2,436,613.45</b>	<b>-1,110,714.25</b>
<b>Pre-Tax Profit: (F) - (E)</b>		<b>-9,067.01</b>	<b>-965,608.00</b>
<b>Net Profit for the Year before Minority Interests: (F) - (G)</b>		<b>-950,122.90</b>	<b>-1,862,709.79</b>
<b>Net Profit for the Year: (F) - (H)</b>		<b>-864,182.57</b>	<b>-1,470,126.35</b>

**CHARTERED ACCOUNTANT**  
Paulo Alexandre Andrade da Silva

**THE BOARD OF DIRECTORS**  
António Simões Marques Couto  
António José Marçal Martins  
Silvia Isabel S. C. Marques Couto André  
Alexandre António S. C. Marques Couto

		UNIT: EURO	
		FINANCIAL YEARS	
	NOTES	2009	2008
<b>OPERATING ACTIVITIES:</b>			
<b>Net Profit</b>		-864,182.57	-1,470,126.35
<b>Adjustments</b>			
Depreciation		2,807,134.75	2,804,567.43
Provisions			
Financial Profit		8,809,960.73	9,725,937.67
Minority interests	50	-397,081.00	-370,296.70
Increase in debtors		0.00	-10,412,549.14
Decrease in debtors		6,423,132.33	295,435.93
Increase in inventories		-92,943,834.05	-70,339,206.02
Decrease in inventories		119,274,080.92	2,077,497.58
Increase in creditors		10,609,899.80	43,037,161.88
Decrease in creditors		-30,836,669.53	-6,178,472.98
Increase in deferred income		5,720,885.30	10,520,314.33
Decrease in deferred income			
Increase in accrued income		-10,608,192.28	-2,792,269.13
Decrease in accrued income			
Increase in prepaid expenses		-1,857,739.64	
Decrease in prepaid expenses		0.00	164,425.84
Increase in accrued expenses		0.00	3,200,475.38
Decrease in accrued expenses		-481,195.52	0.00
Gains on disposal of fixed assets			
Losses on disposal of fixed assets			
		<b>16,520,381.80</b>	<b>-18,266,977.92</b>
<b>Cash flow from operating activities [1]</b>		<b>15,656,199.23</b>	<b>-19,737,104.27</b>
<b>INVESTMENT ACTIVITIES:</b>			
<b>Cash received from:</b>			
Financial investments		0.00	600.00
Tangible fixed assets		1,361.80	39,543.66
Intangible fixed assets			
Investment subsidies			
Interest and similar income	44	223,570.48	1,444,006.69
Dividends			
		<b>224,932.28</b>	<b>1,484,150.35</b>
<b>Cash paid for:</b>			
Financial investments		1,228,735.97	2,744,830.05
Tangible fixed assets		937,059.15	2,583,464.19
Intangible fixed assets		0.00	8,445.26
		<b>2,165,795.12</b>	<b>5,336,739.50</b>
<b>Cash flow from investment activities [2]</b>		<b>-1,940,862.84</b>	<b>-3,852,589.15</b>
<b>FINANCING ACTIVITIES:</b>			
<b>Cash received from:</b>			
Loans received		0.00	33,112,861.93
Share capital increases, supplementary capital contributions and share premiums		0.00	3,052,993.02
Grants and donations			
Disposal of own shares			
Losses covered			
		<b>0.00</b>	<b>36,165,854.95</b>
<b>Cash paid for:</b>			
Loans received		6,277,904.86	0.00
Depreciation of leasing contracts			
Interest and similar costs	44	9,033,531.21	11,169,944.36
Dividends		0.00	394,698.56
Reductions in share capital and supplementary capital contributions		501,570.10	
Acquisition of own shares			
		<b>15,813,006.17</b>	<b>11,564,642.92</b>
<b>Cash flow from financing activities [3]</b>		<b>-15,813,006.17</b>	<b>24,601,212.03</b>
<b>Variation in cash and cash equivalents [4] = [1] + [2] + [3]</b>		<b>-2,097,669.78</b>	<b>1,011,518.61</b>
<b>Effect of exchange rate differences</b>		<b>0.00</b>	<b>0.00</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>7,671,183.54</b>	<b>6,659,664.93</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>5,573,513.76</b>	<b>7,671,183.54</b>

**CHARTERED ACCOUNTANT**  
Paulo Alexandre Andrade da Silva

**THE BOARD OF DIRECTORS**  
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09

Notes to the  
Consolidated  
Financial  
Statements



esphera  
capital sqps, s.a.

### INTRODUCTORY NOTE

Esphera Capital, SGPS, S.A. was incorporated on 20 December 2000. Its company object is that normally associated with holding companies, as the parent company of the Ensul/Meci and JLF Groups, with operations in the building and construction, public works and property development sectors.

The Groups comprise the companies referred to in Note I, other than Esphera Capital.

The notes below are ordered in accordance with the Official Accounting Plan (POC). Numbers not included in these Notes are not applicable.



### I. INFORMATION RELATING TO THE COMPANIES INCLUDED IN THE CONSOLIDATION

#### 1 COMPANIES INCLUDED IN THE CONSOLIDATION BY THE FULL CONSOLIDATION METHOD (SUBSIDIARIES)

##### 1.1. ENSUL MECI

ENSUL MECI – Gestão de Projectos de Engenharia, S.A. has its registered office in Monte da Caparica, it has a share capital of EUR 16,500,000 and is 66.65% owned by Esphera Capital. Its company object is the business of construction and public works and the assembly and installation of gas, water, telecommunications and electricity networks.

##### 1.2. JLF

JLF – Sociedade de Construções, S.A. has its registered office in Monte da Caparica; it has a share capital of EUR 5,233,705 and is 66.63% owned by Esphera Capital. Its business consists of real estate agency and property development.

### 1.3. WEST COAST

West Coast – Portuguese Properties has its registered office in Ireland, it has a share capital of EUR 100,000 and is 66.67% owned by Esphera Capital. Its business consists of real estate agency and property development.

### 1.4. IGP

IGP has its registered office in Monte da Caparica, it has a share capital of EUR 2,736,528 and is 99.63% owned by Esphera Capital. Its business consists of real estate agency and property development.

### 7

#### AVERAGE NUMBER OF EMPLOYEES DURING THE FINANCIAL YEAR

The average number of employees in the Group's service during the financial year was 1039.

## II. INFORMATION RELATING TO A TRUE AND FAIR VIEW OF THE GROUP'S AFFAIRS

The application of the consolidation rules was adequate to ensure that the Consolidated Financial Statements present a true and fair view of the financial position, results and cash flow of the group of companies included in the consolidation.

## III. INFORMATION RELATING TO CONSOLIDATION OPERATIONS

The Consolidated Financial Statements were prepared with reference to the same date as the annual financial statements of the parent company, i.e. 31 December 2009. The consolidated balance sheet and profit and loss account as at 31 December 2008 are presented for comparability purposes.

**10**

**CONSOLIDATION DIFFERENCES**

**10.1. CONSOLIDATION DIFFERENCES IN ASSETS**

The consolidation differences carried under assets relate to the excess of the acquisition cost of the shareholding over the fair value of the equity.

The Board expects all consolidation differences to be recoverable within the stated timeframes (see note 17).

At 31 December 2008, the net book value of the consolidation differences was distributed as shown below (in EUR):

COMPANY	YEAR ACQUIRED	ACQUISITION COST	% ACQUIRED	EQUITY IN ACQUISITION	EQUITY ACQUIRED	GOODWILL IN ACQUISITION	ACCUMULATED AMORTISATION	RESIDUAL GOODWILL AT 31-12-2008
		(a)	(b)	(c)	(d) = (b) * (c)	(e) = (a) - (d)	(f)	(e - f)
Ensul Meci	2000	6,234,973.71	47.6190%	6,562,469.00	3,124,985.24	3,109,988.48	-1,412,453.10	1,697,535.38
Ensul Meci	2006	2,114,286.00	19.0321%	7,679,164.90	1,461,506.34	652,779.66	-130,555.93	522,223.73
Ensul Meci	2000	8,679,083.41	55.2381%	7,030,010.00	3,883,243.62	4,795,839.45	-2,178,110.42	2,617,728.88
Ensul Meci	2006	1,754,631.96	11.4130%	9,257,185.97	1,056,522.63	698,109.33	-139,621.87	558,487.46
West Coast	2005	66,666.00	66.6660%	100,000.00	66,666.00	0.00	0.00	0.00
JLF	2006	38,722,258.00	66.6300%	6,315,081.12	4,207,738.55	2,368,519.45	-473,703.89	1,894,815.56
Meci SASU	2007	769,396.62	100.0000%	500,000.00	500,000.00	269,396.62	-40,409.49	228,987.13
IGP	2008	2,728,000.05	99.6300%	2,472,261.65	2,463,114.28	264,885.77	-26,488.58	238,397.19
						<b>12,159,518.75</b>	<b>-4,401,343.27</b>	<b>7,758,175.32</b>

**CONSOLIDATED GOODWILL, UNITS: EUROS**

**14**  
**CHANGES IN THE CONSOLIDATION PERIMETER**

Compared with 31 December 2008, the consolidation perimeter remained unchanged.

**17**  
**AMORTISATION OF CONSOLIDATION DIFFERENCES**

The Board believes that the amounts of the consolidation differences are recoverable over the respective amortisation period of twenty years given that, due to their volume and business area, the investments made involve an extended recovery timeline.

**IV. INFORMATION RELATING TO UNDERTAKINGS**

**22**  
**BANK GUARANTEES AND COLLATERAL SECURITIES**

The total of bank guarantees provided to third parties was EUR 77,763,296.40, broken down as follows:

ENSUL MECI	63,700,103.09 EUR
JLF	14,063,193.31 EUR

## V. INFORMATION RELATING TO ACCOUNTING POLICIES

The most significant accounting policies used in the calculation of the consolidated results for the financial year and the presentation of the consolidated financial position are as follows:

### 23

#### VALUATION CRITERIA USED

##### 23.1 BASIS OF PRESENTATION

The consolidated financial statements were prepared in accordance with accounting principles generally accepted in Portugal and in accordance with the historic cost principle. No increase in the market value of assets is included except where expressly stated.

In compliance with Portuguese law, Group companies maintain their accounting records in accordance with the Official Accounting Plan and these records are the sole accounts recognised by official and tax authorities.

##### 23.2 PRINCIPLES OF CONSOLIDATION

The consolidated financial statements reflect the assets, liabilities and results of Esphera Capital SGPS and its subsidiary companies.

##### 23.3 INTANGIBLE FIXED ASSETS

Intangible fixed assets are valued at acquisition cost, net of any amortisations made within the legally permissible rates.

##### 23.4 TANGIBLE FIXED ASSETS

Tangible fixed assets are valued at acquisition cost, net of any accumulated depreciation.

Depreciation of tangible fixed assets is calculated in the following manner:

- equipment acquired before 31/12/1988 – straight line method in accordance with the rates contained in Administrative Order 737/81 of 19 August introduced by Administrative Orders 990/84 and 85/88;
- equipment acquired between 01/01/1989 and 31/12/1995 – straight line and declining balance method/twelfths in accordance with the rates contained in Regulatory Decree 2/90;

- equipment acquired after 01/01/1996 – straight line method in twelfths in accordance with the rates contained in Regulatory Decree 2/90 of 12 January.

### **23.5 INVENTORIES**

Raw materials and miscellaneous materials are valued at acquisition cost, with outflows (consumables) being valued at the average cost of the article in the warehouse.

Products and works in progress are valued at production cost.

### **23.6 PROVISION FOR DEPRECIATION OF INVENTORIES**

The provision for depreciation of inventories is based on an assessment of their realisable value, condition and potential obsolescence, and is shown as a deduction from the asset.

### **23.7 PROVISION FOR DOUBTFUL DEBTS**

The provision for doubtful debts is based on an assessment of the balances considered unlikely to be recovered and is shown as a deduction from Customers.

### **23.8 RECOGNITION OF COSTS AND INCOME**

Costs and income are recognised in the financial year to which they relate, irrespective of the date when they are paid or received.

### **23.9 FINANCIAL LEASING CONTRACTS**

Fixed assets acquired under finance leasing contracts and the corresponding liabilities are calculated by the financial method, and the corresponding amounts are stated on the balance sheet. Consequently, the depreciation of these assets and the interest included in the amount of the rentals are stated in the profit and loss statement for the financial year to which they relate.

### **23.11 MINORITY INTERESTS**

Minority interests correspond to the amounts attributable to the shareholdings belonging to third parties in the companies included in the full consolidation. Where losses attributed to minority interests exceed the value of their share in the equity of affiliates, these are attributed in their entirety by Esphera Capital SGPS.

**24**

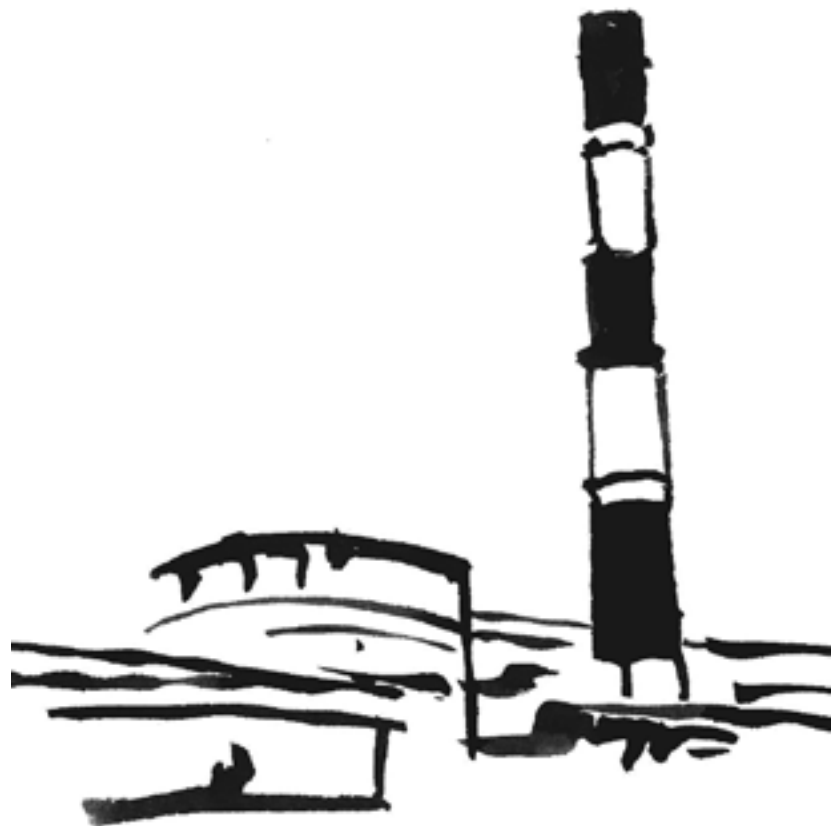
**CURRENCY CONVERSION**

**24.1 EXCHANGE RATES USED FOR CONVERSION**

The exchange rates used for conversion are the official rates published by the Bank of Portugal on the reference date.

**24.2 CONVERSION OF TRANSACTIONS AND BALANCES IN FOREIGN CURRENCIES**

Transactions in foreign currency are converted into euros at the exchange rates at the respective dates and any exchange rate differences are recognised in results on the respective payment dates. Assets and liabilities in foreign currencies are converted into euros at the official exchange rates at the date of the balance sheet. Exchange rate differences resulting from this conversion are included in results for the financial year.



**VI. INFORMATION RELATING TO SPECIFIC  
LEDGER ITEMS**

**27**

**MOVEMENTS IN FIXED ASSETS DURING  
FINANCIAL YEAR 2009**

LEDGER ITEM	CONSOLIDATED ENSUL MECI	CONSOLIDATED JLF	WEST COAST	ESPHERA	AGGREGATED	STATED GOODWILL	WRITE-BACKS	CONSOLIDATED
<b>INTANGIBLE FIXED ASSETS</b>								
Incorporation costs	2,187,087.12	0.00	599.00	137,958.42	2,325,644.54	0.00	0.00	2,325,644.54
Industrial property and other rights	292,286.63	3,678.88	0.00	0.00	295,965.51	0.00	0.00	295,965.51
Consolidation Differences	269,396.62	0.00	0.00	0.00	269,396.62	11,890,122.13	0.00	12,159,518.75
	<b>2,748,770.37</b>	<b>3,678.88</b>	<b>599.00</b>	<b>137,958.42</b>	<b>2,891,006.67</b>	<b>11,890,122.13</b>	<b>0.00</b>	<b>14,781,128.80</b>
<b>TANGIBLE FIXED ASSETS:</b>								
Tangible Fixed Assets	31,859,822.25	566,525.10	1,487.00	1,916.24	32,429,750.59	0.00	0.00	32,429,750.59
Fixed Assets in Progress	10,594.79	0.00	0.00	0.00	10,594.79	0.00	0.00	10,594.79
	<b>31,870,417.04</b>	<b>566,525.10</b>	<b>1,487.00</b>	<b>1,916.24</b>	<b>32,440,345.38</b>	<b>0.00</b>	<b>0.00</b>	<b>32,440,345.38</b>
<b>FINANCIAL INVESTMENTS</b>								
Shareholdings	601,076.00	8,537.72	0.00	60,904,899.13	61,514,512.85	-60,233,233.13	-74,453.72	1,206,826.00
Investments in Property	0.00	6,325,183.86	0.00	0.00	6,325,183.86	32,146,000.00	0.00	38,471,183.86
	<b>601,076.00</b>	<b>6,333,721.58</b>	<b>0.00</b>	<b>60,904,899.13</b>	<b>67,839,696.71</b>	<b>-28,087,233.13</b>	<b>-74,453.72</b>	<b>39,678,009.86</b>

**GROSS ASSETS, UNITS: EUROS**

## Notes to the Consolidated Financial Statements

LEDGER ITEM	CONSOLIDATED ENSUL MECI	CONSOLIDATED JLF	WEST COAST	ESPERA	AGGREGATED	AMORTISATION OF GOODWILL	WRITE-BACK WEST COAST	CONSOLIDATED
<b>INTANGIBLE FIXED ASSETS</b>								
Amortisation	358,142.71	3,678.88	300.00	137,958.42	500,080.01	0.00	0.00	500,080.01
Consolidation Differences	40,409.49	0.00	0.00	0.00	40,409.49	4,360,933.93	0.00	4,401,343.43
	<b>398,552.20</b>	<b>3,678.88</b>	<b>300.00</b>	<b>137,958.42</b>	<b>540,489.50</b>	<b>4,360,933.93</b>	<b>0.00</b>	<b>4,901,423.43</b>
<b>TANGIBLE FIXED ASSETS:</b>								
Depreciation	22,259,141.13	263,194.12	819.00	304.53	22,523,458.78	0.00	0.00	22,523,458.78
	<b>22,259,141.13</b>	<b>263,194.12</b>	<b>819.00</b>	<b>304.53</b>	<b>22,523,458.78</b>	<b>0.00</b>	<b>0.00</b>	<b>22,523,458.78</b>
<b>FINANCIAL INVESTMENTS</b>								
Investments in Property	0.00	896,950.60	0.00	0.00	896,950.60	0.00	0.00	896,950.60
	<b>0.00</b>	<b>896,950.60</b>	<b>0.00</b>	<b>0.00</b>	<b>896,950.60</b>	<b>0.00</b>	<b>0.00</b>	<b>896,950.60</b>

**ACCUMULATED DEPRECIATION**, UNITS: EUROS

**44**

**CONSOLIDATED FINANCIAL PROFIT  
 AND LOSS ACCOUNT**

<b>COSTS AND LOSSES</b>	<b>FINANCIAL YEARS</b>		<b>INCOME AND GAINS</b>	<b>FINANCIAL YEARS</b>	
	<b>2009</b>	<b>2008</b>		<b>2009</b>	<b>2008</b>
Interest expense	6,553,053.41	9,540,022.68	Interest received	15,351.07	193,396.92
Foreign currency exchange losses	326,134.51	207,177.45	Income from property	187,103.66	315,232.84
Other financial costs	1,546,367.34	1,148,978.40	Income from shareholdings	0.00	263,132.62
Amortisation of goodwill	607,975.95	622,029.60	Foreign currency exchange gains	4,244.58	0.00
			Cash discounts obtained	3,075.76	167,418.87
			Other financial income	13,795.41	853,089.21
Financial Profit	-8,809,960.73	-9,725,937.67			
	<b>223,570.48</b>	<b>1,792,270.46</b>		<b>223,570.48</b>	<b>1,792,270.46</b>

**FINANCIAL PROFIT AND LOSS ACCOUNT, UNITS: EUROS**

**45**

**CONSOLIDATED EXTRAORDINARY PROFIT  
 AND LOSS ACCOUNT**

<b>COSTS AND LOSSES</b>	<b>FINANCIAL YEARS</b>		<b>INCOME AND GAINS</b>	<b>FINANCIAL YEARS</b>	
	<b>2009</b>	<b>2008</b>		<b>2009</b>	<b>2008</b>
Donations	275,695.23	73,500.00	Tax refunds	11,871.40	5,810.00
Bad debts	1,980,000.00	0.00	Debts recovered	0.00	0.00
Losses on inventories	0.00	13,211.74	Gains on inventories	0.00	0.00
Loss on fixed assets	9,902.00	51,813.30	Gains on fixed assets	52,665.31	164,207.06
Fines and penalties	5,584.59	52,416.95	Benefits from contractual penalties	0.00	0.00
Increases in depreciation	0.00	59,835.53	Reductions in provisions	0.00	0.00
Adjustments relating to prior years	911,439.71	360,806.41	Adjustments relating to prior years	387,759.85	123,633.78
Other extraordinary costs and losses	182,577.29	618,882.46	Other extraordinary income and gains	467,221.79	1,081,921.80
Extraordinary Profit	-2,445,680.47	145,106.25			
	<b>919,518.35</b>	<b>1,375,572.64</b>		<b>919,518.35</b>	<b>1,375,572.64</b>

**EXTRAORDINARY PROFIT AND LOSS ACCOUNT, UNITS: EUROS**

**VII. MISCELLANEOUS INFORMATION**

**50**

**OTHER INFORMATION**

**50.1. MINORITY INTERESTS**

Minority interests were calculated as follows:

<b>COMPANY</b>	<b>% NOT HELD</b>	<b>EQUITY AT 31-12-2009</b>	<b>MINORITY INTERESTS AT 31-12-2009</b>
	(a)	(b)	(a * b)
Ensul Meci	33.3489%	14,726,393.60	4,911,090.27
JLF	33.3700%	7,842,445.58	2,617,024.09
West Coast	33.3340%	44,613.00	14,871.30
IGP	0.3700%	2,433,591.33	9,004.29
			<b>7,551,989.95</b>

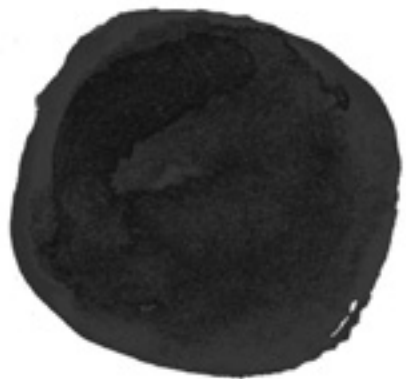
**MINORITY INTERESTS**, UNITS: EUROS

**50.2 MOVEMENT IN CONSOLIDATED EQUITY**

Movement in consolidated equity during the year is analysed as follows:

LEDGER ITEM	OPENING BALANCE	INCREASES	DECREASES	CLOSING BALANCE
Share Capital	13,828,000.00	9,672,100.00	0.00	23,500,100.00
Adjustments to shareholdings	444,906.00	0.00	444,906.00	0.00
Supplementary capital contributions	47,141,646.00	0.00	9,711,576.00	37,430,070.00
Conversion Reserves	126,309.68	0.00	17,188.10	109,121.58
Revaluation Reserves	0.00	0.00	0.00	0.00
Reserves	5,670,612.06	0.00	406,337.28	5,264,274.78
Retained Earnings	-6,169,876.91	-1,219,608.99	0.00	-7,389,485.90
Net Profit for the Year	-1,470,126.35	-864,182.57	-1,470,126.35	-864,182.57
	<b>59,571,470.48</b>	<b>7,588,308.44</b>	<b>9,109,881.03</b>	<b>58,049,897.89</b>

**EQUITY**, UNITS: EUROS



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