

Introduction

In the first half of 2003 a decisive step was taken in the reorganization of the MOTA-ENGIL GROUP. As disclosed before, the merger project through which the larger Portuguese construction company will be incorporated was already registered and approved in the Shareholders Meeting. The operation was already approved by the Finance Ministry as far as the request for fiscal benefits on the behalf of Decree-Law 404/90 is concerned, and is only dependent upon approval of competent authorities (financing institutions and entities that award the concessions) as far as the transmission of stakes in transport, water and sanitary concessions are concerned.

MOTA-ENGIL discloses operating revenues of € 448 million and net income of € 5.6 million in the first half of 2003.

MOTA-ENGIL reached in the first half of 2003 similar figures to those of the same period of previous year though **operating revenues** advanced by 1%.

Despite the modest increase in operating revenues, the **EBIT margin** remained at 5.3% and the **EBITDA margin** increased from 11.2% to 11.7%, due to the increased activity in higher value added businesses, namely Metallic Structures and Environment.

This is a satisfactory achievement in light of the overall macroeconomic scenario and the short term negative environment that affects our main businesses.

Capital expenditure in fixed assets reached € 17 million, while capital expenditure in financial stakes reached € 18.7 million, of which € 7.3 million to finance transport

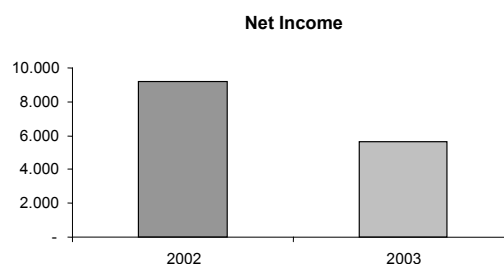
concessions and € 8.8 million in the acquisition of both STL and UTIL.

Total Assets grew to € 1.3 billion due to higher receivables namely from the government. As a result, net debt reached € 536 million as compared to € 484 million in the same period of previous year.

Net financial expenses amounted to € 14.6 million, an increase of € 3.6 million as compared to the first half of 2002 (that had been affected by the capital gain on the disposal of a 11.5% stake in SERURB).

Income before taxes would have been in line with that of the same period of 2002 if not for the aforementioned capital gain.

Net income reached € 5.6 million, a 38.7% drop as compared to the first half of 2002.



EARNINGS RELEASE – FIRST HALF OF 2003

Estimates

Despite the negative macroeconomic scenario, management stands with the estimates disclosed in the 2002 Annual Report both in terms of operating revenues and net income for FY 2003.

Order Book

The group's order book as of 30 June 2003 reached € 2.1 billion (of which € 590 million are expected to be invoiced in the current year) which compares to € 1.98 billion as of 31 December 2002.

Construction Division

Construction in Portugal has suffered from the Portuguese recession and from the drop in public gross fixed capital formation.

Notwithstanding, the group managed to keep its activity stable helped by its considerable order book that currently amounts to € 1.85 billion.

Nevertheless, the activity in this business area was negatively affected by the delays in starting new building of motorway concessions stretches (AENOR and LUSOSCUTS), due to the difficulties faced with land expropriations and approvals from the Environment Ministry.

It is worth noting that MOTA-ENGIL won a contract in consortium with Soares da Costa to expand the Francisco Sá Carneiro airport in Oporto.

Construction in foreign markets:

- The activity in **Angola** remained stable though its contribution to the group was

lower due to increased competition. MOTA-ENGIL still waits for the final outcome of the negotiations with the Angolan authorities in order to solve an old issue regarding Angola's debt. This is seen as a vital issue for the forthcoming positioning of Portuguese companies in that market.

- In **Eastern Europe**, the level of activity is still below potential. However, since these countries will join the European Union next year, we expect a considerable increase in public gross fixed capital formation that should fuel the Group's businesses in these countries where we already have a strong presence and high notoriety.

The construction business had operating revenues of € 411 million, while EBITDA and EBIT reached € 44.9 million and 20 million, respectively.

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Transport Concession Division

In the first half of 2003 MOTA-ENGIL CONCESSÕES DE TRANSPORTES, SGPS, S.A. was incorporated. This company will host the Group's stakes in the transport concessions business as soon as the merger process comes to an end.

As far as new concessions are concerned, the international consortium led by MOTA-ENGIL was selected for the negotiation phase (final stage) of the N8 Rathcormac to Fermoy Bypass concession in Ireland.

On the other hand, another international consortium also led by MOTA-ENGIL was pre-selected for the motorway concessions of Elefsina – Corinth – Patra and the South Section of Ionian Road (Patra/Pirgos/Tsakona) and Maliakos to Kleidi both in Greece, that adds to another concession where MOTA-ENGIL had already been pre-qualified.

Still in the first half of 2003, works in the Braga-Guimarães motorway stretch (included in the AENOR concession) were finished and the stretch was opened to the public.

Capital expenditure in concessions in Portugal reached € 7.3 million as of 30 June 2003.

Because most of the projects in this division are still in the construction phase, only LUSOPONTE contributes to MOTA-ENGIL's income.

Environment & Services Division

In the first half of 2003, MOTA-ENGIL's affiliated company SUMA acquired STL and UTIL which allowed it to strengthen its leadership position in the market segment of **urban solid waste collection**.

MOTA-ENGIL has been active in **waste deposit** by means of partnerships with municipalities. However, the majority of sanitary land fills are still in the construction phase.

As far as concessions of water and public sanitary are concerned, MOTA-ENGIL's affiliated company INDÁQUA disputed the leadership in terms of private investment in the business, having participated in tenders promoted by the municipalities of Lousado, Paços de Ferreira and Vila do Conde, where it expects to have positive results in a short period of time.

In the segment of **collection, treatment and regeneration of used oil with energy production**, ENVIROIL, the first Portuguese entity in the field of recycling used oils, went through its first year of activity.

The environment and services division generated operating revenues of € 34.8 million, while EBITDA and EBIT reached € 12.6 million and € 9.3 million, respectively.

EARNINGS RELEASE – FIRST HALF OF 2003

Real Estate & Tourism Division

In the first half of 2003, the activity in the real estate market segment was highly penalized by the lack of a stable framework from the authorities, namely from the Oporto municipality where several buildings should have already been put in the market.

In what respects the tourism segment, the recession that affects the tourism activity deepened in the first half of 2003 due to the international environment that led to a lower demand. This was, nevertheless, partially

offset by a higher loyalty from Portuguese clients that increasingly value the efforts that were deployed to improve the quality of service. As an example of this recognition, MOTA-ENGIL's Casa da Calçada, in Amarante, was awarded the best touristic project 2002 prize.

For the aforementioned reasons, operating revenues did not exceed € 1.9 million and EBITDA and EBIT margins reached 13.5% and 0.2%, respectively.

Key Figures from the Profit & Loss Account

	June-03	June-02
Operating Revenues	447.957	443.186
EBITDA	52.523	49.672
EBIT	23.731	23.387
Net Financial Income	(14.611)	(11.020)
Net non-recurring Income	2.241	3.159
Income before Taxes	11.361	15.526
Net Income before Minority Interests	7.056	9.605
Net Income	5.635	9.195

(figures in million euros)

EARNINGS RELEASE – FIRST HALF OF 2003

Mandatory Disclosures

During the first half of 2003, MOTA-ENGIL disclosed in 3 February the merger of MOTA & COMPANHIA, SA, ENGIL – SOCIEDADE DE CONSTRUÇÃO CIVIL, SA and MOTA-ENGIL INTERNACIONAL – COMÉRCIO INTERNACIONAL E SERVIÇOS, SA, in 17 June it announced the acquisition of two companies in the environment business – STL e UTIL. In 26 June it informed that the merger project was registered, one of the last steps of the complex reorganization of the GROUP.

The Shareholders meeting took place in 31 March and approved the Annual Report as of 31 December 2002.

From the documents that were voted by shareholders, the Legal Accounts

Certification mentions a qualification for limited scope concerning country risks in Angola and other African countries where the group has activities and where it owns assets whose value and probable timing of materialization of their value might be uncertain.

Porto, 15 September 2003

THE INVESTOR RELATIONS DIRECTOR

EDUARDO ROCHA

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