MOTA-ENGIL, S.G.P.S., S.A.

EARNINGS RELEASE 2005

MOTA-ENGIL, SGPS, S.A.
SOCIEDADE ABERTA
CAPITAL SOCIAL: 204 635 695 EUROS
MATRICULADA NA CONSERVATÓRIA DO REGISTO
COMERCIAL DO PORTO COM O Nº 56.514
NIPC: 502 399 694

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Highlights

- Turnover growth of 18% (4Q: 38%)
- EBITDA in excess of € 150 million. Margin of 11%
- EBIT grows 29% and margin improves to 6.7%
- Net Income rises 36%
- Net debt of € 518 million (Net debt/EBITDA: 3.38)
- Backlog of € 1.6 billion

thousand euros

	31.12.2005	% VN	Δ %	31.12.2004	% VN	31.12.2004	% VN
	IFRS			IFRS		PGAAP	
Turnover	1.381.001		18,1%	1.169.252		1.168.635	
EBITDA	153.011	11,1%	15,5%	132.514	11,3%	129.832	11,1%
EBIT	92.691	6,7%	29,2%	71.738	6,1%	67.608	5,8%
Net financial income	(29.788)	(2,2%)	(11,1%)	(26.803)	(2,3%)	(27.834)	(2,4%)
Net income from equity method	(1.082)	(0,1%)	64,5%	(3.046)	(0,3%)	750	0,1%
Income before taxes	61.821	4,5%	47,6%	41.889	3,6%	40.525	3,5%
Net income	37.536	2,7%	34,2%	27.964	2,4%	27.690	2,4%
Attributable to:							
minority interests	7.129	0,5%	26,7%	5.625	0,5%	5.621	0,5%
Group	**30.407**	**2,2%**	36,1%	**22.339**	**1,9%**	**22.069**	**1,9%**

- International accounting standards (IFRS): financial statements were produced according to IFRS. As announced in April 19th, different accounting procedures were taken and that led to changes in financial statements, including appendices. Changes were made from January 1st, 2005. Information as of 2004 was restated.

Major events

- The GROUP adopted a new governance model and changed its business organization: Real Estate & Tourism will be part of Engineering & Construction business area and Industry & Energy will become a new business area
- MOTA-ENGIL is included in PSI 20, Euronext Lisbon's main stock Exchange index. As a result, among other factors, of the private placement occurred in February 2nd, MOTA-ENGIL'S shares were included in PSI 20 as from the second half of 2005

Engineering & Construction

- The announcement of the Portuguese Infrastructures Plan was the most relevant event
- Very good performance of MOTA-ENGIL's Portuguese operation as a result of a strong backlog coming from previous years
- Increasing weight of international operations (39% of this division's turnover)
- Acquisition of a 50% stake in a Spanish niche-player construction company

Industry & Energy

- First full year of activity of metallic structures activity in Central Europe following the incorporation of a factory in Poland
- MOTA-ENGIL, through MARTIFER, is part of a consortium that includes Galp Energia and Enersis that bid for wind power licenses in Portugal. If successful, capital expenditure of the consortium should exceed € 1 billion
- MARTIFER acquired stake in RePower Systems, AG, the German turbines manufacturer, for a total consideration of € 27 million, becoming its major shareholder

Environment & Services

- Acquisition of an additional stake in INDÁQUA, SA along with other Portuguese companies from Severn Trent Water International and Severn Trent Enterprises. INDÁQUA, SA, MOTA-ENGIL´s vehicle for water distribution & sewage is now 42.86% owned by MOTA-ENGIL AMBIENTE E SERVIÇOS

- First steps taken in Environment & Services internationalization. Incorporation of a company in Poland to operate urban solid waste management

- Increased stake in SADOPORT - TERMINAL MARÍTIMO DO SADO, SA, a harbours' logistics company

Transport Concessions

- MOTA-ENGIL CONCESSÕES DE TRANSPORTES made an agreement to acquire Jaime Ribeiro & Filhos's stakes in the four motorway concessions in which MOTA-ENGIL is the main shareholder

- Consortium led by MOTA-ENGIL (32.79%) was short listed for the Grande Lisboa concession. The aforementioned concession has an approximated length of 25 kms. Estimated capital expenditure of € 270 million

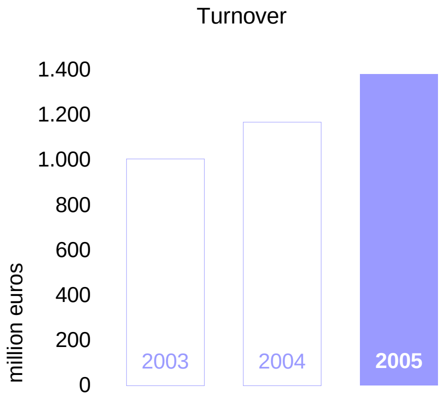
- Aenor selected as GROUP's sole brand

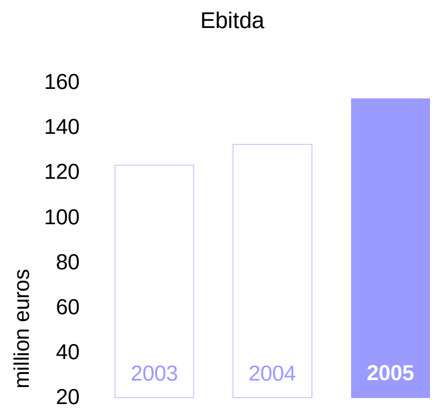
- First year of full operation of Costa de Prata concession, with the exception of a stretch from Estarreja to IP5 whose final layout is still pending from Government's approval

- Opening to traffic of almost the entire Aenor concession and several stretches from Beira Litoral e Alta (IP5) and Grande Porto

- Internationalization of transport concessions kept on going

Financial Analysis



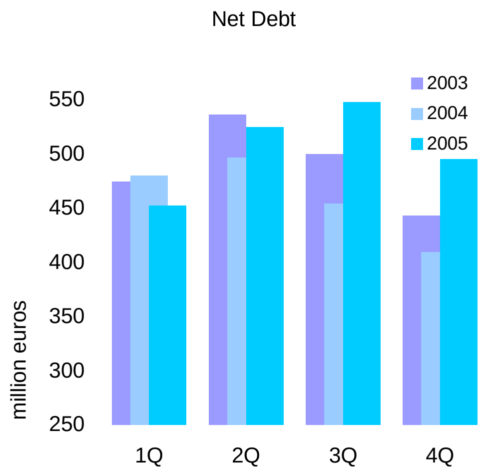


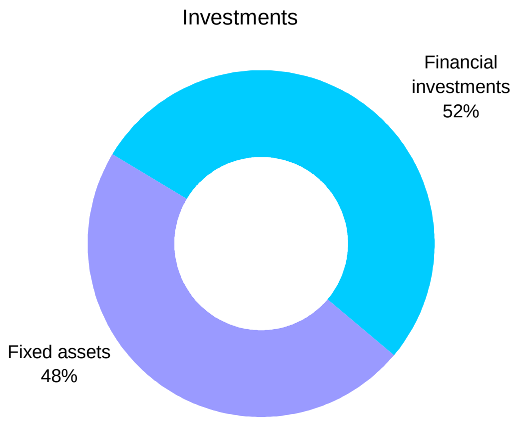
Turnover increased 18% to € 1.38 billion in 2005. All business areas contributed to the above mentioned figure. It is, however, worth mentioning the strong contributions from Central Europe, Africa & America operations.

Trading margin remained unchanged at 45% and EBITDA margin remained above 11%. Portuguese, African and American operations were paramount in achieving these outstanding results. Environment & Services business area also strongly contributed to the aforementioned results.

In the fourth quarter, business activity remained very high. Turnover reached € 374 million (2004: € 271 million), boosted by international markets and by MARTIFER's industrial activity. Operating margins remained stable at a similar level to those achieved in the other quarters although lower than those achieved in 2004 due to non-recurring items accounted for in 2004 accounts.

EBIT increased by 29% in 2005 to € 93 million as a result of synergies obtained with the restructuring of activities undertaken in the last 3 years.





Financial expenses advanced 11% on the back of higher debt. As compared to the last quarter of 2004, the above mentioned expenses decreased due to no foreign exchange losses (€/US$).

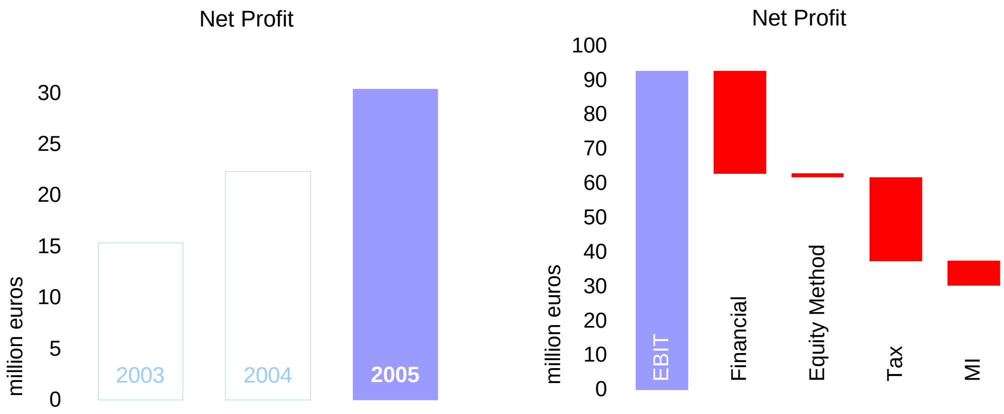
The aforementioned increase in net debt was due to strong capital expenditures in 2005 amounting to € 130 million, € 68 million of which related to financial investments (equity investment in motorway concessions and acquisition of a stake in RePower Systems).

On the other hand, capital expenditure in fixed assets reached € 62 million. Change in working capital followed the evolution of production levels.

As a result, despite the strong Operating Cash-Flow, debt rose to € 518 million. Coverage ratios, however, remained at prudent levels: debt-equity of 1.61 (2004: 1.57) and Debt-EBITDA of 3.38 (2004: 3.07).

Furthermore, the debt maturity was extended. Long term debt now accounts for 78% of total gross debt as compared to 61% in 2004.

Net losses from equity consolidation were reduced to € 2.3 million in 2005 (2004: € 4.2 million) due to lower losses from motorway concessions



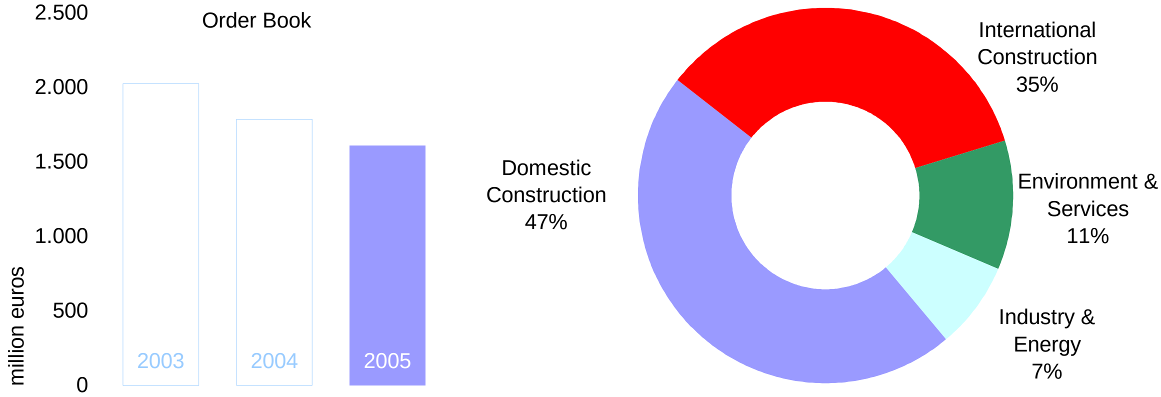
The outstanding operating performance led to pre-tax income of € 61.8 million (2004: € 41.9 million), corresponding to a 48% increase.

Despite high tax charges worth € 24 million, influenced by non-recurring factors, net income soared to € 37.5 million (2004: € 27.9 million).

Minority Interests increased to € 7.1 million (2004: € 5.6 million) and net income attributable to MOTA-ENGIL to € 30.4 million (2004: € 22.3 million). Contribution from the fourth quarter to the latter figure was € 7.1 million, a similar level to previous quarters' contribution if one excludes the negative impact from motorway concessions in the last quarter.

The stake in LUSOPONTE is now accounted for € 66 million. Due to the revaluation of LUSOPONTE's book value and to the favourable evolution of net income, shareholders' equity attained € 318.2 million (2004: € 258.3 million), € 273.5 million of which attributable to MOTA-ENGIL's shareholders (2004: € 229,0 million).

In the last quarter, the GROUP obtained the final confirmation from Angolan authorities of the receivables claimed under the agreement established between the Portuguese and Angolan States. The agreement to receive the aforementioned claim is expected to be signed during 2006.



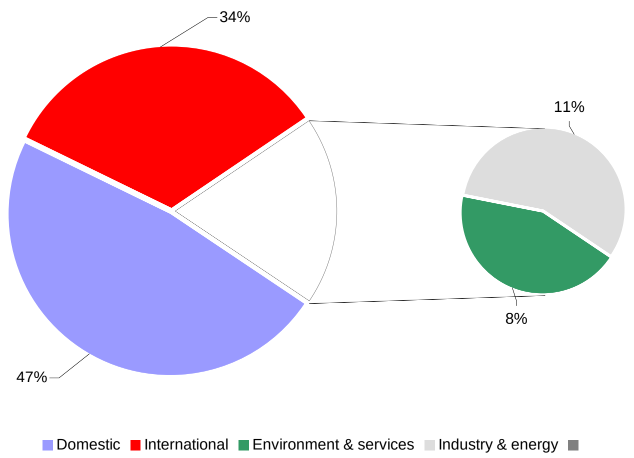
Performance achieved in 2005 was in line with budget and showed that 2005 was the peak year in the past cycle of growth in Portugal but also a strong year as international operations were concerned, as shown in detail in the next chapter.

The decrease in backlog from domestic operations has been partially offset by a higher backlog from international operations, namely in Central Europe and the USA.

As of December 2005, backlog reached € 1.6 billion (December 2004: € 1.8 billion) with the breakdown shown in the above chart. The figure excludes future revenues from motorway concessions and water distribution.

On the other hand, the diversification to other business areas eliminates the GROUP's dependency on this item although the latter still guarantees approximately one and a half years of production. In Portugal, a new phase of investment in infrastructures is about to start, the group having high expectations to be actively involved in the process and therefore to lift its backlog.

Business area analysis

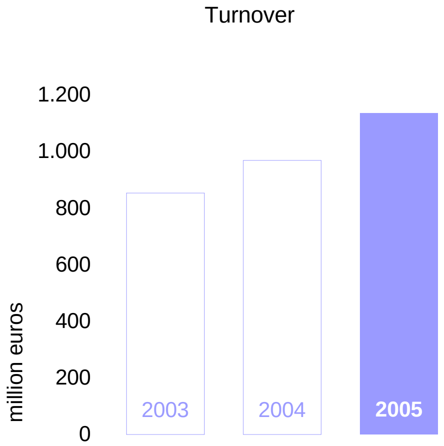


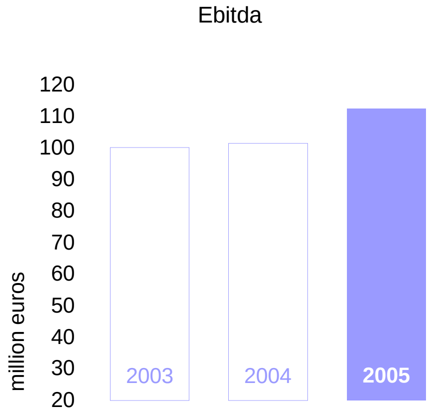
As shown in the above chart, the already mentioned diversification and internationalization led to a growing contribution to turnover. This evolution was reached in spite of a strong activity in Portuguese construction.

Engineering & Construction revenues soared to € 1.14 billion (2004: € 969.5 million), Environment & Services to € 114.7 million (2004: € 88.8 million) and Industry & Energy to € 148.9 million (2004: € 122.6 million).

The following chapters will further analyse these contributions.

Engineering & Construction





Turnover had a very good performance, advancing 17% mainly due to the performance of construction activities in foreign markets, namely Poland, Hungary, Angola and the USA. International operations weighed 39% of construction revenues, up from 22% in 2004.

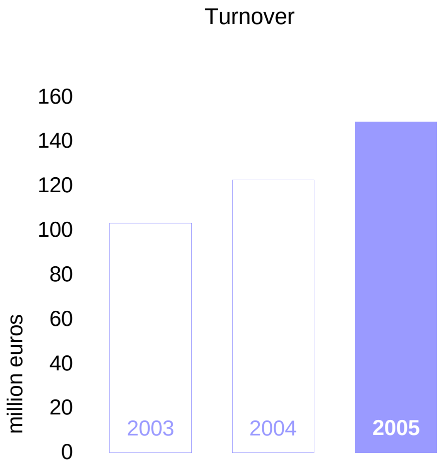
EBITDA amounted to € 112.4 million (2004: € 104.2 million), leading to EBITDA margin of 9.9% (2004: 10.7%).

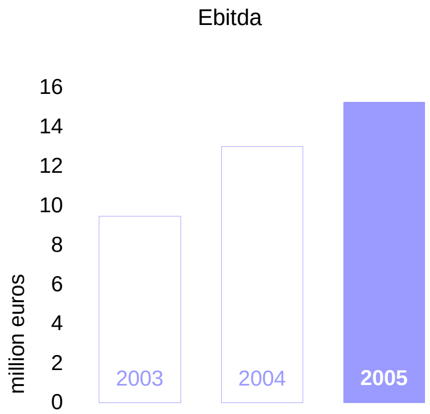
The increasing weight of international construction in turnover had a natural impact on margins. Despite different profitability levels, international operations weighed 27% in construction's EBITDA (2004: 15%).

Net income from Engineering & Construction reached € 34.6 million in 2005, a 23% increase year-on-year.

Despite the boost in activity experienced in 2005 and capital expenditures of € 53 million, working capital was reduced allowing net debt to drop.

Industry & Energy



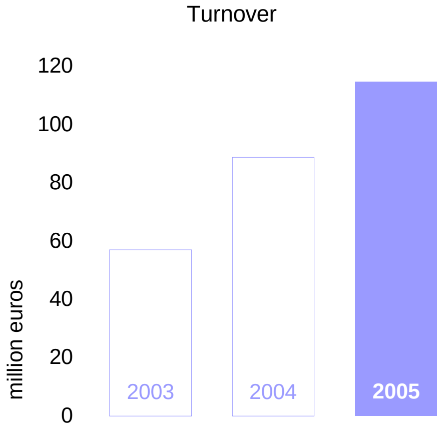


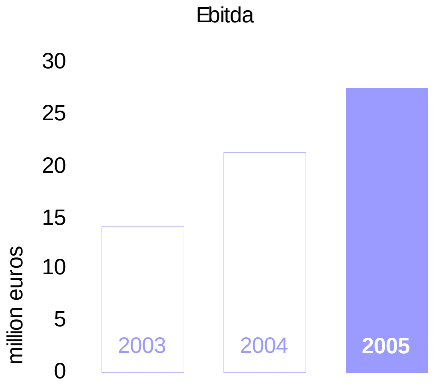
Turnover grew 21% in 2005 mainly due to the contribution from international operations. International operations already represented 36% of MARTIFER's turnover in 2005 from 8% in 2004 having added € 43.8 million in revenues. The latter more than offset the € 17.6 million drop in revenues coming from Portuguese operations.

EBITDA was of approximately € 15.3 million (2004: € 13 million), and margin EBITDA remained broadly unchanged at 10.3%.

Net financial expenses were higher as a result of higher debt that jumped to € 91.4 million following heavy investments related to the internationalization process and to diversification to energy equipment production undertaken (namely the acquisition of a stake in RePower Systems AG for a total consideration of € 27 million).

Environment & Services





Turnover from Environment & Services' division grew 29% in 2005 though part of it (12%) was due to changes in the consolidation perimeter (first time consolidation of INDÁQUA and ENVIROIL).

VIBEIRAS, a company involved in construction and maintenance of gardens, had the most outstanding performance within the division, with a turnover increase of approximately 90%. This company already accounts for 15% of the division's turnover. Turnover in urban solid waste management rose 10%, a good performance if considering that the company is market leader in Portugal.

EBITDA margin remained roughly stable at approximately 24%, leading to € 27.5 million EBITDA (2004: € 21.3 million).

As for the water distribution & sewage activity, turnover went up, EBITDA soared 34%.

Net income reached € 5.6 million (2004: € 4.5 million). Net margin slightly decreased to 4.9%.

Net debt of this division evolved from € 46 million to € 71 million, mainly due to the consolidation of INDÁQUA and to higher working capital needs in urban solid waste management due to higher receivables from municipalities. Notwithstanding, net debt to EBITDA was kept at a prudent level of 2.8.

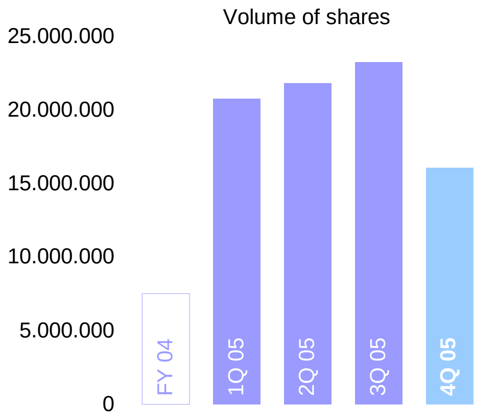
Transport concessions

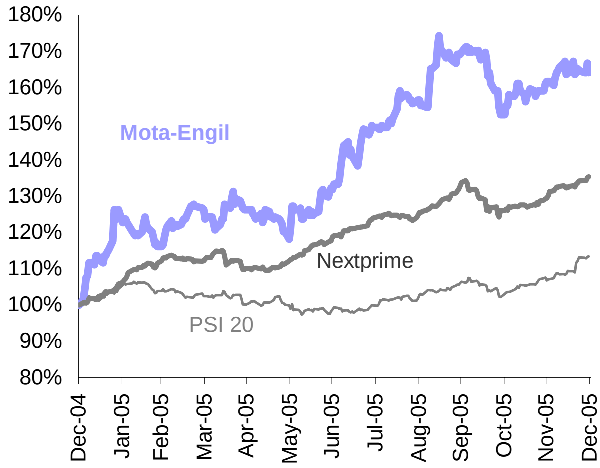
Because there is still no clear accounting procedures to account for motorway concessions businesses under IFRS, the Board of Directors decided consolidate this division's activity through the equity method.

As a result, this division's contribution to GROUP's net income was € -6.1 million. Please notice that, with the exception of Costa de Prata, construction of the motorways concessions is still in progress.

The stake in LUSOPONTE is not consolidated. It is accounted at *fair value*. It is, however, worth mentioning that profitability is in line with the base case scenario. First dividends should be distributed in 2006.

Share price behaviour and dividends





MOTA-ENGIL's closing stock price was € 1.98 in the last session of 2004.

During 2005, the majority shareholders placed 45 million shares of MOTA-ENGIL, SGPS with institutional investors at € 2.45 each, as reported in February 2nd, 2005. As a result, free-float increased substantially and so did the stock's visibility.

As can be seen in the chart above, liquidity increased dramatically, allowing the stock to be included in PSI 20, the main Portuguese index as from July 1st, 2005.

The stock price went up 64% in 2005, outperforming the PSI 20 index. As of December 31st, the stock price reached € 3.25.

The Board of Directors of MOTA-ENGIL, SGPS, SA will propose to the General Shareholders Meeting a €cents 10 dividend per share.

THE INVESTOR RELATIONS DIRECTOR

EDUARDO ROCHA