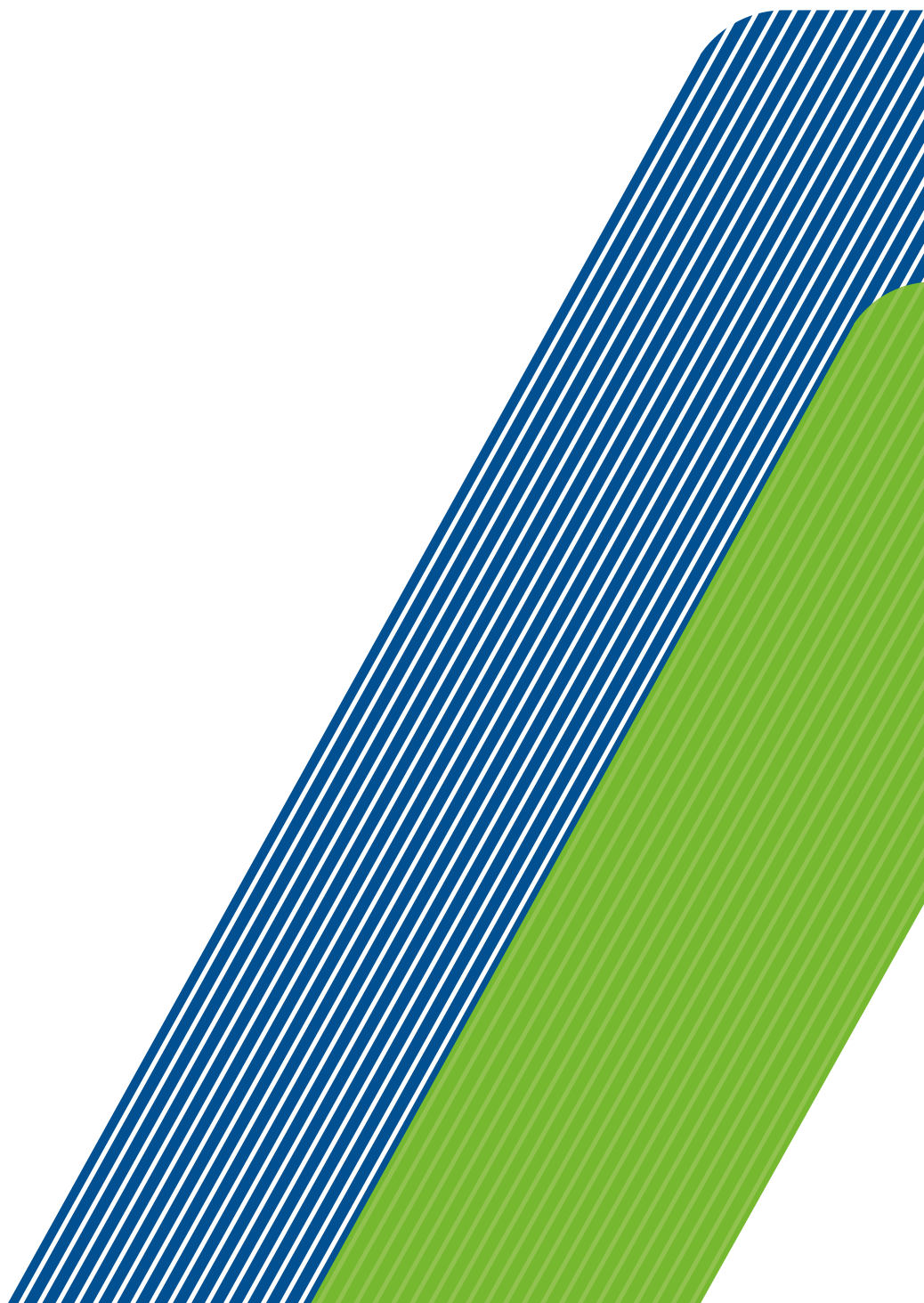


Annual Report

2014





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1. Introduction





1.1

Chairman's Message

Dear Shareholders,

I would like to begin this message by expressing how proud and confident I am.

I am proud to lead a Company that has trodden an interesting path in the domestic market and starts to widening its activity internationally, and confident in a future that I know it will generate added value and a sustainable development amongst all economic agents that interact with us.

It is our aim and ambition to keep yielding added value in a sustainable way. This is our mission and commitment to our stakeholders.

Concerning the economic background, despite being unclear, we have recently seen that there is a silver lining. We believe that these improvements in both the activity and economic environment will remain in the future. Nevertheless, we must stay cautious not to jeopardise all our previous efforts.

In line with Domestic, European and World economic enhancements, the Company showed encouraging results both in terms of turnover and financial performance indicators.

These improvements arise not only from the acquisition, in 2013, of MRG - Engenharia e Construção's core business, but also from the work developed within the structures of both human and material resources, that needed to be appropriate to a new reality and new geographies, namely with the expatriation of team members. The competences, technical and human resources are key factors to successfully face the challenges, with confidence and resilience.

In 2014, under the sustainable development strategy of internationalization, MRG - Engenharia e Construção acquired a stake in MRG Construction SARL (a Company incorporated under French law) and, together with MRG - Engenharia e Construção and local partners, set up the Algerian Company MRG SPA.

Besides this markets where the Company sets up under local law companies, it envisions new growth opportunities all over the world, which the Company intends to study in great detail, always building on its experience and soundness, generating added value, not only to the Company but also to all its Stakeholders.

Only through the continuous enhancement of the competences that differentiate MRG - EQUIPAV we can aspire to improve even more our culture of quality, compliance and excellence and look ahead with renewed confidence.

The Company continued its orientation in accordance with the pre-established strategy aiming at its sustainable development, improvement of profitability and further strengthening of the company's balance sheet, development of Team Members' skills, renewed investment in its production area, a commercial team focused on new business opportunities that can achieve better margins and, last but not least, a stronger and sustainable emphasis on the international markets.

I would like to thank the Shareholders for the trust placed in this new Board of Directors. We will do everything in our power to take this Company even further, a Company that started from scratch and due to its transformations and innovations, became one of the most important in the market, not so much because of its turnover, but mainly due to the company's perceived values of security, trust, thoroughness and reliability within the market.

This recognition from the markets was won, not only because of the continued support of the Shareholders based on a well balanced mix of exigency, confidence and resiliency, but mainly because of the highly skilled and confident Team Members who never doubted for a second that, despite the difficulties, this was and it is the appropriate way for the Company.

We will continue our dream of being recognised anywhere in the world as a Company that creates

value through its modernity, rigor, and assurance that what we do, we do well, but also through its creativity and capability to innovate, implement and execute.

Rodolfo

Rodolfo Oliveira Gouveia
Chairman of the Board of Directors



1.2

Corporate Structure

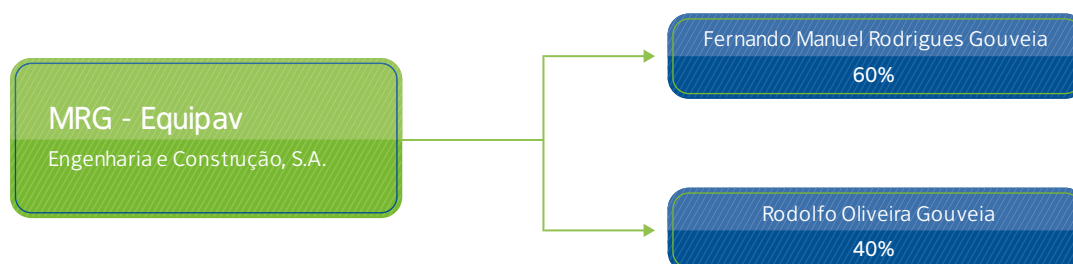
MRG - EQUIPAV holds stakes in one private and public capital entity where the shareholder is the Town Hall, in holding companies that operate in foreign markets and in a company of pri-

vate capital. The table below shows the Share Capital of the subsidiaries and the respective held percentage.

ESTRUTURA SOCIETÁRIA	CAPITAL SOCIAL	PERCENTAGEM
Luz do Mondego, S.A.	€ 50.000,00	0,002%
MRG Construction, SARL (França)	€ 101.153,00	99,98%
MRG SPA (Argélia)	DZD 100.000.000,00	24,50%
Oeiras Primus, S.A.	€ 50.000,00	3%

1.3

Shareholders Structure



1.4

Statutory Governing Bodies

BOARD OF DIRECTORS

Chairman: Rodolfo Oliveira Gouveia

Member: João Manuel Nunes Salvador

Member: José Eduardo Loureiro da Silva

Non-executive Member: Maurício Teixeira Marques

BOARD OF THE GENERAL MEETINGS

Chairman: Licínio de Jesus Pereira

Secretary: Gabriela Silva Martins Almeida

STATUTORY AUDITOR

LCA - Leal, Carreira & Associados, SROC, representado por José Maria de Jesus Carreira

ALTERNATE AUDITOR

Fernando Jorge de Sá Pereira





2. Business Environment





2.1

International Macroeconomic Background

In 2014, the **world economy** grew 3,3%, 0,4% below the forecasted. During the second semester, some risk factors such as heightened geopolitical tensions, stagnation or very low growth rates in the developed countries and the growth slowdown of the emergent markets decelerated the activity from the first semester on. For 2015 it is forecasted a 3,5% growth of the global economy, as a result of a weaker outlook in China (+6,8%), Russia (-3,0%), Eurozone (+1,2%), Japan (+0,8%) and petroleum exporting countries (only +1,8%), these facing a sharp price decline (between June and the end of the year, oil depreciated 50%). The USA is the only developed country with a better economic outlook, being forecasted a 3,6% growth for 2015, slightly higher than the growth expected for the world economy.

Reviewing the macroeconomic developments of the major economic blocks around the globe, there are evidences to suggest that:

- In 2014, the **Eurozone** economy improved slightly. Despite the favourable conditions to increase business activity, it is now estimated a 0,8% growth rate for that period. Nevertheless, it shows an improvement from 2013's recession. The instability in Ukraine, the conflict with Russia and the slowdown of economies (e.g. China) that influence significantly the European growth, caused the poor performance in the Eurozone. It should be also highlighted the different performances between the largest and the peripheral countries within this area. The labour market showed two trends: a continuous improvement in Germany as opposed to the overall stabilization of the unemployment at high levels in the Eurozone. The unemployment rate should have reached 11,6%. There was a credit contraction to the non-financial private sector throughout the whole period, albeit at successively lower rates. Eurozone inflation and expectations fell steadily in 2014, reaching negative territory in some countries. The consumer prices are likely to have seen a contraction by the end of 2014 resulting in a 0,4% inflation rate. For 2015 it is forecasted a slow recovery of the European economy, as a consequence of

the high unemployment rate which would cause a decline in domestic demand, and also due to the low expectations regarding the exports growth as the emergent markets and the petroleum exporting countries are expected to grow weakly. If successful, the BCE quantitative easing (QE) program can deliver the conditions for a continued period of increased growth in the European economy.

- The **USA** is likely to have seen a GDP growth rate of 2,4% in 2014, below the expectations, but still above the 2,2% observed at the end of 2013. After a sharp contraction in the first three months of the year as a result of the adverse climatic conditions, the country's recovery should have exceeded the most optimistic expectations. Benefiting from the decline in oil prices, a less tight fiscal policy, and the ability to maintain the expansionary monetary conditions, the domestic demand and investment were the main drivers of the economic expansion. There was a steady decrease in unemployment, reaching values under 6,0% since September 2014. Despite the oil prices decline, the downward trend of the international prices and the US dollar appreciation, inflation should have reached about 2,0%, above the observed in 2013.

- Along with the USA, the **UK's** growth also registered an increase in 2014. It is likely to have reached 2,6%.

- **Japan's** growth was lower than in 2013. After a very positive first quarter, entered into a technical recession by the third quarter due to the excise duty on April 1st and to the slowdown of China's economy. The introduction of compensatory measures should have enabled the economy to show again a positive sign, being expected to reach a 0,6% growth rate in 2014.

- Regarding the **emergent countries (BRICS)**, the expectations have been revised downward. The most recent IMF forecasts show a 4,4% growth rate for these countries. China registered successively lower growth rates during 2014, reaching around 7,4% at the end of the year, which

represents the lowest level for 24 years. In contrast, India should have registered a better year-on-year result, being forecasted a 5,5% growth. Brazil and Russia, in turn, had disappointing performances: despite the 0,1% and 0,6% growth rates forecasted by the international bodies, there is concern that the final results will highlight an economic contraction. South Africa economy should have registered a lower year-on-year result, being forecasted a GDP growth rate of 1,4%.

Concerning the [Monetary Policy](#), since the 2007/2008 economic/financial crisis, there's been an emphasis on ultra-expansionary monetary policies, on an attempt to strongly react to the above mentioned crisis. In 2014 the big difference arises from the USA Central Bank (FED) announcement of the QE's end while the ECB is ramping up QE since June/July when started to seriously consider a similar monetary policy to the one that was being applied in both USA and UK economies. Notwithstanding this approximation of monetary policies, during 2014 the ECB reduced twice the key ECB interest rates (0,25% to 0,05%) and introduced for the first time negative interest rates. The FED, in turn, kept its Fed Funds Target Rate between 0% and 0,25%. Reflecting different economic cycles, in 2014 the Bank of Japan continued to hold off on further stimulus. Therefore, it is expected divergent monetary policies from these two groups of central banks.

In line with the main ECB reference rate, the EURIBOR rates were at their lowest. At the end of 2014, EURIBOR 3M, 6M and 12M were 0,078% (versus 0,287% in 2013), 0,171% (versus 0,389%) and 0,325% (versus 0,556%), respectively. Yields significantly decreased in the developed economies while risk premiums increased in most of emergent markets.



2.1

International Macroeconomic Background

From the above mentioned, it can be concluded that, in 2014, there were four main events in the world economy that restrained the Governments and private agents' actions:

- Firstly, the decline of oil prices, especially from September on, partly because of the unexpected slowdown of the demand in some of the main world economies. Moreover, the Organization of Petroleum Exporting Countries (OPEC) decided to maintain the production levels, regardless of the continuous rise of the oil production by the non-members oil producers, such as the USA.
- Secondly, the asymmetric growth of the world economies. The recovery in the USA and UK was stronger than expected while the performance of all other main economies, such as China and Japan, has fallen short of expectations.
- Thirdly, the US dollar appreciation. The American currency has strengthened dramatically against most of the world's other major currencies, namely the yen and the euro, and many other currencies of emergent countries that are exporting commodities.
- Finally, the interest rates and spreads. The latter rose in many emergent markets, especially the commodity exporters, while the former (treasury yields) fell markedly, as a result of the main economies' slowdown.





2.2

Domestic Macroeconomic Background

2014 reflected the impact of the conclusion of the Financial Assistance Program agreed between the Portuguese authorities and the European Union and the International Monetary Fund (IMF) on the Portuguese economy. After three years of assistance, there were several adjustments on the economy - structural measures were taken - in order to correct macroeconomic imbalances.

Within this context, following three years of recession, Portugal registered an economic expansion in 2014, keeping the trend of recovery already observed during the second semester of 2013. In accordance with the National Quarterly Accounts, issued by the National Institute of Statistics (INE), the 4th quarter of 2014 showed a year-on-year GDP increase of 0,7% (1,2% in the 3rd quarter). Consequently, the 2014 GDP growth rate rose 0,9% (-1,4% in 2013), the first positive change since 2010. This performance was driven by the recovery of the domestic demand (+2,2% in 2014 versus -1,7% in 2013) and the investment (+2,2% in 2014 versus -6,6% in 2013), as well as the reduction of the public consumption contraction (-0,5% in 2014 versus -1,8% in 2013).

It is expected an acceleration of the economy in the beginning of 2015 as a result of low oil prices and the depreciation of the euro, which should enable the exports to be the main driver of growth. It is forecasted a 1,6% and 1,7% GDP growth rate for 2015 and 2016 respectively.

From the most recent macroeconomic data disclosure, should be highlighted:

- The **economic activity indicator** decreased slightly in November and December, after being stabilized at the highest level since July 2008. In December, the Short-Term Statistics revealed an activity decrease in industry, construction and public works and in some sectors of services.
- The **net external financing capacity** of the economy registered a surplus for the third year in a row. This increased capacity arises from the rise of internal savings and the investment stabilization.
- The **private consumption** was unexpectedly positive, mainly after the end of the Financial and Economic Assistance Program. The enhancement of consumer confidence contributed to the 2014 growth in real terms of 2,2% (2,6% on the third quarter), reflecting an acceleration in consumption of durable and non-durable goods. In 2015, it is forecasted a deceleration of the private consumption growth, as a result of the delevera-

ging process in the internal market. Nevertheless, the expectations of improvements in labour market conditions, the increase of the disposable income and the low inflationary pressures should maintain the private consumption in positive territory with growth rates of around 1,8% in 2015 and 1,5% in 2016.

- In 2014, **private investment** grew 2,2%, 1,7% below the observed in the third quarter. Indeed, the second and third quarters showed the highest investment growth rates (3,5% on average), being machinery and equipment the main types of investment during this period. The more favourable corporate tax system, in force since 2014, improved the investment climate, in contrast with the downturn registered in the previous three years.

- Contrarily to the forecasted, the contribution of **net exports** to growth was not positive in 2014: despite the good performance of exports (strong diversification of products and destinations, increased contribution of services - tourism highlighted), the imports followed the more buoyant domestic demand. In fact, as a result of the increase in the domestic demand, imports grew 6,3% year-on-year, clearly above the 2,6% growth of the exports. Consequently, the net exports contribution to the GDP's performance was -1,5%. However, in 2015 and 2016, the trade balance should have a positive contribution to the GDP's growth as the most recent data suggest a significant increase of exports for 2015.

- According to preliminary results of **international trade in goods**, in nominal terms, exports of goods slightly accelerated in December, increasing from 4,3% year-on-year in November to 4,6% in December, thus extending the increasing trend observed since June. Exports of consumer goods and intermediate goods were the main drivers of that year-on-year change, while fuel exports registered the only negative contribution. Imports in nominal terms slowed down, decreasing from 3,8% year-on-year in November to 2,0% in December. Imports of transport material and consumer goods had a positive impact on that year-on-year variation, while fuel and intermediate goods had a negative impact.

- Given the decreasing external and domestic pressures **inflation**, slowed down during the year, having registered negative year-on-year changes since the first quarter, despite the October's increase of the minimum wage. In fact, in 2014, the **Consumer Price Index (CPI)** fell to -0,2%, mainly due to the sharp decline of energy and unprocessed food prices. The goods component of the CPI came from an average change of 0% in 2013 to -1,1% in 2014 while the services component of the

CPI registered an average annual variation rate of 0,8% in 2014 (0,7% in the previous year). Inflation could reach positive values by the second semester of 2015, mainly through jobs creation. However, it should remain low because unemployment is still high and the oil price is falling. It is forecasted an inflation of 0,1% in 2015 and 1,1% in 2016.

- Despite the high unemployment rate, in 2014 it was observed a slight recovery of the **labour market**. Employment rose 1,6% (-2,6% in 2013) and the unemployment rate fell to 13,9% (16,2% in 2013), corresponding to 726 thousand unemployed people. Notwithstanding, the last months showed a trend reversal, which was not observed since the unemployment rate peaked at 17,5 % in the first quarter of the year of 2013, the worst moment of this crisis. The most recent projections point to a gradual drop of the unemployment rate, which should be around 12,6% in 2016.

- With a view to fulfilment of the targets under which Portugal has internationally committed itself, it was maintained the **fiscal consolidation** effort. At the end of the year the general government deficit reached around 3,9% of the GDP, net of one-off measures. The main features of the budget execution were the high taxation and the curbing of public expenditure. For 2015, the deficit is projected to fall further to less than 3,0% of the GDP.

- It is estimated that, at the end of 2014, the **general government debt** to GDP ratio was almost 129%, driven by higher deposits and the euro depreciation and, at the end of 2015, should fall to 124,5% as a result of the expected economic recovery and debt reduction operations. The Country's risk premium fell as a consequence of the consolidation effort, the implementation of structural measures and the ECB's monetary policy.



2.2

Domestic Macroeconomic Background

As a result of the macroeconomic scenario presented above, the success of the adopted policies in our Country following action by the “troika” in spring 2011, are currently under discussion. Most analysts believe that the problem is caused by the **economic model** built up over the years and enhanced by Portugal’s entrance in the EU, which would unveil its exhaustion and unsustainability with the Country’s entrance in the Eurozone.

Indeed, the Portuguese economy is structurally heavily dependent on external developments, with systematic deficits in the goods and services account balance that can only be offset when there are enough income and capital inflows.

Within this background, the options to take are:

- To pursue to accomplish the agreed targets with “troika”, as part of the Stability and Growth Pact (deepened by the TSCG), jeopardizing the economic growth, through an austerity that will last for decades;
- To highlight both the economic growth and the debt service the main components of the fiscal consolidation and review the debt targets (indeed, several countries have been unable to comply with the targets included in the TSCG) and its payment conditions.

The option of decreasing the debt in the very short-term has an insurmountable cost for the economy. Therefore, to soften the conditions of payment, by relieving the service debt costs, seems to be the best option and the only way to allow the economy to grow. To be compatible with budget rebalancing, the growth, in nominal terms, must be higher than the interest burden in percentage of GDP, maintaining positive primary balances.

As we stated in the 2013 Annual Report, it is our opinion that in order to exit the current situation, and regardless of the model that will prevail between the Country and the international creditors, Portugal needs:

- To combine the financial adjustment programme with a new cycle of economic growth, which requires, in the first place, more time to achieve the former goal;
- The execution of a medium-term program with effective structural reforms (in opposition to piecemeal measures that only aim to implement the budget) in the economy, in the State and other public administrations.

The compatibility of economic growth with the public accounts consolidation depends on the achievement of the two above-mentioned aims.





2.3

Sector Environment

A. CONSTRUCTION INDUSTRY

The available data for the year of 2014 show that **worldwide**, the construction industry is gathering back momentum. Indeed, the recently disclosed information points to a 3,8% increase of the production in 2015, followed by an average annual growth of 3,9% for the period 2016-2020.

This expansion brings a variety of new opportunities for the companies that invest and operate in this sector, as well as for the suppliers of goods and services.

However, this growth has not been uniform worldwide, not even regionally, thus arising many risks and challenges.

Overall, regarding the construction industry, the emergent markets will continue to grow much faster than the developed economies. For the first time, in 2012, the emergent markets were responsible for more than half of the construction production worldwide and, by 2020, it is expected a 56% market share. For the period 2016-2020 it is forecasted an average annual growth of 2,2% and 5,3% in the developed and emergent economies, respectively.

In Portugal it has been observed a steady recovery in confidence of both domestic companies and international investors. Within this context, and regardless the still unfavourable situation, during 2014 there is a clear slowdown of the construction crisis. According to the figures recently issued by the National Institute of Statistics (INE), it can be seen that:

- In December 2014, the construction **production** index was -5,2%, year-on-year, which is 0,6% higher than the observed in the previous month. Both segments of the industry, Building Construction and Civil Engineering, showed again less negative annual rates of change. The former registered a -4,6% year-on-year variation (-5,3% in November), representing a -2,7% contribution to the aggregate index. The latter decreased 6,0% year-on-year (-6,4% in the previous month) representing a -2,5% contribution to the total of the construction production index.
- In the third quarter, the **investment** in construction fell 3,0% year-on-year, after a negative variation of -5,3% in the first semester.
- Following a 5,7% year-on-year drop in the first 6 months of the year, the sector's **GVA** registered a 3,5% contraction in the third quarter.

Simultaneously, some figures point out a possible recovery of the activity in the short-term:

- **Employment** fell until June with a year-on-year negative variation of 23,2 thousand people, but recovered during the third quarter, registering a 18,5 thousand jobs increase from the second to the third quarter, within a context of positive net change in total employment of the economy: there was a 50,5 thousand net job creation in that period.
- During the first nine months of the year, the value of the **works awarded** rose 34% year-on-year, which will mean an increase of the activity for the companies that operate in the public works market. Nevertheless, the outlook for the market of buildings construction is not so optimistic, as a consequence of the continuous decrease of building permits (-13% until September) and of the 4% year-on-year fall of the licensed area for non-residential buildings.



In the opposite direction, the following facts have been penalizing the companies:

- In the construction market for **public works**, during the first nine months of 2014 the value of open tenders fell 6,1% year-on-year to EUR 1,2 billion, while in 2013 it was registered an 18,3% year-on-year growth.
- The **credit granted** continues to sharply slowdown (EUR -5,5 billion in 24 months) while bad debts keeps rising, representing already 34% (last September) of the total credit in default, comparing to 18% in the same month of 2012.

Notwithstanding this sector's background, during the first nine months of 2014 the Portuguese business confidence indicator rose 38%, year-on-year, thus allowing, at least, hope to better times in the near future.

On the other hand, as it was stressed above, the construction market worldwide has been on a remarkable upward trend, especially in Africa, Middle East, Americas and Asia.

These geographical areas, mainly Africa, represent the main hope for the sector's future.



2.3

Sector Environment

B. REAL ESTATE

The development of both demand and supply indicators of the real estate sector shows, undoubtedly, a strong crisis over the last years, being 2009 one of the worst for the sector worldwide.

In comparison with its European partners, and despite being also largely afflicted, Portugal's crisis of the real estate did not arise so much from the subprime because, contrarily to Spain or Ireland, the sector was not expanding. The subsequent financial crisis and the need to deleverage was allegedly the main cause of the sector's crisis at all levels.

In fact, it should be noticed that, in a context of financial crisis and economic fragility such as the one occurred between 2009 and 2014, it is entirely to be expected that a sector which, by definition, sells durable, high value products, shows the biggest losses, as a result of higher families' risk aversion, which leads them to reduce purchases and mortgages.

Notwithstanding the above mentioned difficulties, the most recent data show a strong increase of the investments volume in the real estate sector in 2014. The main investors are foreigners, including funds and other institutional investors that, after being focused on Spain, have been targeting Portugal. This trend should accentuate in 2015. The real estate sector is expected to overpass € 1 billion turnover this year, which was unthinkable two years ago.

From all the changes and tendencies of the Portuguese real estate market, the main ones should be highlighted:

- **Focus on the urban regeneration:** there was a strong growth in the sector, with an increase of the related companies' activity that, in turn, boosted the number of acquired properties.
- **Increase of foreign investment:** in 2014, besides the traditional real estate funds, there was a considerable volume of foreign investment, namely by Chinese and Angolan citizens, under the "Golden Visa" program. This growth was not exclusive of the residential market. The office market also registered a significant increase in demand. Attracted by competitive prices and current tax benefits, the European retirees have been considering Portugal as an attractive place to invest and live, and this trend is expected to continue to 2015.
- **Signs of reversal in the construction slowdown trend:** as it was mentioned above, construction's growth is very low, and it should not recover in 2015. Nevertheless, there can be seen some signs of rebound, mainly in the urban regeneration.

Within this sector, dozens of projects are in place, showing a strong recovery.

- **Forecasted decrease in bank spreads:** after reaching prohibitive levels in the last years, the bank spreads are expected to fall during 2015, due to the current increase of liquidity. This factor will have a significant impact on the real estate turnover and on the financing of new projects.

As per the above mentioned, and regardless of the signs pointing to the beginning of recovery in 2014, we remain cautious and think that it is still premature to confirm it as, despite the better indicators (reduction of contraction) regarding prices, construction, sales and credit volume, those indicators are still falling year-on-year.

Therefore, as we observed the tumble of the real estate sector as a consequence of an economic recession, it is also expected to see the sector's recovery within the context of an economic growth, benefiting in the early stages from the increase of both families, and commerce and services demand. Furthermore, on a positive note, the sector confidence indicators improved and it is expected that, in 2015, the financial constraints will gradually become less restrictive.

Thus, the expected low reference rates, the anticipated reduced bank spreads, and the estimated improvement of the economic activity should lead to a slow recovery of the sector.





3. Company's Activity in 2014





3.1

Commercial

3.1.1 - Domestic Market

In line with the forecasted by MRG - EQUIPAV, the year of 2014 was strongly negative, despite the slowdown trend of the contraction of the construction sector activity. Indeed, there was a year-on-year increase of both employment and public works contracts.

Even so, 2014 was the thirteenth consecutive year of activity reduction within the Construction Sector. Despite this performance, Construction Entrepreneurs confidence increased. A sector's recovery, based on more orders and employment, and a better financial situation of the companies, has been forecasted by the sector's Businessmen.

Taking over the core business of MRG Group (all construction activity was transferred to MRG - EQUIPAV) and maintaining its sustainable growth strategy, MRG - EQUIPAV sought the orders book to fulfil its needs in accordance to its structure and goals.

Through technical-commercial studies and differentiation the company was able to achieve its customers' needs and differentiate from the competitors.

In sum, during 2014, the commercial department presented 35 construction business proposals worth a total of EUR 197000.000,00. The value of the awarded works was EUR 9.000.000,00. Simultaneously, important business partnerships were made, with expected results in the short to medium and long term.

On the other hand, rethinking the commercial positioning and developing new strategies of approaching the market, bearing in mind that this is as key factor for the sustainable development of the Organization in the coming years, resulted in strategic guidelines for the commercial development of the company. Subsequently, MRG - EQUIPAV decided to develop a policy of more selective tender's, choice, thus highlighting, simultaneously, sustainability and margins optimisation which is the only way to ensure the future of the Company.

3.1.2 - External Market

Internationalisation is an option involving high risks and consuming limited financial and human resources.

In MRG - EQUIPAV's case, internationalisation was neither an answer to a possible domestic failure nor a consequence of temporary higher financial resources, but a policy of sustainable development, expansion and growth.

Both the competitive advantages earned through the years of activity and the company's reinforcement in order to assume the construction activity within the Group, allowed MRG - EQUIPAV to face the external markets with the right confidence and determination to ensure the achievement of the goals defined in its strategic plan.

Therefore, the Company decided to enter into the Algerian market, by creating MRG, SPA (a company incorporated under Algerian law), where MRG - EQUIPAV holds 24,5% of the company's share capital.

Within this market, MRG has been participating in several public and private tenders, having good prospects of beginning the activity in the 1st semester of 2015.

In the French market, MRG - EQUIPAV acquired from MRG - Engineering & Solutions its share capital in MRG Construction, a company incorporated under French law that is responsible for the Group's construction business within that country.

This company has already been awarded a contract with a housing cooperative of Bordeaux and its execution is well under way. Moreover, there are good prospects of new awarded works in the short-term, which will enhance our activity within such a competitive and regulated market.

This internationalisation policy for the construction area is grounded on:

- Technical expertise: ensures expertise in the execution of several types of works;
- Management rigour: ensures a well-balanced redistribution of the domestic installed capacity, thus avoiding productivity loss;
- Financial capacity: ensures flexibility and investment security, needed to deal with likely mishaps;
- A policy that promotes the creation of partnerships with local companies.



3.2

Production, Planning and Control

As in 2013, in 2014 remained the severe adjustment process in course in the Construction Sector.

The value of the works that have been carried over to 2014 was EUR 17,477,129,63. The table below describes those works:

WORKS	PRODUCTION 2014
Residential Home - Mortágua	33.641,43 €
Residential Home of Santa Margarida da Coutada	173.161,60 €
Residential Home/SAD - Beatriz Santos Foundation - Coimbra	2.697.597,53 €
Office Building Alfredo Guisado Street - Lisboa	1.928.627,42 €
Associação Informática da Região Centro (AIRC) - Coimbra	2.604.148,61 €
Remodelling of College of Graça - Coimbra	923.370,70 €
Maternal and Child Health Centre of the North - Porto	5.479.881,65 €
Urban Regeneration of Historical Centre - S.Pedro do Sul	94.114,49 €
Central Buildings/Exterior Repairs - Tech Park - Óbidos	1.290.550,20 €
Waste-water Ovar/ S.João/Esmoriz/Cortegaça	2.252.036,00 €

2014 awarded works (two) were added to the volume of works that have been carried over to 2014:

WORKS	PRODUCTION 2014
Fojo Retail Park	2.714.339,52 €
Demolition Cerâmica do Fojo	68.898,15 €

Consequently, despite the sector's contraction, a value of approximately EUR 20.260.000,00 was reached.

There has been a strong investment in the automatic and formatted outputs, with the consequent improvement of the information systems and the ability to act in real-time with effectiveness, thus

ensuring the meeting of deadlines and margins and increasing departmental decision-making and global management capacity.

The inevitable rationalisation of human resources brought significant productivity gains without compromising on quality, which is a requirement of our Customers and it is MRG - EQUIPAV's prerogative.







3.3

Financial Performance

These are some indicators that illustrate MRG - EQUIPAV, S.A. financial structure and performance:

- **Net Assets**

Net Assets reached EUR 13,133 million, showing a year-on-year drop of 13,76%. This result is largely explained by the decrease of the caption "receivables (customers)", showing an improvement of the average collection period.

- **Current Assets**

Current Assets stood at EUR 10,063 million, corresponding to a year-on-year decrease of 14,25%. The main reason for this result is the above mentioned for the Net Assets;

- **Equity**

The Equity value at the end of the 2014 fiscal year was EUR 3,522 million, meaning a significant 75,41% year-on-year increase. It should be stressed that, besides the contribution of the period's net profit, this significant variation of the equity is mainly explained by raising additional capital payments (EUR 1.200.000,00);

- **Net Debt**

Net debt recorded a year-on-year drop of 44,52%, standing at EUR 929,984 thousand at the end of 2014. This significant improvement arises not only from the capitalization of MRG - EQUIPAV, but also because of the stability and sufficiency of the company's working capital;

- **Turnover and Net Profit**

During the 2014 fiscal year, the turnover grew 3,3% year-on-year, reaching EUR 22,026 million. This performance is in line with the sector's.

In the same period, the net profit amounted to EUR 314,472 thousand, representing a year-on-year decrease of 59,11%. This performance is a result of the construction's sector domestic context, where the trend of reduced operational margins remains strong;

- **EBITDA**

EBITDA reached EUR 562,809 thousand, at the same level of 2012 and lower than the previous year;

- **Net Debt/EBITDA**

During the fiscal year of 2014, despite the above mentioned net debt decrease, this ratio edged up slightly from 1,26 to 1,65, as a result of the EBITDA drop;

- **Financial Result**

The financial result stood at EUR -90,973 thousand, corresponding to a 23,01% negative year-on-year variation. This performance was largely a result of the capital repayments of SME credit lines (SME Invest and SME growth) and consequent reduction of the respective financial costs.



Headings and Indicators (€, %)

HEADINGS (€)	2014	2013	2012
Current Assets	10.063.981,78 €	11.737.015,82 €	7.141.118,31 €
Non-current Assets	3.069.280,51 €	3.491.425,70 €	285.316,69 €
Total Assets	13.133.262,29 €	15.228.441,52 €	7.426.435,00 €
Current Liabilities	5.962.695,99 €	10.171.716,57 €	5.226.608,89 €
Non-Current Liabilities	3.648.235,20 €	3.048.680,23 €	960.763,83 €
Total Liabilities	9.610.931,19 €	13.220.396,80 €	6.187.372,72 €
Equity	3.522.331,10 €	2.008.044,72 €	1.239.062,28 €
Turnover	22.026.510,77 €	21.336.737,76 €	14.410.028,46 €
Operating Profit	507.103,61 €	1.145.284,36 €	627.660,08 €
Financial Result	-90.973,23 €	-118.162,59 €	-125.351,41 €
Net Profit for the Fiscal	314.472,72 €	768.982,44 €	365.977,56 €

INDICATORS	2014	2013	2012
Working Capital	1,69	1,15	1,37
Liquidity-Quick Ratio	1,69	1,15	1,37
Financial Autonomy	26,82%	13,19%	16,68%
Solvency (Leverage Ratio)	36,65%	15,19%	20,03%
Debt-to-Equity Ratio	2,73	6,58	4,99
Asset Coverage Ratio	2,34	1,45	7,71
EBITDA	562.809,95 €	1.327.233,17 €	780.894,71 €
EBITDA / Turnover	2,56%	6,22%	5,42%
Net Debt / EBITDA	1,65	1,26	2,63
Return on Sales (ROA)	1,43%	3,60%	2,54%
Return on Assets (ROA)	3,86%	7,52%	8,45%
Return on Equity (ROE)	8,93%	38,30%	29,54%

3.4

Quality, Safety and Environment

The Company sees the opportunity of emphasize its service Quality and the Safety of its team members through the implementation of an Integrated Quality and Safety Management System (SIGQS), which has decisively contributed to the increase of Customers' satisfaction, to the access to new markets and to the reduction of the operating costs, as a consequence of a better operational performance. On the other hand, the Company implemented a new culture of awareness and motivation of its team members, oriented to the continuous improvement of all procedures, aiming at the Customers and all Stakeholders satisfaction.

This has been a development process of enhancing the implemented work involving all its professionals.

Following the 2013 decision of transferring the Core Business of MRG Engenharia e Construção, SA to MRG - Equipav, Engenharia e Construção, SA, implemented during the second semester of the same year, became essential to the latter to adopt an Integrated Quality and Safety Management System (SIGQS) that would be up to MRG Group's standards. Indeed, the Company is increasingly focused on Quality and Safety.

Subsequently, in the last quarter of 2013, the Board decided to extend the scope of the existing SIGQS in MRG Engenharia e Construção, SA to MRG - Equipav, Engenharia e Construção, SA, by reviewing the internal procedures, the norms and practises of the latter, and adapting them to the company's management, thus enhancing the developed good practices.

As a result, on 22nd September 2014, MRG - Equipav, Engenharia e Construção, SA, was certified by the Management System of Quality and Safety (SIGQS) in the normative references ISO 9001:2008 and OHSAS 18001:2001.

Regularly, in accordance with a pre-established plan, audits are conducted, which besides being one of the factors that guarantee the implementation of the Integrated Policy of the Company, are also seen as a very important pedagogical tool, enhancing the awareness of all parties involved of the relevance of the compliance with norms, rules, procedures, law and other requirements of safety, quality and environment.

The comprehensive maintenance of the Integrated System has been assessed by audits made by external companies. MRG certification has been renewed by the certifying body, SGS.

The measurement of the customer satisfaction is an indicator of the efficiency of the management system, which can be verified by the MRG Engenharia e Construção S.A. and MRG - Equipav, Engenharia e Construção, SA accidents' figures.

The table below shows the 2014 values:

MRG – Equipav, Engenharia e Construção, SA:

- Index of Frequency = 34,78
- Index of Gravity = 709,58
- Index of Incidence = 67,34
- Index of Duration = 20,40

NUMBER OF ACCIDENTS	NUMBER OF WORKERS (AVERAGE)	NUMBER OF DAYS LOST	NUMBER OF MORTAL ACCIDENTS
5	74	102	0



3.5

Human Resources

OUR TEAM MEMBERS

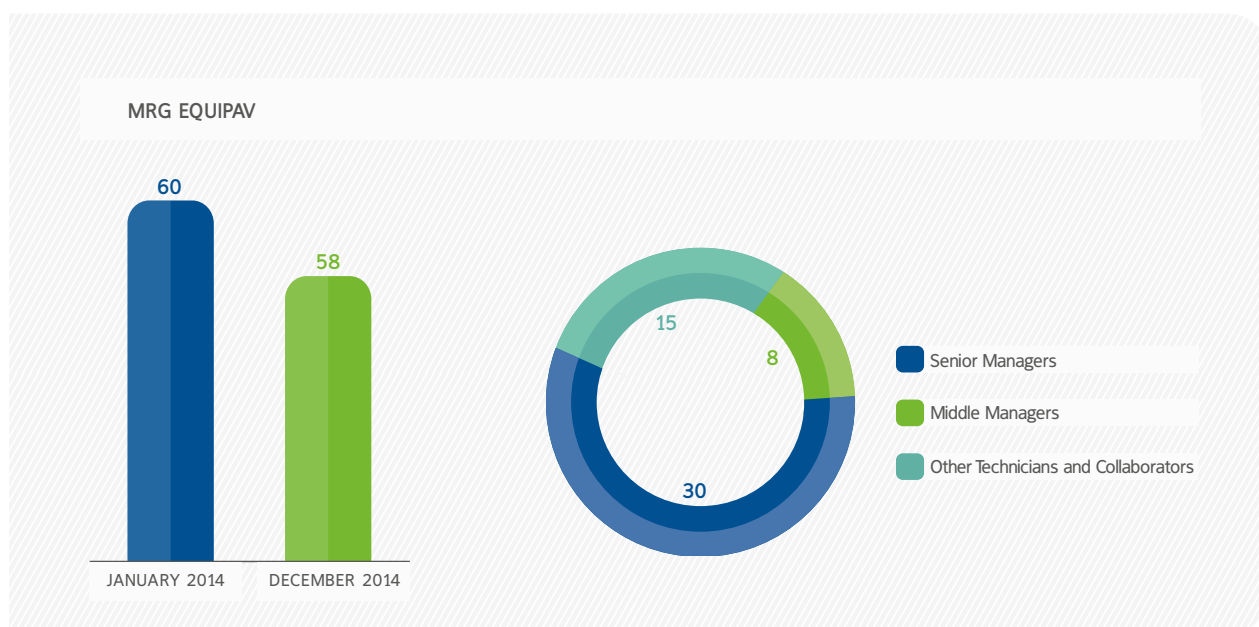
The process of transferring the Core Business of MRG Engenharia e Construção, SA to MRG - Equipav, Engenharia e Construção, SA, started in the end of the 2013 first semester, was consolidated in 2014 by having “the right people in the right places”.

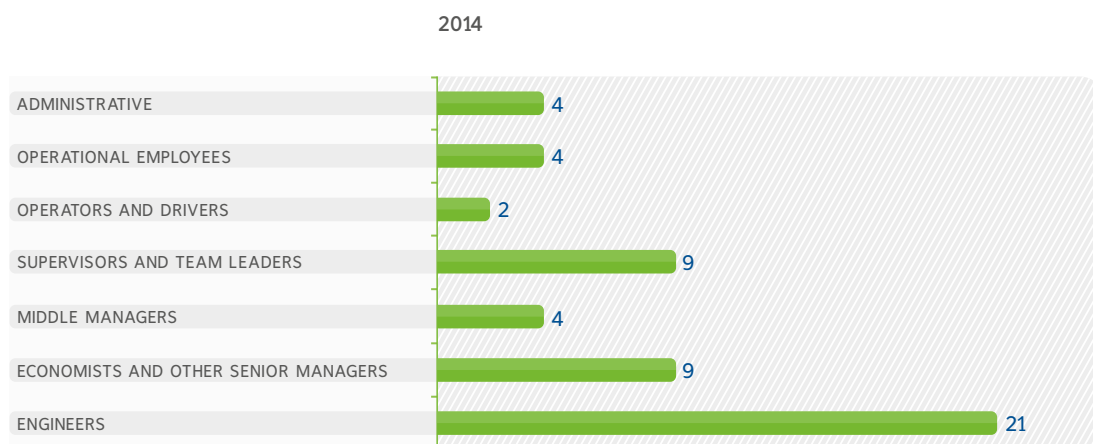
2014 was also a year of strategic reflection, reorganisation and restructuring, aiming at a new cycle for the three-year period 2015-2017.

POSITION	NO. T. MEMBERS JAN-14	NO. T. MEMBERS DEC-14
Engineers	10	21
Economists and Other Senior Managers	7	9
Middle Managers	3	4
Supervisors and Team Leaders	12	9
Operators and Drivers	14	2
Operational Employees	7	4
Administrative Employees	7	4
Service Providers	0	5
Total	60	58

The strategic orientation led us to a smaller workforce, though highly skilled, enabling the Company to start with confidence a

growth recovery during the next three-year period.





During the year of 2014, MRG EQUIPAV has given continuity to the development of the Operational Programme Human Potential (POPH), striving for continued improvement of its Team Members through training.

Besides this program, other actions were developed:

- **Inov Contacto Program** started in 2013 with the integration of a Trainee in the Mozambique market, and continued in 2014 with the integration of another Trainee in the French market. It should be stressed that this program developed in partnership with ALCEP aims at the integration of young new graduated with high potential, leadership skills and motivated to face new global challenges. In the first case, once the training finished, the person continued his cooperation with the Company in Mozambique.
- **Internships Program Medida-Emprego** which promotes the integration of new graduated searching for a Professional Internship aiming at a first step on their integration into the labour market. Our Company integrated several professionals under this program in order to add diversification to MRG Group. Therefore, recent graduates in Engineer, Communication and Entrepreneurship continued their cooperation with the Company after having

successfully concluded the respective internships.

- **Partnerships with Universities and Polytechnic Institutes** aiming at the integration of students who search for training scholarships. We highlight the partnerships with the Faculty of Sciences and Technology of Coimbra University, Lusófona University, Polytechnic Institute of Leiria, Superior school of tourism and management of Viseu, Superior school of Education of Coimbra, Superior Institute of Accounting and Administration of Coimbra, Vocational Training Centres (Professional Job and Training Institute (IEFP) of Coimbra, Sintra).

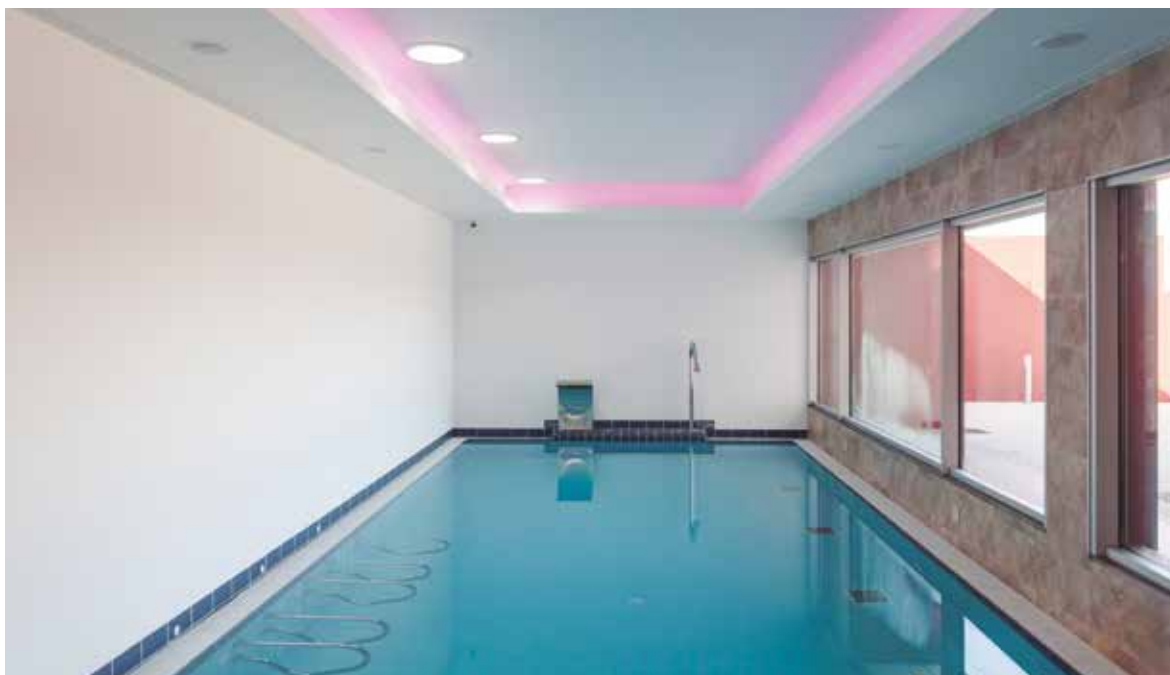
Under the MRG Group internationalisation process, and following the challenge of embracing the related projects (Algeria, Mozambique, France and Cape Verde), a Workforce of Managers and Engineers was expatriated, seeking to implement MRG Group's management and construction models within the companies created with local partners.

3.6

Relevant Facts

As already mentioned in the 2013 annual report, during the fiscal year of 2014, MRG - EQUIPAV's strategy of internationalization was taken forward across the priority markets. Subsequently, there was a reinforcement of the multidisciplinary teams working in Algeria and Mozambique to ensure that in 2015 the company closes deals within these markets.

In September 2014, MRG held an auction of equipment. This decision of selling some machines and vehicles used within the subsector of communication and transport was based on the acknowledgment of lack of works prospects in the short to medium term, needed to optimize the use of the equipment and its profitability. This strategic decision was an alternative to the steady deterioration of the equipment arisen from not being in use. It should be stressed that the final selling price of the several auction lots was above the minimum bid. The well maintained equipment and the strategy of not selling it at any price provided this result.







4. Looking Ahead





4.

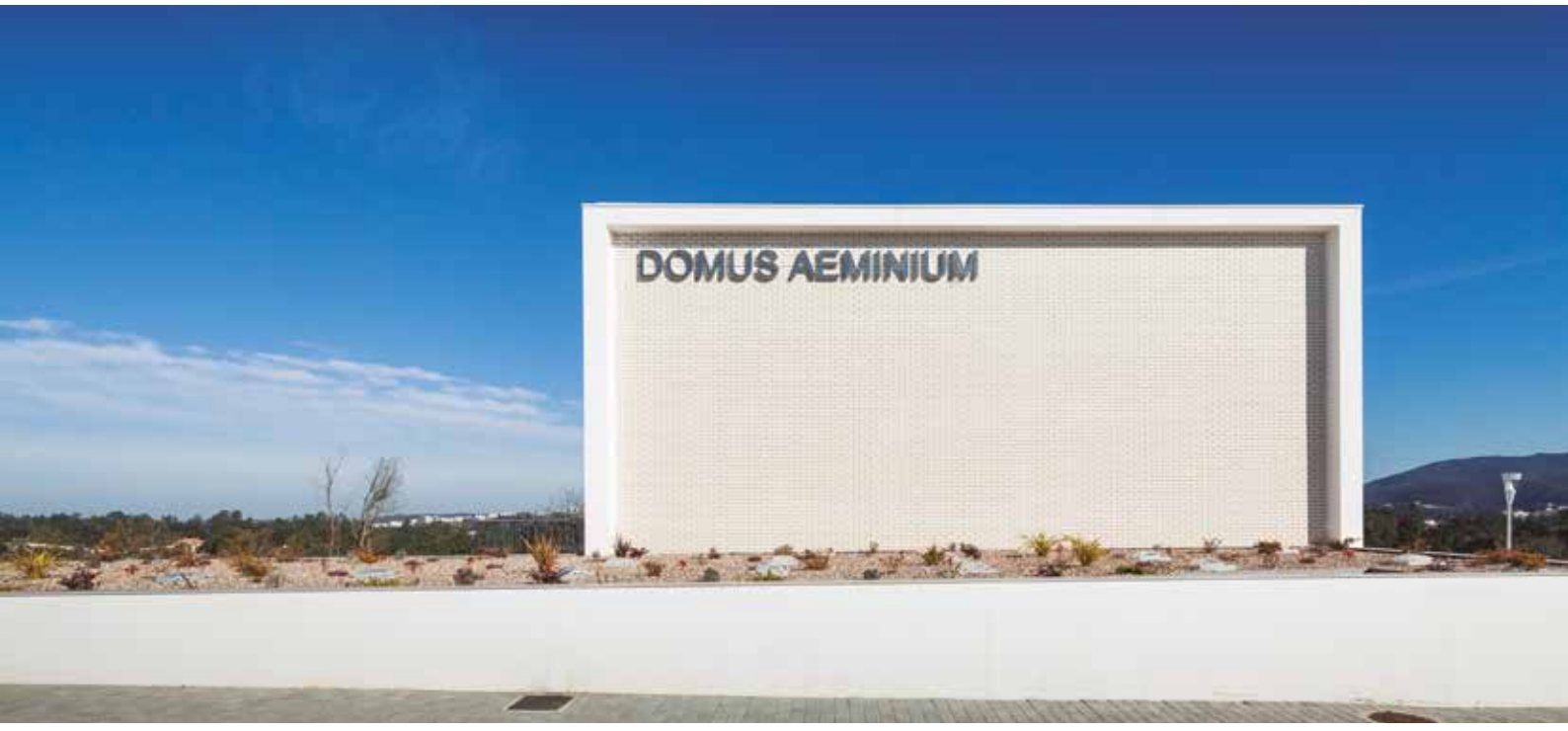
Looking Ahead

As per the strategic decision of the Organization, the major challenge of the company for 2015 is the internationalisation, considered to be crucial for its sustainable development.

Moreover, the internal structural reorganization arising from a paradigm shift will also be challenging, namely in the preparation of the best teams that, both internally, providing support, and externally, on the operational sites, will undoubtedly lead the Company to the success.

Therefore, in 2015 it is expected a sustainable improvement of all business indicators, both domestically and internationally.







5. Results Appropriation Proposal





5.

Results Appropriation Proposal

Under the legal and statutory terms, the Board of Directors propose the following appropriation of net profit earned in 2014 in the amount of EUR 314.472,72 (three hundred and fourteen thousand, four hundred and seventy two euro and seventy two cents), as determined in the financial statements:

- EUR 15.723,64 (fifteen thousand seven hundred and twenty three euro and sixty four cents) for reinforcement of the Legal Reserve.
- EUR 298.749,08 (two hundred and ninety eight thousand seven hundred and forty nine euro and eight cents) for Retained Earnings.







6. Final Note



6.

Final Note

The Board of Directors would like to express its recognition to all those who contributed, during the fiscal year of 2011, in pursuing the objectives proposed by the Company:

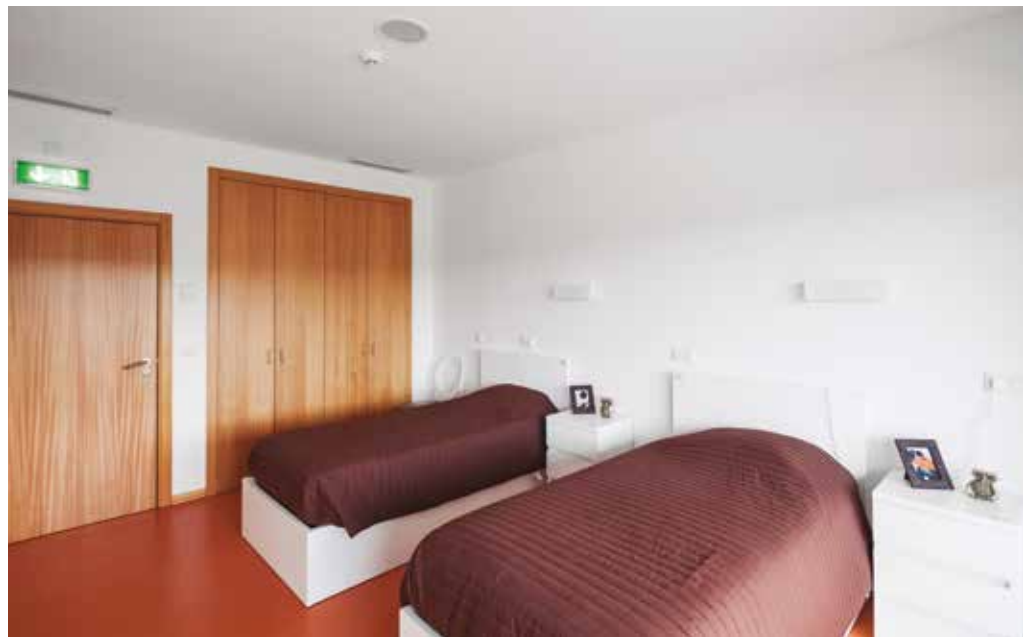
- To the team members for their commitment, zeal and professionalism;
- To the Business Partners for their trust placed in MRG - EQUIPAV over the years;
- To the Financial Institutions for the permanent trust and support, vital for the Business;
- To the Shareholders for the trust and support demonstrated in several moments of the Company's life;
- To the Statutory Auditor for the professional cooperation.

Seia, 09th March 2015

The Board of Directors

Rodolfo Oliveira Gouveia
João Manuel Nunes Salvador
José Eduardo Loureiro da Silva
Maurício Teixeira Marques







7. Management Report Annex



7.1

Information under number 5 of article 447 of the Portuguese Companies Act

Members of the Board of Directors: are not shareholders of the Company, with the exception of Rodolfo Oliveira Gouveia who holds the following:

SHAREHOLDERS	NO OF SHARES	%
Rodolfo Oliveira Gouveia	400.000	40,00 %
Total	400.000	40,00 %

Statutory Auditor: is not shareholder of the Company.

7.2

Information under the number 4 of the article 448 of the Portuguese Companies Act

The shareholders of the Company are the following:

SHAREHOLDERS	NO OF SHARES	%
Fernando Manuel Rodrigues Gouveia	600.000	60,00 %
Rodolfo Oliveira Gouveia	400.000	40,00 %
Total	1.000.000	100,00 %

Seia, 09th March 2015

The Board of Directors
 Rodolfo Oliveira Gouveia
 João Manuel Nunes Salvador
 José Eduardo Loureiro da Silva
 Maurício Teixeira Marques





8. Financial Statements and Annex



8.

Balance Sheet on 31st December 2014 and 2013

CAPTION	NOTES	31-12-2014	31-12-2013
ASSETS			
Non-Current Assets			
Tangible Fixed Assets	5	915.771,22	1.178.827,88
Investments - Equity Method		509.256,60	0,00
Investments – Other Methods	6	39.041,00	39.041,00
Other Financial Assets	7	554,59	104,43
Other Accounts Receivables	11	1.604.657,10	2.273.452,39
		3.069.280,51	3.491.425,70
Current Assets			
Inventories	9	1.169,52	10.613,27
Trade Receivables (Customers)	10	1.797.192,20	8.878.823,67
State and Other Public Entities	8	152.514,84	452.351,96
Other Accounts Receivable	11	7.536.993,52	1.742.443,23
Deferrals	12	12.509,42	299.065,40
Cash and Bank Deposits	4	563.602,28	353.718,29
		10.063.981,78	11.737.015,82
Total Assets		13.133.262,29	15.228.441,52
EQUITY AND LIABILITIES			
Equity			
Paid-in (Share) Capital	13	1.000.000,00	270.000,00
Other Equity Instruments	13	1.200.000,00	0,00
Legal Reserves	13	61.560,14	61.560,14
Retained Earnings		946.484,58	907.502,14
Adjustment of Shareholdings		-186,34	0,00
		3.207.858,38	1.239.062,28
Net Income For the Fiscal Year		314.472,72	768.982,44
Total Equity		3.522.331,10	2.008.044,72
Liabilities			
Non-Current Liabilities			
Provisions	14	377.056,75	171.446,99
Loans Received	15	957.852,82	1.432.337,08
Other Accounts Payable	18	2.334.918,40	1.444.896,16
		3.669.827,97	3.048.680,23
Current Liabilities			
Trade Payables (Suppliers)	16	3.531.413,63	8.764.994,74
State and Other Public Entities	8	189.108,17	231.275,36
Shareholders/Partners	17	1.070.000,00	0,00
Loans Received	15	535.734,33	597.677,70
Other Accounts Payable	18	614.847,09	473.336,18
Deferrals	12	0,00	104.432,59
		5.941.103,22	10.171.716,57
Total Liabilities		9.610.931,19	13.220.396,80
Total Equity and Liabilities		13.133.262,29	15.228.441,52

8.

Income Statement by Nature on 31st December 2014 and 2013

INCOME AND EXPENSES	NOTES	PERIODS	
		2014	2013
Sales and Services Rendered	19	22.026.510,77	21.336.737,76
Operating Grants/Subsidies	20	6.082,01	971,08
Gains and Losses in Subsidiaries, Associated Companies and Joint Ventures	21	163.310,94	0,00
Cost of Goods Sold and Materials Consumed	9	-1.435.513,91	-1.308.180,18
External Supplies and Services	22	-18.729.257,59	-18.669.066,49
Personnel Expenses	23	-2.034.677,80	-933.935,08
Accounts Receivables Adjustments (Losses/Reversals)	24	0,00	-76.438,47
Provisions (Increases/Decreases)	14	-205.609,76	-171.446,99
Other Revenues and Gains	25	1.180.090,56	1.482.458,87
Other Costs and Losses	26	-408.125,27	-333.867,33
Earnings Before Depreciation, Amortisation and Others		562.809,95	1.327.233,17
Depreciation and Amortisation Costs/Reversals	5	-55.706,34	-181.948,81
Net Operating Income		507.103,61	1.145.284,36
Interest and Similar Costs	27	-90.973,23	-118.162,59
Pre-Tax Profit		416.130,38	1.027.121,77
Corporate Income Tax	8	-101.657,66	-258.139,33
Net Income for the Year		314.472,72	768.982,44



8.

Cash-Flow Statement on 31st December 2014 and 2013

CAPTION	2014	2013
OPERATING ACTIVITIES		
Receipts from Customers	26.833.094,46	13.108.866,65
Payments to Suppliers	23.850.236,08	10.491.317,66
Payments to Staff	2.179.632,89	467.943,21
Flow Generated by Operations	803.225,49	2.149.605,78
Payment/Receipt of Corporate Income Tax	793.855,99	240.598,22
Other Receipts/Payments Relative to Operating Activity	(1.273.123,63)	(1.993.245,35)
Cash Flows from Operating Activities (1)	(1.263.754,13)	(84.237,79)
INVESTING ACTIVITIES		
Receipts from Investments		
Financial Investments		125.045,00
Tangible Fixed Assets	3.000,00	
Other Assets	735,79	
	3.735,79	125.045,00
Payments Relative to Investments		
Financial Investments	162.382,00	10.010,30
	162.382,00	10.010,30
Cash Flows from Investing Activities (2)	(158.646,21)	115.034,70
FINANCING ACTIVITIES		
Receipts from:		
Loans Received	241.250,00	4.280.106,79
Paid-in Capital and Other Equity Instruments	1.200.000,00	
Other Financial Operations	1.720.000,00	
	3.161.250,00	4.280.106,79
Payments Relative to:		
Loans Received	757.574,76	3.755.583,78
Repayments of Leasing Contracts	31.287,96	29.210,71
Interest and Similar Income	90.102,95	97.012,63
Other Financial Operations - Shareholder Loans	650.000,00	125.000,00
	1.528.965,67	4.006.807,12
Cash Flows from Financing Activities (3)	1.632.284,33	273.299,67
Variation in Cash and Cash Equivalents (5) = (1) + (2) + (3) + (4)	209.883,99	304.096,58
Cash and Cash Equivalents at the Beginning of the Period	353.718,29	49.621,71
Cash and Cash Equivalents at the End of the Period	563.602,28	353.718,29



8.

Statement of Changes in Equity on 31st December 2014 and 2013

EQUITY OF SHAREHOLDERS OF THE PARENT COMPANY			
	PAID-IN (SHARE) CAPITAL	OTHER EQUITY INSTRUMENTS	LEGAL RESERVES
2013			
POSITION AT THE BEGGINING 2013 (1)	270.000,00		43.260,14
Changes Related with the Period			
First Time Adoption of New Accounting Standards			
Changes in Accounting Policies			
Currency Conversion Gains and Losses			
Carrying Out of Revaluation Surplus from Tangible Fixed and Intangible Assets			
Revaluation Surplus from Tangible Fixes and Intangible Assets			
Deferred Tax Adjustments			
Other Changes Recognised in Equity			18.300,00
(2)	-	-	18.300,00
Net Income for the Year (3)			
Comprehensive Income (4=2+3)			
TRANSACTION WITH SHAREHOLDERS			
Share Capital			
Carrying Out of Share Issuance Premium			
Dividends Distribution			
Entries to Coverage of Losses			
Other Transactions			
(5)	-	0,00	-
Position at the End of 2013 (1+2+3+5)	270.000,00	0,00	61.560,14
2014			
POSIÇÃO AT THE BEGGINING 2014 (6)	270.000,00		61.560,14
Changes Related with the Period			
First Time Adoption of New Accounting Standards			
Changes in Accounting Policies			
Currency Conversion Gains and Losses			
Carrying Out of Revaluation Surplus from Tangible Fixed and Intangible Assets			
Revaluation Surplus from Tangible Fixes and Intangible Assets			
Deferred Tax Adjustments			
Other Changes Recognised in Equity			
(7)	-	-	0,00
Net Income for the Year (8)			
Comprehensive Income (9=7+8)			
TRANSACTION WITH SHAREHOLDERS			
Share Capital	730.000,00		
Carrying Out of Share Issuance Premium			
Dividends Distribution			
Entries to Coverage of Losses			
Other Transactions		1.200.000,00	
(10)	730.000,00	1.200.000,00	0,00
Position at the End of (6+7+8+10)	1.000.000,00	1.200.000,00	61.560,14

RETAINED EARNINGS	FINANCIAL ASSETS ADJUSTMENTS	NET INCOME FOR THE YEAR	TOTAL	TOTAL EQUITY
559.824,58		365.977,56	1.239.062,28	1.239.062,28
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
347.677,56		(365.977,56)	0,00	-
347.677,56	-	(365.977,56)	0,00	-
		768.982,44	768.982,44	768.982,44
		403.004,88	768.982,44	768.982,44
			-	-
			-	-
			0,00	0,00
			-	-
			-	-
-	-	-	0,00	0,00
907.502,14	-	768.982,44	2.008.044,72	2.008.044,72
907.502,14		768.982,44	2.008.044,72	2.008.044,72
			-	-
			-	-
			-	-
			-	-
			-	-
			-	-
768.982,44	(186,34)	(768.982,44)	-186,34	-186,34
768.982,44	(186,34)	(768.982,44)	(186,34)	(186,34)
		314.472,72	314.472,72	314.472,72
		(454.509,72)	314.286,38	314.286,38
(730.000,00)			0,00	-
			-	-
			0,00	0,00
			-	-
			1.200.000,00	1.200.000,00
(730.000,00)	-	-	1.200.000,00	1.200.000,00
946.484,58	(186,34)	314.472,72	3.522.331,10	3.522.331,10

8.1

Company's Presentation

Company's Name:

MRG – EQUIPAV, Engenharia e Construção, S.A.

Registered Office:

Parque Industrial da Abrunheira, Lotes 9 e 10, Vila Chã, Seia.

VAT ID number (NIPC): 503 156 035

8.2

Accounting Standards on the Preparation of Financial Statements

8.2.1 - Accounting Standards

The Financial Statements were prepared in accordance with the Accounting Normalization System (SNC), thus containing the principles used to present the Financial Statements, the Financial Statements Models, the Account Code and the National Financial Reporting Standards (NCRF).

The National Financial Reporting Standards were adopted for the first time for the periods ending from 1st January 2010. Therefore, and in accordance with NCRF 3 - First time adoption of NCRF - the effects reported at the time of transition to the NRCF should be recorded.

In the preparation of the Financial Statements the following principles were considered:

- **The Going Concern Assumption**

The financial statements have been prepared from the books and accounting records of the Company on a going concern basis, and in accordance with the accounting principles generally accepted in Portugal.

- **Accrual Basis of Accounting**

The Company records the income and expenses at the moment they occur, regardless of the receiving or payment moment. The amounts of income that at the end of the related period have not yet been received or settled are recorded as "Other Accounts Receivable". On the other hand, the amount of expenses that, at the end of the related period have not been paid or settled, are recorded as "Other Accounts Payable".

- **Materiality and Aggregation**

The items' lines that are not relevant are aggregated to other items in the Financial Statements.

- **Offsetting**

Full details of the financial info were shown without expecting any compensation of debt by an asset, revenue by an expense, and same.

- **Comparability**

The financial information and the methods adopted on 31st December 2014 were clear and presented coherently with the ones adopted on 31st December 2013.

8.2.2 - Derogation to SNC Provisions

During the financial year related to these financial statements, there were no exceptional cases that could lead to any SNC provisions derogation.

8.3

Main Accounting Policies

The main accounting policies adopted in preparing the accompanying Financial Statements are as follows:

8.3.1 - Tangible Assets

Tangible assets are recorded at acquisition cost, net of the respective accumulated depreciations and impairment losses.

Depreciations are calculated on a straight line consistent basis once the assets are in conditions to be used.

8.3.2 - Financial Investments

Financial Investments are recorded at acquisition cost.

8.3.3 - Income Tax

The Company is subject to Corporation Tax (IRC) at the current rate of 17% up to EUR 15.000 of collectible profit and 23% beyond that amount. On the taxable profits an additional municipal surcharge applies, plus an autonomous taxation on a separate set of charges and others referred to in article 88 of IRC.

8.3.4 - Leases

Lease contracts are recorded either as financial leases when the majority of the risks and advantages to own the asset are transferred to the Company or, if not, as operational leases.

Tangible assets acquired under financial lease contracts and the corresponding liabilities are recorded in accordance with the NCRF 9 - Leases, by recording the tangible fixed asset, its accumulated depreciations as per the above mentioned policies, and the unsettled debts in accordance with the financial plan of the contract. In addition, the finance charges and the depreciation expense for depreciable assets are taken to the income statement in the period in which they are incurred.

Lease payments under operating lease contracts are recognised as an expense on a straight line basis over the lease term, in accordance with its inherent obligations.

8.3.5 - Trade Receivables (Customers) and Other Receivables

Trade receivables ("Customers") and "other receivables" are registered initially at nominal cost, adjusted for any subsequent impairment losses which will be charged to the income statement under "Accounts Receivables Adjustments (Losses/Reversals)" - accumulated impairment losses - and thereby reflecting their net realisable value.

8.3.6 - Cash and Bank Deposits

The "Cash and Bank Deposits" item comprises the demand deposits.

8.3.7 - Provisions

Provisions are recognised when the Company has a present obligation (legal or implicit) as a result of a past event provided that it is likely that an outflow of resources will be required to settle the obligation and the respective amount has been reliably estimated.

8.3.8 - Trade Payables (Suppliers) and Other Accounts Payable

"Trade Payables (Suppliers)" and "Other Accounts Payable" are stated at their nominal value.

8.3.9 - Loans Received (Banks Borrowings)

Loans are recorded as liabilities at their nominal value. Borrowing costs are recognised as an expense in the period in which they are incurred on an accruals basis in accordance with effective interest rate method.

Loans which are payable in less than 12 months are classified as current liabilities. The others are recorded as non-current liabilities.

8.3.10 - Revenue

The revenue is the value of sales and services rendered as a result of the normal activity of the Company.

The recognised revenue is deducted from sales returns, discounts and other rebates, and does not include VAT and other related taxes.

Income and costs associated with construction contracts are recorded using the stage of completion method.

The revenue could be measured reliably, thus recorded in accordance with NCRF 19.

8.3.11 - Grants and Subsidies

Grants and subsidies for professional internships are recorded when the related expenses are recognised, regardless of the moment of receiving the respective amounts.





8.4

Cash Flows

The breakdown of the values recorded as Cash and Bank Deposits in the fiscal years of 2014 and 2013 was as follows:

In 2014

CAPTION	OPENING BALANCE	DEBITS	CREDITS	CLOSING BALANCE
Cash				
Demand Deposits	353.718,29	209.883,99		563.602,28
Other Bank Deposits				
Total	353.718,29	209.883,99	0,00	563.602,28

In 2013

CAPTION	OPENING BALANCE	DEBITS	CREDITS	CLOSING BALANCE
Cash				
Demand Deposits	49.621,71	304.096,58		353.718,29
Other Bank Deposits				
Total	49.621,71	304.096,58		353.718,29

8.5

Tangible Fixed Assets

This caption is analysed as follows:

CAPTION	2014	2013
Gross Value		
Land and Natural Resources	187.872,50	187.872,50
Buildings and Other Constructions	563.617,50	563.617,50
Machinery and Related Equipment	309.362,93	1.109.749,65
Transport Equipment	26.658,54	152.000,00
Administrative Equipment	70,30	70,30
	1.087.581,77	2.013.309,95
Accumulated Depreciation and Impairment		
Period's Depreciation	55.706,34	181.948,81
Accumulated Depreciation from Previous Periods	116.104,21	652.533,26
Impairment Losses of the Period	0,00	0,00
Impairment Losses of Previous Periods	0,00	0,00
	171.810,55	834.482,07
	915.771,22	1.178.827,88

The movements in “Tangible Assets” for the years ended 31 December 2014 and 2013 were as follows:

CAPTION	LAND AND NATURAL RESOURCES	BUILDINGS AND OTHER CONSTRUCTIONS	MACHINERY AND RELATED EQUIPMENT	TRANSPORT EQUIPMENT	ADMINISTRATIVE EQUIPMENT	TOTAL
2014						
Gross Value at the Beginning	187.872,50	563.617,50	1.109.749,65	152.000,00	70,30	2.013.309,95
Accumulated Depreciations			818.668,17	15.743,60	70,30	834.482,07
Balance at the Beginning of the Period	187.872,50	563.617,50	291.081,48	136.256,40	0,00	1.178.827,88
Variations of the Period		-11.272,35	-135.272,08	-116.512,23		-263.056,66
Total Increases			635,80	3.658,54		4.294,34
Acquisitions			635,80	3.658,54		4.294,34
Total Decreases		11.272,35	135.907,88	120.170,77		267.351,00
Period's Depreciations		11.272,36	39.019,55	5.414,44		55.706,35
Disposals			96.888,33	114.756,33		211.644,66
Other Transfers						
Balance at the End of the Period	187.872,50	552.345,15	155.809,40	19.744,17	0,00	915.771,22
Gross Value at the End of the Period		563.617,50	309.362,93	26.658,54	70,30	899.709,27
Accumulated Depreciations at the End of the Period		11.272,35	153.553,53	6.914,37	70,30	171.810,55
2013						
Gross Value at the Beginning			867.249,65	12.500,00	70,30	879.819,95
Accumulated Depreciations			649.077,54	3.385,42	70,30	652.533,26
Balance at the Beginning of the Period			218.172,11	9.114,58		227.286,69
Variations of the Period	187.872,50	563.617,50	72.909,37	127.141,82		951.541,19
Total Increases						
Acquisitions	187.872,50	563.617,50	242.500,00	139.500,00		1.133.490,00
Total Decreases			169.590,63	12.358,18		181.948,81
Period's Depreciations			169.590,63	12.358,18		181.948,81
Other Transfers						
Balance at the End of the Period	187.872,50	563.617,50	291.081,48	136.256,40		1.178.827,88
Gross Value at the End of the Period	187.872,50	563.617,50	1.109.749,65	152.000,00	70,30	2.013.309,95
Accumulated Depreciations at the End of the Period			818.668,17	15.743,60	70,30	834.482,07

The Company' s tangible assets are recorded in accordance with the cost model. The Corporation depreciates tangible fixed assets on a straight-line basis, and begins its recognition right after starting using the assets.





8.6

Investments (Shareholdings)

• INVESTMENTS - EQUITY METHOD (MEP)

INVESTMENTS (MEP)	INITIAL VALUE	NET INCOME VARIATION FOR THE YEAR	OTHER VARIATIONS	FINAL VALUE
MRG SPA	245.000,00	-3.457,13	0	241.542,87
MRG Construction	101.132,00	166.768,07	-186,34	267.713,73
	346.132,00	163.310,94	-186,34	509.256,60

• INVESTMENTS - COST METHOD

INVESTMENTS IN OTHER COMPANIES	VALUE
SPGM - Sociedade de Investimentos, S.A.	7.500,00
Oeiras Primus, S.A.	1.500,00
Luz do Mondego, S.A.	1,00
Norgarante – Sociedade de Garantia Mútua, S.A.	16.680,00
Garval – Sociedade de Garantia Mútua, S.A.	6.680,00
Lisgarante – Sociedade de Garantia Mútua, S.A.	6.680,00
Total Investments	39.041,00

8.7

Other Financial Assets

In this item the company recognises the amounts related to the Compensation Fund (*Fundo de Compensação do Trabalho* - FCT and FGCT) which ensures up to 50% of the compensation owed for terminating the contract of employment for the workers hired since 1st October 2013.

8.8

Income Taxes and Contributions

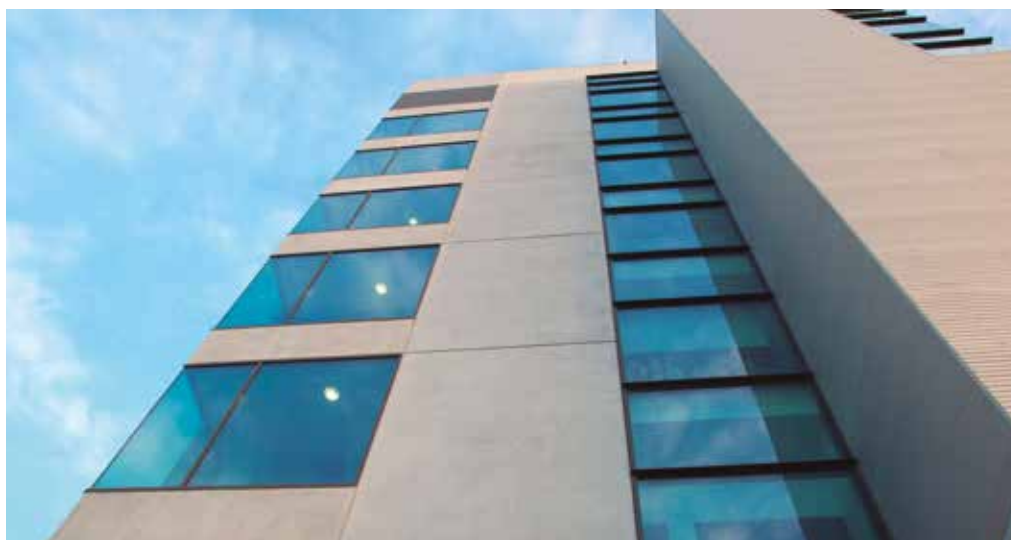
This item is broken down as follows:

CAPTION	2014	2013
Pre-Tax Profit	416.130,38	1.027.121,77
Current Tax (a)	101.657,66	258.139,33
Deferred Tax		
Corporate Income Tax	101.657,66	258.139,33
Autonomous Taxation	26.511,44	7.631,58

Other Taxes and Contributions disclosures

CAPTION	DEBIT BALANCE 2014	CREDIT BALANCE 2014	DEBIT BALANCE 2013	CREDIT BALANCE 2013
Income Taxes	254.172,50	101.657,66	119.547,00	258.139,33
Normal Payments	247.860,00		119.547,00	
Third Parties Withholding Taxes	6.312,50			
Estimated Income Taxes		101.657,66		258.139,33
Withholding Taxes		35.699,39		23.823,77
VAT Payable		103.920,15		23.090,28
VAT Receivable			12.351,96	
VAT Refunds Claimed			440.000,00	
Social Security Contributions		48.496,76		44.725,64
Local Taxes (Municipal Property Tax-IMI)		930,45		930,45
Other Taxes		61,42		112,89
Total	254.172,50	290.765,83	571.898,96	350.822,36

CAPTION	2014	2013
Assets		
Income Taxes	152.514,84	
Value Added Tax ("VAT") Receivable	0,00	12.351,96
VAT Refunds Claimed	0,00	440.000,00
	152.514,84	452.351,96
Liabilities		
Income Tax		138.592,33
Income Tax Withholding	35.699,39	23.823,77
VAT Payable	103.920,15	23.090,28
Social Security Contributions	48.496,76	44.725,64
Local Taxes (Municipal Property Tax-IMI)	930,45	930,45
Other Taxes	61,42	112,89
	189.108,17	231.275,36



8.9

Inventories

Cost of Goods Sold and Materials Consumed (CGSMC)

In 2014

CAPTION	GOODS	RAW MATERIALS	TOTAL PERIOD
Aggregation of CGSMC			
Initial Inventories			
Purchases	3.906,42	1.431.607,49	1.435.513,91
Reclassification of Inventories			
Final Inventories			
CGSMC	3.906,42	1.431.607,49	1.435.513,91
Payments on Account		1.169,52	1.169,52

In 2013

CAPTION	GOODS	RAW MATERIALS	TOTAL PERIOD
Aggregation of CGSMC			
Initial Inventories			
Purchases	3.212,99	1.304.967,19	1.308.180,18
Reclassification of Inventories			
Final Inventories			
CGSMC	3.212,99	1.304.967,19	1.308.180,18
Payments on Account		10.613,27	10.613,27

8.10

Trade Receivables (Customers)

The breakdown of the "Customers" account is as follows:

CAPTION	2014	2013
General Customers	1.299.903,12	8.314.466,25
Associated Companies Customers	0,00	0,00
Factoring Customers	0,00	16.935,56
Withholding Customers	497.289,08	547.421,86
Doubtful Customers	76.438,47	76.438,47
Advances from Customers		0,00
	1.873.630,67	8.955.262,14
Impairment Losses of the Period	0,00	76.438,47
Impairment Losses of Previous Periods	76.438,47	0,00
	76.438,47	76.438,47
	1.797.192,20	8.878.823,67

8.11

Other Accounts Receivables

The breakdown of the "Other Accounts Receivables" item is as follows:

CAPTION	2014	2013
NON-CURRENT		
Other Debtors		
Related Parties - MRG	1.386.730,34	2.273.452,39
Suppliers Debtor Balance	217.926,76	0,00
	1.604.657,10	2.273.452,39
CURRENT		
Suppliers - Current Account	4.680,84	4.361,15
Suppliers of Capital Goods	2.710,62	2.710,62
Accrued Income	2.398.923,30	1.393.859,44
Other Debtors		
Sundry Debtors (Moratorium Interest-MRG)	335.611,26	
Sundry Debtors (Rentals-MRG)	1.500,00	
Related Parties - INOTEC		25.000,00
Related Parties - MRG	4.677.957,74	
Suppliers Debtor Balance	114.708,06	309.761,63
Suppliers Collateral	901,70	
Others		6.750,39
	7.536.993,52	1.742.443,23

8.12

Deferrals

The breakdown of the "Deferrals" item is as follows:

CAPTION	2014	2013
ASSETS		
Expenses to be Recognised		
Insurances	12.509,42	6.517,56
Work Transfers Fee	0,00	292.547,84
	12.509,42	299.065,40
LIABILITIES		
Income to be Recognised		
Stage of Completion %		104.432,59
	0,00	104.432,59

8.13

Equity Instruments

SHARE CAPITAL

The share capital of the Company amounted to EUR 1.000.000,00, represented by 1.000.000 shares with a par value of EUR 1,00 each, subscribed and fully paid up by 31st December 2014.

In 2014, there was a capital increase by incorporation of reserves in the amount of EUR 730.000,00.

LEGAL RESERVES

In accordance with Article 295 of Código das Sociedades Comerciais and the Company's Articles of Association, the legal reserve must be increased by a minimum of 5% of the annual profit until it reaches 20% of the company's share capital. This reserve can only be used to cover losses or to increase share capital.

OTHER EQUITY INSTRUMENTS

In 2014, the company registered additional capital contributions amounting to EUR 1.200.000.

8.14

Provisions

The breakdown of the "Provisions" item is as follows:

CAPTION	INITIAL BALANCE	INCREASES	REVERSALS	FINAL BALANCE
Customer Guarantees	0,00	138.742,62		138.742,62
Litigations	0,00	20.387,37		20.387,37
Provisions for Other Risks and Charges	171.446,99	46.479,77		217.926,76
	171.446,99	205.609,76	0,00	377.056,75

PROVISIONS CHANGES	CUSTOMER GUARANTEES	LITIGATIONS	OTHER PROVISIONS	TOTAL
Initial Balance	0,00	0,00	171.446,99	171.446,99
Period's Variations	138.742,62	20.387,37	46.479,77	205.609,76
Period's Increases	138.742,62	20.387,37	46.479,77	205.609,76
Setting-up	138.742,62	20.387,37	46.479,77	205.609,76
Period's Decreases	0,00	0,00	0,00	0,00
Final Balance	138.742,62	20.387,37	217.926,76	377.056,75

8.15

Loans Received

The breakdown of the "Loans received" item is as follows:

CAPTION	2014	2013
NON-CURRENT		
Credit Institutions and Financial Companies		
Bank Loans	830.050,52	1.344.191,89
Finance Leases	66.552,42	88.145,19
Shareholders Loans	61.250,00	
	957.852,94	1.432.337,08
CURRENT		
Credit Institutions and Financial Companies		
Bank Loans	514.141,44	561.016,44
Finance Leases	21.592,77	20.572,51
Factoring	,00	16.088,75
	535.734,21	597.677,70

8.16

Trade Payables (Suppliers)

The breakdown of the "Suppliers" item is as follows:

CAPTION	2014	2013
Suppliers - Current Account		
General Suppliers	2.200.114,70	8.034.112,20
Confirming (Reverse factoring)	544.589,00	0,00
Factoring Suppliers	786.709,93	730.882,54
	3.531.413,63	8.764.994,74





8.17

Shareholders/Partners

The breakdown of the "Shareholders/Partners" caption is as follows:

CAPTION	2014	2013
Shareholders/Partners		
Eng. Fernando Gouveia	1.070.000,00	0,00
	1.070.000,00	0,00

8.18

Other Accounts Payable

The breakdown of the "Other Accounts Payable" item is as follows:

CAPTION	2014	2013
Non-Current		
Withholding Suppliers	1.726.251,73	1.444.896,16
Fixed Assets Suppliers	461.666,67	0,00
Share Capital increases Not Yet Paid	147.000,00	0,00
	2.334.918,40	1.444.896,16
Current		
Fixed Assets Suppliers	230.833,33	0,00
Expense Accruals		
Personnel Costs	315.348,75	400.633,64
Interest Payable	10.554,71	14.932,59
Supplies and Services ("FSE")	0,00	37.900,46
Share Capital Increases Not Yet Paid	36.750,70	0,70
Other Accounts Payable	11.155,58	600,00
Personnel	10.204,02	19.268,79
	614.847,09	473.336,18

8.19

Revenue

The Revenue recorded for the periods ended on 31st December 2014 and 2013 it is broken down as follows:

CAPTION	2014	2013
Sales	81.942,10	28.830,13
Services Rendered	21.944.568,67	21.307.907,63
Total	22.026.510,77	21.336.737,76

8.20

Operating Grants/Subsidies

The Subsidies to cover the expenses with the professional internships were recorded within this item.

CAPTION	2014	2013
Operating Subsidies		
IEFP Support (Internships)	6.082,01	971,08
Total	6.082,01	971,08

8.21

Gains and Losses in Subsidiaries, Associated Companies and Joint Ventures

The "Gains and Losses in Subsidiaries, Associated Companies and Joint Ventures" recorded for the periods ended on 31st December 2014 and 2013 it is broken down as follows:

CAPTION	2014	2013
MRG-SPA	-3.457,13	
MRG-Construction	166.768,07	
Total	163.310,94	0,00

8.22

External Supplies and Services

As at 31st December 2014 and 2013, "External Supplies and Services" breakdown is as follows:

CAPTION	2014	2013
Subcontracts	17.267.388,07	17.807.412,30
Specialised Services	665.394,46	678.720,27
Specialised Works	295.282,98	592.730,40
Advertising and Publicity	16.873,53	13.648,10
Vigilance and Security	74.384,26	25.250,00
Fees	192.443,84	
Maintenance and Repairs	38.174,51	17.797,20
Other Specialized Services	48.235,34	29.294,57
Materials	22.937,30	11.837,94
Rapid Wear Tools	6.244,84	8.267,63
Accounting Books and Technical Documentation	12.543,45	1.916,44
Consumables	3.916,74	1.653,87
Offers	232,27	
Energy and Fluids	110.931,97	4.411,24
Electricity	12.198,05	1.303,87
Combustibles	94.918,09	2.537,48
Water	3.815,83	569,89
Transport, Travel, and Lodging	479.455,60	124.472,68
Travel and Lodging	477.382,85	122.423,56
Goods Transport	2.072,75	2.049,12
Other Services	183.150,19	42.212,06
Rents and Leases	147.414,70	5.875,00
Communications	2.167,76	1.563,93
Insurances	17.436,42	13.793,16
Legal and Advisory Fees	2.991,80	2.328,50
Representation Expenses	2.980,21	2.445,45
Cleaning Up Services	9.625,43	6.241,82
Other Supplies and Services	533,87	9.964,20
Total	18.729.257,59	18.669.066,49



8.23

Personnel Costs

As at 31st December 2014 and 2013, "Personnel costs" breakdown is as follows:

CAPTION	2014	2013
Personnel Remunerations	1.559.888,83	728.005,74
Severance Payments	39.332,62	30.490,00
Charges on Remuneration		
Social Security Charges	354.428,64	164.758,65
FGCT Charges	95,92	8,46
Insurance Against Accidents at Work and Occupational Diseases	30.063,83	6.903,80
Other Personnel Costs	50.867,96	3.768,43
Total	2.034.677,80	933.935,08

During the fiscal year of 2014, the average number of Personnel was 75.

8.24

Accounts Receivables Adjustments (Losses/Reversals)

This item is analysed as follows:

CAPTION	2013	2012
Impairment Losses		
Customers		76.438,47
Reversals of Impairment Losses		
Total	0,00	76.438,47



8.25

Other Revenues and Gains

As at 31st December 2014 and 2013, "Other revenues and gains" breakdown is as follows:

CAPTION	2014	2013
Additional Revenue		
Rental Equipment	600,00	126.772,52
Reimbursement of Expenses	337.190,99	1.244.655,33
Obtained Discounts	20.935,22	46.426,09
Gains on Financial Assets	4,59	50.045,00
Tangible Assets Disposals	452.318,50	
Compensations per Accidents	350,00	
Property Rentals	20.000,00	
Other Revenues	13.080,00	14.559,93
Interest Gains - Other Funding Granted	335.611,26	
Total	1.180.090,56	1.482.458,87

8.26

Other Costs and Losses

As at 31st December 2014 and 2013, "Other costs and losses" breakdown is as follows:

CAPTION	2014	2013
Taxes	108.263,13	11.938,56
Fixed Assets Disposals	2.989,58	
Donations	0,00	1.275,00
Dues	454,80	454,80
Works Transfer Fees (*)	292.547,84	319.723,52
Others	3.869,92	475,45
Total	408.125,27	333.867,33

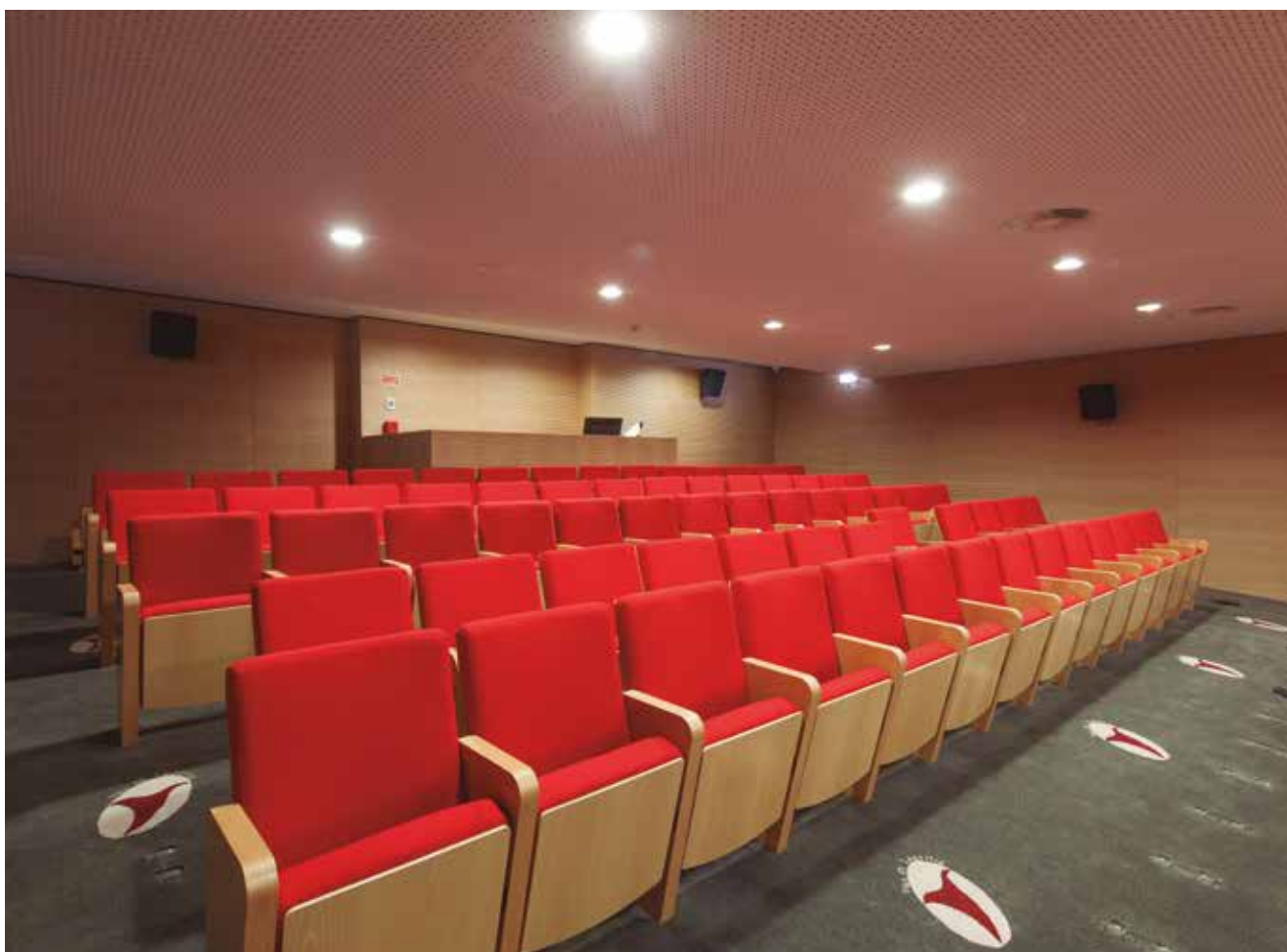
(*) The caption "Works transfer fees" is recorded as costs of the period in proportion to the executed production during 2014.

8.27

Interests and Similar Costs

As at 31st December 2014 and 2013, "Interests and similar costs" breakdown is as follows:

CAPTION	2014	2013
Interests and Similar Costs	90.973,23	118.162,59
Total	90.973,23	118.162,59



8.28

Disclosures Required by Law

STATUTORY AUDITOR'S FEES

The total fees charged by the Statutory Auditor during the fiscal year of 2014 amounted to EUR 7.800,00.

GOVERNMENT

The Board of Directors informs that the Company has no overdue debts to the Government, in accordance with Decree-Law 534/80 of 7th November.

SOCIAL SECURITY

Under the terms of no. 1 of Article 21 Decree-Law no. 411/91, of 17th October, the Company declares that is not liable to pay any overdue contributions to Social Security.

8.29

Other Disclosures - Additional Information

The entered numbers in the balance sheet correspond to the numbering of the Annex, with the exception of the initial cardinal "8".







9. Statutory Audit and Auditors' Report



STATUTORY AUDIT

Introduction

1. We have examined the financial statements of **MRG –EQUIPAV, Engenharia e Construção, S.A.**, comprising the statement of financial position as of December 31, 2014, which reflects total assets of Euro 13 133 262.29 and total shareholder's equity of Euro 3 522 331.10 including a net profit of Euro 314 472.72, and the income statement by nature, the statement of changes in equity and the statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2. The Board of Directors is responsible for the preparation of financial statements which present a true and fair view of the state of affairs, results of operations and cash flows of the Company, for the adoption of adequate accounting policies and criteria and for the maintenance of an appropriate system of internal control.
3. It is our responsibility to report our independent professional opinion, based on our audit of such financial statements.

Scope

4. Our examination was made in accordance with the generally accepted Portuguese Statutory Auditing Standards, which require our audit to be planned and performed in order to provide reasonable assurance that the financial statements are free from material misstatement. Therefore, our audit included:
 - examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements, and assessment of the significant estimates, which were based on judgements and criteria defined by the Board of Directors used in the preparation of the financial statements;
 - assessment of the appropriateness of the accounting principles adopted and related disclosures, in the circumstances;
 - examination of the adequacy of the going concern basis of preparation of the financial statements;
 - Evaluation of the overall adequacy of the presentation of the financial statements.
5. Our audit also included the checking of the agreement of the financial information included in the Directors' Report with the financial statements.
6. We consider that the audit that we performed provides a reasonable basis for the expression of our opinion.

Opinion

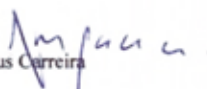
7. In our opinion, the financial statements referred to above, give a true and fair view, in all material respects, of the financial position of **MRG –EQUIPAV, Engenharia e Construção, S.A.**, as of December 31, 2014, and of its results of operations and the cash flows for the year then ended, in accordance with the Generally Accepted Accounting Principles of Portugal.

Report on other legal requirements

8. It is also our opinion that the information included in the Directors' Report is consistent with the financial statements for the financial year.

Leiria, 16th March 2015

LCA, SROC
Represented by
José Maria de Jesus Carreira
R.O.C. n.º 614



LCA - Leal, Carreira & Associados SROC

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1/1



José Correia
Sousa Leal
Sá Pereira
Paulo Braz
SROC n.º 65



REPORT AND OPINION OF THE STATUTORY AUDITOR

Dear Shareholders,

In compliance with the applicable legislation and our mandate we hereby submit for your perusal the present annual report over the supervision of **MRG –EQUIPAV, Engenharia e Construção, S.A.** during the financial year of 2014 and our Opinion, which covers the Management Report, the Financial Statements and the Board of Directors' Proposal for the Appropriation of Profits.

Within the scope of our mandate, during the year under analysis, we oversaw the evolution of the operations and verified the adequacy of the accounting records. The periodic monitoring works were complemented with the end of the financial year adequate review procedures. Our conclusion on those is that there are not any materially relevant aspects that may compromise the content of the financial statements. As a consequence of the work performed, we issued on this date, the Statutory Audit on the financial statements, which does not include any qualification.

Both the Executive Board of Directors report and the Proposal for Appropriation of Profits were also analysed and are in accordance with the legal and statutory requirements, and the former is consistent with the presented financial statements.

Considering the above, in our opinion the financial statements referred to above and the Management Report, as well as the proposal included therein, can be approved.

We would like to thank the Board of Directors and all Company's managers for the assistance (availability, given information and clarification) provided to us.

Leiria, 16th March 2015

LCA SROC
Represented by
José Maria de Jesus Correia
R.O.C. n.º 614

LCA - Leal, Correia & Associados SROC

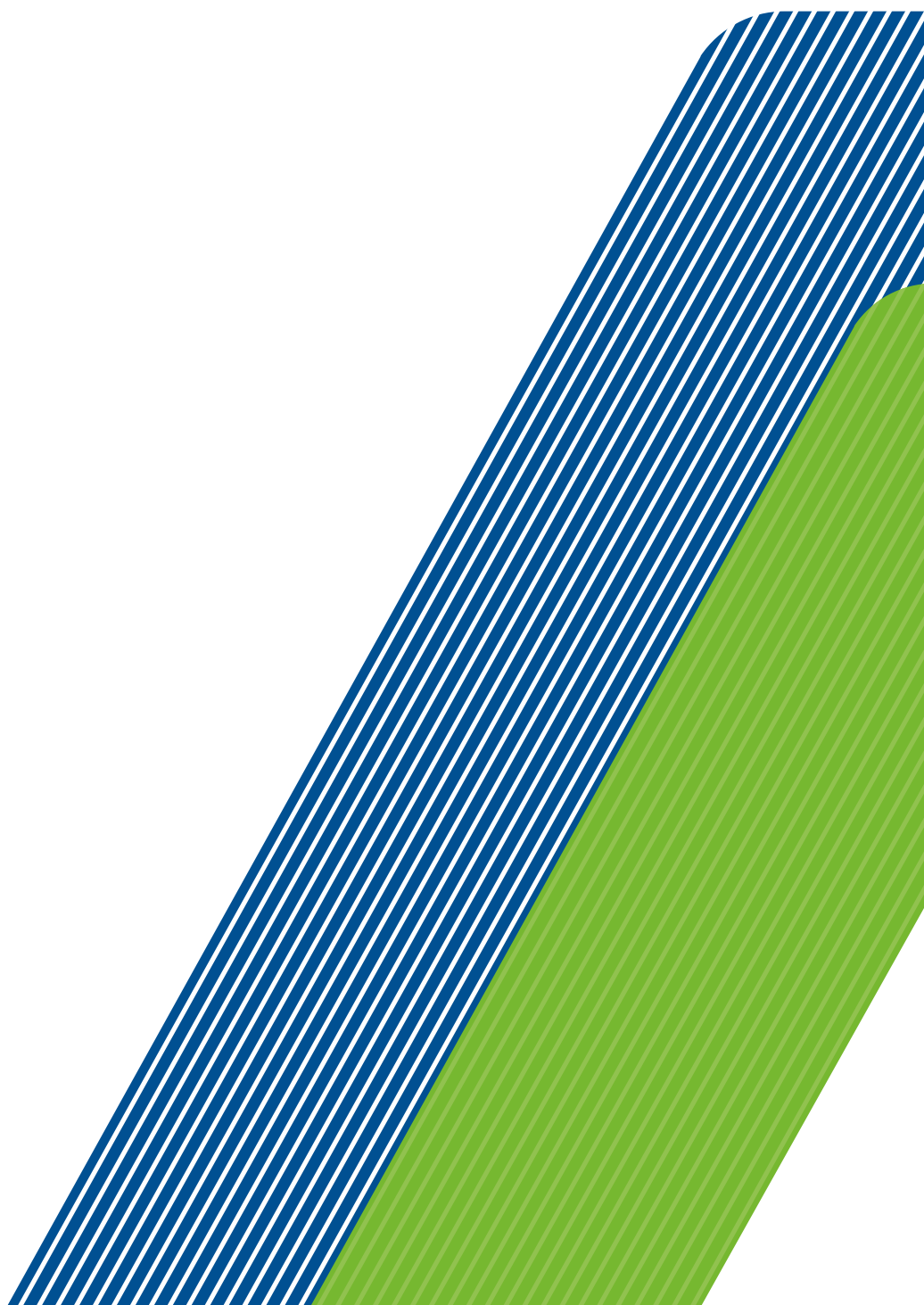
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