



## **Mota-Engil, SGPS, S.A.**

*(incorporated with limited liability under the laws of Portugal)*

### **Prospectus for admission to trading of the Notes “MOTA-ENGIL 2014/2019”**

Mota-Engil, SGPS, S.A. (the “**Issuer**”) has issued €110,000,000 aggregate principal amount of 5.5 per cent. fixed rate notes due 2019 (except where the context otherwise requires, the “**Notes**”) on 22 April 2014 in relation to a tranche in the amount of €50,000,000 and on 29 April 2014 in relation to a tranche in the amount of €60,000,000 (in respect of each of such tranches, the “**Issue Date**”), the Notes of both tranches becoming fungible as from, and including, 22 October 2014 (the “**First Interest Payment Date**”). The Issuer will pay interest on the Notes semi-annually in arrears, commencing on 22 October 2014. The Notes will mature on 22 April 2019 (the “**Maturity Date**”).

The Notes are direct, senior, unconditional, unsecured (without prejudice to the provisions in relation to negative pledge) and unsubordinated obligations of the Issuer and rank *pari passu*, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such exemptions as may be provided by applicable law. The Notes are not guaranteed by the Issuer, or any of its subsidiaries or affiliates.

The Notes are subject to the redemption provisions as set out elsewhere in this listing prospectus (the “**Prospectus**”). This prospectus constitutes a prospectus within the meaning of Article 5 para. 3 of the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended from time to time (the “**Prospectus Directive**”).

Application has been made to the *Commission de Surveillance du Secteur Financier* (the “**CSSF**”) in its capacity as competent authority under the Luxembourg Law dated 10 July 2005 on prospectuses for securities, as amended (*loi relative aux prospectus pour valeurs mobilières*) (the “**Luxembourg Prospectus Law**”), which implements the Prospectus Directive into Luxembourg law, to approve this document as a prospectus for admission to trading of the Notes in a regulated market. Application has also been made to the Luxembourg Stock Exchange for Notes to be admitted to trading on the *Bourse de Luxembourg*, which is the regulated market of the Luxembourg Stock Exchange and to be listed on the Official List of the Luxembourg Stock Exchange. The *Bourse de Luxembourg* is a regulated market for the purposes of Directive 2004/39/EC of the European Parliament and of the Council of 21 April 2004 on markets in financial instruments.

CSSF shall give no undertaking as to the economical and financial soundness of the operation or the quality or solvency of the Issuer, in accordance with Article 7(7) of the Luxembourg Prospectus Law.

The Notes have been issued in dematerialised book-entry form (*forma escritural*) are integrated in and held through Interbolsa – Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A. (“**Interbolsa**”), as operator of the Portuguese central securities clearing system (*Central de Valores Mobiliários* or “**CVM**”) and are bearer notes (*ao portador*), thus not permitting Interbolsa to inform the Issuer about the identity of the holders of the Notes. CVM currently has links in place with Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, société anonyme, Luxembourg (“**Clearstream**”) through accounts held by Euroclear and Clearstream with financial

intermediaries for the purposes of the Portuguese Securities Code and which are entitled to hold control accounts with Interbolsa on behalf of holders of the Notes (each, an “**Affiliate Member of Interbolsa**”).

An investment in the Notes involves certain risks. For discussion of these risks, see “*Risk Factors*” beginning on page 17 of this Prospectus. Investors should see, in particular, the “Terms and Conditions of the Notes”, beginning on page 53, and “Taxation”, beginning on page 65, in respect of procedures to be followed in order to receive payments under the Notes. Noteholders are required to take affirmative action as described herein in order to receive payments on the Notes free from Portuguese withholding tax. Noteholders must rely on the procedures of Interbolsa to receive payments under the Notes.

Investors in the Notes should rely only on the information contained in this Prospectus. The Issuer has not authorised anyone to provide any information that is different or represent anything about the Issuer or the Notes that is not contained in this Prospectus. If given or made, any such other information or representation should not be relied upon as having been authorised by the Issuer or Banco Finantia, S.A. (the “**Arranger**” and “**Lead Manager**”).

Neither the Arranger and Lead Manager nor any other person mentioned in this Prospectus or the documents incorporated by reference, except for the Issuer, is responsible for the information contained in this Prospectus, and accordingly and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts responsibility or liability for the accuracy and completeness of the information contained herein.

The Issuer and the Arranger and Lead Manager are not making an offer to sell the Notes in any jurisdiction where an offer or sale is not permitted. Investors in the Notes should not assume that the information contained in this Prospectus is accurate as of any date other than the date hereof. The business, financial condition, results of operations and prospects of the Issuer or any of its subsidiaries may have changed since that date.

*Arranger and Lead Manager*

Banco Finantia, S.A.

The date of this Prospectus is 30 April 2014.

## TABLE OF CONTENTS

<b>CHAPTER 1 SUMMARY .....</b>	<b>4</b>
<b>CHAPTER 2 RISK FACTORS .....</b>	<b>17</b>
<b>CHAPTER 3 RESPONSIBILITY STATEMENTS AND IMPORTANT NOTICES.....</b>	<b>27</b>
<b>CHAPTER 4 DESCRIPTION OF THE ISSUER .....</b>	<b>31</b>
<b>A. Background and Development of the Issuer.....</b>	<b>31</b>
<b>B. General Description of the Issuer’s Business .....</b>	<b>32</b>
<b>C. Issuer’s Organizational Structure .....</b>	<b>37</b>
<b>D. Trend Information.....</b>	<b>42</b>
<b>E. Profit Forecast or Estimate .....</b>	<b>42</b>
<b>F. Issuer’s Corporate Structure .....</b>	<b>42</b>
<b>G. Main Shareholders of the Issuer .....</b>	<b>47</b>
<b>H. Issuer’s Financial information .....</b>	<b>48</b>
<b>I. Material Contracts.....</b>	<b>50</b>
<b>CHAPTER 5 .....</b>	<b>51</b>
<b>FORM OF THE NOTES .....</b>	<b>51</b>
<b>CHAPTER 6 TERMS AND CONDITIONS OF THE NOTES .....</b>	<b>53</b>
<b>CHAPTER 7 TAXATION.....</b>	<b>65</b>
<b>CHAPTER 8 DOCUMENTS INCORPORATED BY REFERENCE .....</b>	<b>70</b>
<b>CHAPTER 9 GLOSSARY OF DEFINED TERMS.....</b>	<b>71</b>

## CHAPTER 1 SUMMARY

Summaries are made up of disclosure requirements known as “Elements”. These elements are numbered in Sections A – E (A.1 – E.7).

This summary contains all the Elements required to be included in a summary for this type of securities and Issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements.

Even though an Element may be required to be inserted in the summary because of the type of securities and Issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of “Not Applicable”.

### Section A – Introduction and Warnings

<b>A.1</b>	<b>Introduction</b>	<p>Warning that:</p> <ul style="list-style-type: none"> <li>• this summary should be read as introduction to the prospectus;</li> <li>• any decision to invest in the Notes should be based on consideration of the prospectus as a whole by the investor;</li> <li>• where a claim relating to the information contained in this prospectus is brought before a court, the plaintiff investor might, under the national legislation of the Member States,</li> <li>• have to bear the costs of translating the prospectus before the legal proceedings are initiated; and</li> <li>• civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the prospectus or it does not provide, when read together with the other parts of the prospectus, key information in order to aid investors when considering whether to invest in the Notes.</li> </ul>
<b>A.2</b>	<b>Consent of the Issuer to subsequent resale or final placement</b>	Not Applicable. The Notes have already been issued and delivered to investors.

### Section B – Issuer

<b>B.1</b>	<b>Legal and commercial name</b>	<p>The legal name of the Issuer is Mota-Engil, SGPS, S.A. (“<b>Mota-Engil</b>” or the “<b>Issuer</b>”).</p> <p>The commercial name of the Issuer is Mota-Engil.</p>
<b>B.2</b>	<b>Domicile, legal form, legislation and country of incorporation</b>	Mota-Engil is a limited liability and public company ( <i>sociedade aberta de responsabilidade limitada</i> ), registered and incorporated in Portugal, under Portuguese law, and with head office at Rua do Rego Lameiro, no. 38, 4300 - 454 Oporto.
<b>B.4.b</b>	<b>Description of any known trends</b>	Not Applicable. There are no known trends which affect the Issuer.
<b>B.5</b>	<b>Description of the Group and the Issuer’s position within the Group</b>	The Mota-Engil Group (as defined below) is headed by Mota-Engil (together with the other companies in which it, directly or indirectly, participates, the “ <b>Mota-Engil Group</b> ”) which acts as the holding company for the Mota-Engil Group.

B.9	Profit forecast or estimate	Not Applicable. The Issuer does not make a public profit forecast or estimate.																																																																																			
B.10	Qualifications in the audit report on the historical financial information	Not Applicable. There are no qualifications in the audit reports on the historical financial information of the Issuer.																																																																																			
B.12	Selected key financial information	<p>These financial highlights have been extracted without material adjustment from the audited financial statements of the Issuer for the years ended 31 December 2012 and 31 December 2013, prepared in accordance with IFRS-EU:</p> <p style="text-align: center;"><b>MOTA-ENGI, SGPS, S.A.</b></p> <p style="text-align: center;"><b>Consolidated Income Statements</b> for the year ended December 31, 2013 &amp; 2012</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th colspan="2" style="text-align: center;">Year</th> </tr> <tr> <th style="text-align: center;">2013 € '000</th> <th style="text-align: center;">2012 € '000</th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">(audited)</td> <td style="text-align: center;">(audited)</td> </tr> <tr> <td>Sales &amp; services rendered</td> <td style="text-align: right;">2.313.702</td> <td style="text-align: right;">2.243.167</td> </tr> <tr> <td>Other revenues</td> <td style="text-align: right;">61.401</td> <td style="text-align: right;">82.992</td> </tr> <tr> <td>Cost of goods sold, mat. cons. &amp; 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<b>B.13</b>	<b>Recent events impacting the Issuer's solvency</b>	Not Applicable. There are no recent events particular to the Issuer which are, to a material extent, relevant to the evaluation of the Issuer's solvency.																										
<b>B.14</b>	<b>Dependence upon other entities within the Group</b>	Mota-Engil does not depend on any other entity. However, FM – Sociedade de Controlo, SGPS, S.A. holds directly and indirectly 56.41 per cent. of the Issuer's voting share capital.																										
<b>B.15</b>	<b>The Issuer's principal activities</b>	<p>The corporate purpose of the Issuer is the "management of shareholdings in other companies as an indirect form to carry out economic activities".</p> <p>Mota-Engil is engaged in a wide range of activities related to Engineering and Construction, the Environment and Services, Concessions of Transport Infrastructures and Mining.</p> <p>The chief mission of the Mota-Engil Group is to ensure the capacity of response to each new challenge, guaranteeing permanent competitiveness and innovation in the solutions presented, strengthening its international position through complementary strategic partnerships, developing its business projects to fit each market in a single integrated Mota-Engil Group vision for a solid and sustainable economic future.</p>																										
<b>B.16</b>	<b>Controlling Persons</b>	<p>On the present date, the structure of the qualified holdings, including the number of shares held and the corresponding percentage of voting rights, calculated in accordance with the article 20 of the Portuguese Securities Code, which are known to Mota-Engil, is the following:</p> <table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <thead> <tr> <th style="text-align: center;">Shareholders</th> <th style="text-align: center;">Number of shares</th> <th style="text-align: center;">% Share Capital</th> </tr> </thead> <tbody> <tr> <td>Mota Gestão e Participações, SGPS, S.A.</td> <td style="text-align: right;">98,525,575</td> <td style="text-align: right;">48.14%</td> </tr> <tr> <td>António Manuel Queirós Vasconcelos da Mota</td> <td style="text-align: right;">5,292,359</td> <td style="text-align: right;">2.59%</td> </tr> <tr> <td>Maria Manuela Queirós Vasconcelos Mota dos Santos</td> <td style="text-align: right;">3,675,066</td> <td style="text-align: right;">1.80%</td> </tr> <tr> <td>Maria Teresa Queirós Vasconcelos Mota Neves da Costa</td> <td style="text-align: right;">3,676,836</td> <td style="text-align: right;">1.80%</td> </tr> <tr> <td>Maria Paula Queirós Vasconcelos Mota de Meireles</td> <td style="text-align: right;">4,231,630</td> <td style="text-align: right;">2.07%</td> </tr> <tr> <td>Carlos António Vasconcelos Mota dos Santos</td> <td style="text-align: right;">29,300</td> <td style="text-align: right;">0.01%</td> </tr> </tbody> </table>	Shareholders	Number of shares	% Share Capital	Mota Gestão e Participações, SGPS, S.A.	98,525,575	48.14%	António Manuel Queirós Vasconcelos da Mota	5,292,359	2.59%	Maria Manuela Queirós Vasconcelos Mota dos Santos	3,675,066	1.80%	Maria Teresa Queirós Vasconcelos Mota Neves da Costa	3,676,836	1.80%	Maria Paula Queirós Vasconcelos Mota de Meireles	4,231,630	2.07%	Carlos António Vasconcelos Mota dos Santos	29,300	0.01%					
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			<b>Attributable to FM – Sociedade de Controlo, SGPS, S.A.</b>	<b>115,430,766</b>	<b>56.41%</b>
			Amber Capital UK LLP	4,275,000	2.1%
			<b>Attributable to Joseph Oughourlian</b>	<b>4,275,000</b>	<b>2.1%</b>
<b>B.17</b>	<b>Credit ratings assigned to the Issuer</b>	Not Applicable. As of the date of this prospectus, the Issuer has not been assigned any credit rating with its cooperation or at its request.			

### Section C – Securities

<b>C.1</b>	<b>Type, class of the Notes and the Security Identification Number</b>	<p>The Notes are fixed rate Notes (Notes that bear interests at a fixed rate) and are direct, senior, unconditional and unsecured obligations of the Issuer ranking equally with all of its existing and future senior unsecured obligations.</p> <p>It has been granted the ISIN code PTMENNOE0008 and the common code 106094357 in relation to a tranche of Notes in the amount of €50,000,000 and it has been granted the ISIN code PTMENNOE0007 and the common code 106200092 in relation to a tranche of Notes in the amount of €60,000,000.</p> <p>The codes applicable to the issue of €60,000,000 are temporary and are only applicable up to (but excluding) the First Interest Payment Date. As from, and including, the First Interest Payment Date, the Notes issued on 22 April and the Notes issued on 29 April will be fungible and only the first ISIN code and common code referred above will apply.</p>
<b>C.2</b>	<b>Currency of the Notes</b>	The Notes are denominated in Euro.
<b>C.5</b>	<b>Restrictions on the free transferability of the Notes</b>	<p>Not Applicable. There are no restrictions regarding the transfer of Notes.</p> <p>No Noteholder will be able to transfer the Notes, or any interest therein, except in accordance with Portuguese laws and regulations. Notes may only be transferred upon registration in the relevant individual securities accounts held with the relevant financial institution licensed to act as a financial intermediary for the purposes of the Portuguese Securities Code and which is entitled to hold control accounts with Interbolsa on behalf of Noteholders (each, an “<b>Affiliate Member of Interbolsa</b>”) in accordance with the applicable procedures established by the Portuguese Securities Code and the regulations issued by the <i>Commission de Surveillance du Secteur Financier</i>, the regulated market of the Luxembourg Stock Exchange or Interbolsa, as the case may be.</p> <p>Furthermore, the Notes have not been and will not be registered under the United States Securities Act of 1933 (the “<b>Securities Act</b>”) and may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.</p>
<b>C.8</b>	<b>The rights attaching to the securities, including ranking and limitations to those rights</b>	<p>The Notes are direct, senior, unconditional, unsecured (without prejudice to the provisions in relation to negative pledge) and unsubordinated obligations of the Issuer and rank <i>pari passu</i>, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such exemptions as may be provided by applicable law. The Notes are not guaranteed by any other entity forming part of Mota-Engil Group or by any affiliate of the Issuer.</p> <p>The Issuer revenues and assets will be fully accountable for the debt service of the Notes.</p> <p>All payments in respect of the Notes by or on behalf of the Issuer will be made without any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“<b>Taxes</b>”) imposed or levied by or on behalf of Portugal, unless the withholding or deduction of such Taxes is required by law.</p> <p>In such event, the Issuer will pay such additional amounts as will result in the receipt by the relevant holder of the Notes who is the effective beneficiary of the income arising thereto of such amounts as would be received by them had no such withholding or deduction been required, except that no additional amounts shall be payable in relation to any payment in</p>

		<p>respect of any Note in certain circumstances described in the terms and conditions of the Notes.</p> <p>The following events constitute an event of default under the Notes:</p> <p>(a) <i>Non-payment</i>: the Issuer fails to pay any amount of principal or interest in respect of the Notes, unless the failure is remedied, in the case of principal, within 3 (three) business days after the maturity date or, in the case of interest, within 10 (ten) business days after the relevant interest payment date; or</p> <p>(b) <i>Breach of other obligations or undertakings</i>: the Issuer fails to perform any other obligation relating to the Notes, unless the relevant failure, being reparable, is remedied within 30 (thirty) days (or in a longer period allowed by the common representative of the Noteholders (if any) or by the Noteholders), as from the date on which notice to effect is given to the Issuer; or</p> <p>(c) <i>Cross acceleration</i>: the occurrence of an event of default under any loan, credit facility, guarantee or other commitment with financial implications, entered into by the Issuer or a Relevant Subsidiary with the Portuguese financial system or abroad, or under obligations arising from the issue of securities or monetary values of any kind, provided that the amount in question exceeds €40 million (or its equivalent in another currency), considered individually or in the aggregate; or</p> <p>(d) <i>Proceedings</i>: one or more final judicial or administrative decisions in respect of the Issuer or the Relevant Subsidiary where there is no possibility for defence or appeal or the filing of one or more judicial or administrative proceedings in respect of the Issuer or a Relevant Subsidiary, unless the Issuer or the Relevant Subsidiary fully pays the value in question within 60 (sixty) days starting from the filing of the court proceedings or notice of the tax or Social Security debt assessment, or the existence of a tax or Social Security debts enforcement proceeding in respect of the Issuer or a Relevant Subsidiary, unless (i) the Issuer or such Relevant Subsidiary, as the case may be, provides a suitable guarantee to suspend such enforcement proceeding or (ii) such proceeding is being contested by appropriate means by the Issuer or such Relevant Subsidiary, as the case may be, and the Issuer or such Relevant Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so, in any of the cases above if the decision or proceedings determines the Issuer or such Relevant Subsidiary's responsibility in an amount exceeding €40 million (or its equivalent in another currency), considered individually or in the aggregate; or</p> <p>(e) <i>Enforcement proceedings</i>: filing of an enforcement proceeding imposed on all or a substantially part of the assets of the Issuer or a Relevant Subsidiary, unless (i) the Issuer or such Relevant Subsidiary, as the case may be, provides a suitable guarantee to suspend such proceeding or (ii) such proceeding is being contested by appropriate means by the Issuer or such Relevant Subsidiary, as the case may be, and the Issuer or such Relevant Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so; or</p> <p>(f) <i>Insolvency</i>: (i) the Issuer or a Relevant Subsidiary expressly acknowledges the impossibility of fully and duly pay their debts as they fall due or if the Issuer or a Relevant Subsidiary cease payments in general, (ii) the Issuer or Relevant subsidiary requests its insolvency declaration, or the declaration of insolvency of the Issuer or a Relevant Subsidiary is required by a third party, unless the Issuer or the Relevant Subsidiary submits its statement of defence within the legally due time and has been advised by recognised independent legal advisers of good repute that it is reasonable to do so, (iii) the Issuer or Relevant Subsidiary is declared insolvent by a competent judicial court or, in the scope of an insolvency proceeding, is concluded an agreement with, or assigned to the benefit of, general creditors of the Issuer or a Relevant Subsidiary; or (iv) is appointed an insolvency administrator or other equivalent entity for the Issuer or a Relevant Subsidiary in relation to the whole or a substantial part of the Issuer or Relevant Subsidiary assets; or</p> <p>(g) <i>Sale of assets</i>: sale, transfer, lease, or disposal, through any means by the Issuer or a Relevant Subsidiary, of all or a substantial part of its assets (including shareholdings in subsidiaries) and provided that such sale, transfer, loan or disposal produces a substantial impact on the Issuer or on a Relevant Subsidiary assets. Albeit, it is not considered a default situation for present purposes the sale, transfer, lease, or disposal, by any means, performed by the Issuer or a Relevant Subsidiary as long as (i) it is done</p>
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		<p>at market prices, including for such purposes any equity IPO or any financial transaction executed under market conditions (for the avoidance of doubt, neither the IPO of a subsidiary of the Issuer aggregating all or a substantial part of the African business of the Issuer nor the completion of the share distribution resolved by the Issuer's shareholders on 27 December 2013 shall, in any way, be deemed to constitute a breach of this Condition); or (ii) it is part of a restructuring operation– without prejudice to the legal form that such restructuring will take – conducted between companies that form part of the Issuer's group; or</p> <p>(h) <i>Pari passu and issuer undertakings</i>: as long as the Notes remain outstanding, the Issuer breaches, among others, certain covenants with respect to negative pledge and financial ratios ; or</p> <p>(i) <i>Change of control</i>: António Manuel Queirós Vasconcelos da Mota, Maria Manuela Queirós Vasconcelos Mota, Maria Teresa Queirós Vasconcelos Mota, Maria Paula Queirós Vasconcelos Mota and Mota Gestão e Participações, SGPS, S.A., together cease to hold directly or indirectly the majority of the share capital and/or voting rights of the Issuer; or</p> <p>(j) <i>Validity</i>: the validity of the Notes is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or it shall be or become unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or any such obligations shall be or become unenforceable or invalid, in each case as a result of any law or regulation in the Portuguese Republic or any ruling of any court in the Portuguese Republic whose decision is final and unappealable; or</p> <p>(k) <i>Cessation of business</i>: if the Issuer or Relevant Subsidiary ceases all or substantial part of its business or if an event occurs (including the approval of resolutions by the competent boards or the loss or suspension of any license or relevant authorisation to the exercise of its business) which (i) determines, under the applicable law, the dissolution or liquidation of the Issuer or of Relevant Subsidiary, except if such event occurs in the context of a solvent corporate reorganization involving the Mota-Engil Group, or which (ii) causes a material adverse change in the normal business activities carried out by the Issuer or the Relevant Subsidiary; or</p> <p>(l) <i>Analogous event</i>: any event occurs which the Issuer has, directly or indirectly, caused and which has an analogous effect to any of the events referred above.</p> <p><b>“Relevant Subsidiary”</b> means any company in a group relationship with the Issuer and that on each given moment complies with one of the following requirements:</p> <p>(i) which the EBITDA, according with the latest audited and approved by the General Assembly annual accounts, is equal to or greater than 30 (thirty) per cent. of the consolidated EBITDA of Mota-Engil Group (according to the latest audited and approved by the General Assembly consolidated annual accounts), or</p> <p>(ii) which the total assets, according to the latest audited and approved by the General Assembly annual accounts, are equal to or greater than 30 (thirty) per cent. of the total consolidated assets of Mota-Engil Group (according to the latest audited and approved by the General Assembly annual consolidated accounts), or</p> <p>(iii) which the income, according to the latest audited and approved by the General Assembly annual accounts, are equal to or greater than 30 (thirty) per cent. of the total consolidated revenues of Mota-Engil Group (according to the latest audited and approved by the General Assembly annual consolidated accounts).</p> <p>For the purpose of assessing if certain company is a Relevant Subsidiary for these purposes, the Issuer shall produce a management report stating that if, in its opinion, the company is or is not, or was or was not at a given time a Relevant Subsidiary. In the absence of manifest error, such report shall be conclusive and binding to all parties and may be supplemented by an external report of the Issuer's auditor confirming the information therein contained, if so is requested by a resolution of the Noteholders General Meeting taken by a majority of more than 50 (fifty) per cent. of the Notes nominal amount.</p> <p>In case any event of default relating to the Notes occurs, each Noteholder may request the early redemption of the Notes that it holds without the need for any prior resolution of the General Meeting of Noteholders, and shall be entitled to receive interest due up to the respective date of</p>
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		<p>redemption.</p> <p>The terms and conditions of the Notes are governed by Portuguese law. The judicial court of Lisbon is competent to settle any dispute arising in connection with the terms and conditions of the Notes.</p>
<b>C.9</b>	<b>The rights attaching to the securities, including information as to interest, maturity, yield and the representative of the noteholders</b>	<p>See C.8 for a description of the rights attaching to the Notes, ranking and limitations.</p> <p>With effect from, and including, the First Interest Payment Date, Notes issued on 22 April 2014 and forming part of a tranche in the amount of €50,000,000 and Notes issued on 29 April 2014 and forming part of a tranche in the amount of €60,000,000 will be consolidated and fungible among themselves and thus form a single series of Notes.</p> <p>The coupon interest rate is fixed and equal to 5.5 per cent. per annum (gross nominal annual rate, subject to the applicable tax regime) (the “<b>Fixed Rate</b>”).</p> <p>Interest on the Notes calculated in accordance with the interest rate is payable in euro in arrear on 22 October 2014 (the “<b>First Interest Payment Date</b>”) and on each date that falls every six months after the First Interest Payment Date (up to and including 22 April 2019, the “<b>Maturity Date</b>”) (each, an “<b>Interest Payment Date</b>”) to or on behalf of the Noteholders registered in the individual securities accounts of each relevant Affiliate Member of Interbolsa, commencing on the First Interest Payment Date. For the avoidance of doubt, interest accrues on the Notes on a daily basis irrespective of whether such day is a business day.</p> <p>The interest rate in respect of the Notes for each period beginning on (and including) the relevant Issue Date or any Interest Payment Date and ending on (but excluding) the First Interest Payment Date or the next Interest Payment Date, as the case may be (each, an “<b>Interest Period</b>”) shall be determined by applying the Fixed Rate to the principal amount outstanding, multiplying the product by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).</p> <p>Noteholders shall not be entitled to any further interest or other payment for any delay in receiving the amount due as a result of the relevant due date not being a Business Day. If the relevant Interest Payment Date is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.</p> <p>If the Noteholders do not receive the amount due on a Interest Payment Date or on the Maturity Date, an interest on overdue principal and interest on the Notes, if any and as applicable, will accrue from the due date up to the date of actual payment at a rate that is 1 per cent. higher than the then applicable interest rate on the Notes.</p> <p>The Noteholders may, at any time, take the necessary steps to elect the Noteholders common representative in accordance with the applicable law.</p>
<b>C.10</b>	<b>Derivative Component</b>	<p>Please see C.9.</p> <p>Not applicable; there is no derivative component in the interest to be paid in respect of the Notes.</p>
<b>C.11</b>	<b>Admission to trading of the Notes on a regulated market</b>	<p>Application has been made to admit the Notes to trading on the regulated market of the Luxembourg Stock Exchange.</p>

### Section D - Risks

<b>D.2</b>	<b>Risks Specific to the Issuer</b>	<p>Before making an investment decision with respect to the Notes, investors should carefully consider the risks relating to businesses of the Issuer and the Notes. These risks are not the only ones Mota-Engil faces; additional risks and uncertainties not presently known to Mota-Engil, or that Mota-Engil now believes are immaterial, could also impair its businesses or its ability to fulfill the obligations under the Notes.</p> <p>The order of presentation of the risk factors below does not indicate the likelihood of these risks actually occurring or the scope of any potential impairment these risks might cause to the business of Mota-Engil. The risks could be realised individually or cumulatively.</p>
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		<p><b><i>Conjuncture risks</i></b></p> <p>On a global economy perspective and despite a growth witnessed in 2013 is below the growth in the previous years, some signs emerged in the fourth quarter of 2013, which enable to cultivate sound expectations of inversion of this downward trend, for 2014 and 2015.</p> <p>These signs, although extremely positive, did not prevent 2013 from being a year of profound recession, particularly in Portugal and Poland, economies in which Mota-Engil focuses its activity in Europe, significantly affecting the volume of contracting and infrastructure construction.</p> <p>Despite all the economic measures which are now in place to prevent / resolve the European crisis, some concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the stability of the euro in general and the suitability of the single currency given the adverse economic and political circumstances individually considered in some Member States.</p> <p>Potential investors in the Notes shall ensure that they have sufficient knowledge of the crisis in the Eurozone, the global financial crisis and of the economic situation development and consider these factors in evaluating the risks and merits of investing in the Notes. Potential investors in the Notes shall ensure that they have sufficient knowledge of the crisis in the Eurozone, the global financial crisis and of the economic situation development and consider these factors in evaluating the risks and merits of investing in the Notes.</p> <p><b><u>Particularly, the risk of instability in the Eurozone and of the Notes redenomination in a new legal tender</u></b></p> <p>As result of the crisis affecting Europe, in particular the Eurozone, and the concerns regarding the indebtedness of some Eurozone countries, several measures were adopted, although some doubts relating to its ability to fulfil the assumed obligations and the stability of the Euro persist. Thus, these events may lead to the reintroduction of national currencies in one or more Member States, or in more extreme circumstances, the Euro could become extinct. Possible adjustments arising from such event, including the exchange rate between the current and the new legal tender in Portugal, may affect the value of the Notes. In circumstances where the Euro continues to exist, but no longer as the legal tender in Portugal or ceases to be the only legal tender in Portugal, the value of the new currency which is legal tender in Portugal can decrease when compared with Euro, which means that the Notes will have a lower value than they would have if they continued to be denominated in Euro. Legal and contractual consequences for the holders of the Notes denominated in Euro will be determined by the laws in force at such time. These potential developments or market perceptions on this matter and other related can have an adverse effect on the value of the Notes.</p> <p><b><u>Financial risks</u></b></p> <p>Mota-Engil is exposed to a range of financial risks with interest rates, exchange rates, liquidity and credit worthy of special attention. These risks result from the carrying on of the Mota-Engil Group business and lead to uncertainties regarding the capacity for generating cash-flows and returns adequate for the return on equity.</p> <p>Despite pursuing a financial risks management policy, Mota-Engil cannot exclude the possibility of any or a combination of financial risks listed below or others that are not currently considered material or are unknown, adversely affect Mota-Engil business and/or the results of its activities.</p> <p><b><u>Credit risk</u></b></p> <p>Mota-Engil is subject to the credit risk, of operational and treasury nature, that is, to some extent, boosted by the current macroeconomic imbalances.</p> <p>Exposure of the Mota-Engil Group to credit risk above all is attached to the accounts receivable deriving from the normal day-today carrying on of business with special attention paid to the provision of services and/or retail sales.</p> <p>Nevertheless, without prejudice of Mota-Engil Group not being exposed to significant credit risk with any particular client, since the developed activities are based on a large number of customers, spread across diverse business areas and geographical poles, the exposure of Mota-Engil to credit risk could adversely affect its business and/or the results of its activities.</p> <p><b><u>Liquidity risk</u></b></p>
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		<p>The continued volatility in the financial sector and in the capital market, the defaults, or fears of failure of financial institutions could lead to a reduction in liquidity across the market, thus compromising the ability of Mota-Engil in financing its current activity and possible future investments, or to secure refinancing operations with payment conditions deemed appropriate, including the Note loans not yet repaid, including the Notes.</p> <p>Mota-Engil Group adopted a policy for management of the liquidity risk that aims at ensuring that there are funds available at all times in the Mota-Engil Group and in its subsidiaries which are sufficient for meeting all financial commitments assumed at the appropriate time</p> <p>Mota-Engil cannot yet forecast future credit conditions in the financial markets, in particular with regard to liquidity. The difficulty in accessing to financing due to the lower availability from financing institutions because of scarce liquidity may, as the higher cost of fund raising, adversely affect the business of Mota-Engil or the results of its activities.</p> <p><u>Exchange rate risk</u></p> <p>The exposure of Mota-Engil Group to exchange rate risk results mainly from the presence of several subsidiaries in various markets, in particular in Angola and in Central Europe, where business represents an increasingly greater part of business turnover, as well as from a presence in Central and Latin America, particularly in the Peruvian, Mexican and Brazilian markets, which bring new challenges with exposure to different currencies and new economic realities.</p> <p>Without prejudice of implementing a policy of hedging the exchange rate risk in order to reduce the volatility of investments and transactions denominated in foreign currencies (currencies other than the Euro), with recourse to the use of financial instruments by Mota-Engil to mitigate this risk and seek a lesser sensitivity to the foreign exchange rate fluctuations, Mota-Engil cannot predict the evolution of foreign exchange rates and its impact. If the foreign exchange rates fluctuate adversely, it may negatively affect the business of Mota-Engil and/or the results of its activities.</p> <p><u>Interest rate risk</u></p> <p>Despite the implementation of an interest rate risk management policy which aims at optimizing the cost of the debt, obtaining of a reduced level of volatility in finance charges or rather the control and mitigation of the risk of incurring losses resulting from variations in the rates of interest which are indexed to the Mota-Engil Group's debts and which are principally denominated in Euros, Mota-Engil cannot forecast the evolution of interest rates and its impact. Accordingly, if interest rates raise more than expected or if obtaining new financing becomes more costly than in the past, this may adversely affect the results of its activities.</p> <p><u>Another risks related with Mota-Engil and its activity</u></p> <p><b><i>Mota-Engil does not directly develop operational activities</i></b></p> <p>Mota-Engil, as a holding company (SGPS), develops direct and indirect management activities over its subsidiaries, whereby the fulfilment of its assumed obligations depends on the cash flows generated by its subsidiaries. Mota-Engil thus depends on the distribution of dividends by its subsidiary companies, interest payments, repayment of loans and other cash flows generated by those companies. The ability of Mota-Engil subsidiaries to make available/repay funds to Mota-Engil depends, partly, on its ability to generate positive cash flows within operational activities. The ability of these companies in one hand to distribute dividends and the other hand to pay interest and repay loans granted by Mota-Engil, is subject, in particular, to the statutory and tax restrictions, its revenues, the available reserves and its financial structure, which may have an adverse impact on Mota-Engil results.</p> <p><u>Mota-Engil may be affected by legal and regulatory tax changes or its interpretation by the tax authorities</u></p> <p>Mota-Engil may be adversely affected by tax changes in Portugal, in the European Union and other countries where it develops its activities. Mota-Engil does not control these tax changes or changes in the interpretation of tax laws by any tax authority.</p> <p>Significant changes in tax legislation in Portugal, European Union or in countries where Mota-Engil develops its activities, or difficulties in implementing or complying with new tax laws and regulations changes, can have an adverse impact on Mota-Engil business or in results of its activities.</p> <p><u>Mota-Engil is subject to an acquisition or change of control</u></p>
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		<p>Any Mota-Engil acquisition or relevant change of control by a shareholder (current or future) may impact the current corporate strategy in key markets where it operates, in its operations, and business and resources, which may have an adverse effect on results of its activities.</p> <p><i>Risks relating to the market where it operates and with its activity</i></p> <p>Mota-Engil indirectly develops its activity in various business areas and in various markets as described in this Prospectus.</p> <p>Regarding its activity developed in Portugal, in addition to the market risks mentioned above, it shall be taken into account that, regarding the construction activity, public works contracts and real estate development, the performance of Mota-Engil Group companies depends on the levels of public and private investment and may exist a correlation between the macroeconomic indicators of these financial magnitudes and the revenues of Mota-Engil Group. Therefore, it shall not be excluded from the risks of an activity reduction in this area of business the regional macroeconomic conditions, though do not exist, or are in progress, public works whose eventual cancelation is expected to have a significant impact on Mota-Engil value. Even in regard to the activity in Portugal, contracts with EP – Estradas de Portugal, S.A. are being renegotiated concerning sub-concessions of communication routes. As in the previous cases, the company does not anticipate a significant impact on the value of its assets, including the subsidiary through which this operation is developed. Similarly, there are operational risks in treatment and collection of solid waste activities, treatment and distribution of water and sanitation, operation of rail and port terminal concessions. In most of these activities there is a significant weight of personnel costs, so regarding this aspect, there will be risks associated with instability on the performance of human resources.</p> <p>In the activity developed in foreign markets further to the reliance on investment, which may be called risk-seeking, it adds, for being especially relevant, the potential impact of risks associated with the logistics of supplies and, consequently, the development of the work and the provision of services in the Latin American markets, and especially in Africa. In the case of Central Europe, the risks associated with the organization of the competition conditions deserve special attention.</p> <p>Any of these risks is of uncertain assessment and amplitude, so that the occurrence of any of them, or others directly or indirectly connected, may have an adverse effect on Mota-Engil business or in its activities results.</p>
D.3	Risks specific to the Notes	<p><i>General risks of the Notes</i></p> <p><i>The Notes may not be an investment suitable to all the investors</i></p> <p>Each potential investor in the Notes must determine the suitability of the investment considering their own circumstances. In particular, each potential investor shall:</p> <ul style="list-style-type: none"> <li>(i) have sufficient knowledge and experience to conduct a thorough evaluation of the Notes, the benefits and risks of an investment in the Notes and the information contained or incorporated by reference in this Prospectus or any supplement or amendment to the same;</li> <li>(ii) have access and the appropriated analytical tools to assess in the context of its particular financial condition, an investment in the Notes and the impact on its investment portfolio;</li> <li>(iii) have sufficient financial resources and liquidity which enable it to support all the inherent risks of an investment in the Notes;</li> <li>(iv) thoroughly understand the terms and conditions applicable to the Notes and be acquainted with the relevant financial markets and with advice from a financial advisor or other appropriated, as well as the possible scenarios for the economic factors, interest rates or other that may affect its investment and its ability to bear the applicable risks.</li> </ul> <p><i>Payment procedures in respect of the Notes</i></p> <p>Payment of principal and interest will be (i) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent acting on behalf of the Issuer from the payment current account which the Paying Agent has indicated to, and has been accepted by, Interbolsa to be used on the Paying Agent's behalf for payments in respect of securities held through Interbolsa to the payment current accounts held by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter (ii) credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the</p>

		<p>accounts of the owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, as the case may be.</p> <p>Noteholders must rely on the procedures of Interbolsa to receive payment under the Notes and the Issuer will have no responsibility or liability for the records relating to payments made in respect of beneficial interests in the Notes.</p> <p><u><i>Noteholders meetings, modifications and waivers</i></u></p> <p>The applicable laws and regulations contain rules on convening Noteholders meetings to deliberate on matters affecting its interests in general. Those rules provide that the making of decisions based on certain majorities binds all Noteholders, including those who have not participated or voted in that particular meeting and those who voted against the approved resolution.</p> <p><u><i>Portuguese tax rules applicable to non-residents</i></u></p> <p>Pursuant to the Decree-law no. 193/2005 of 7 November, investment income paid to non-resident Noteholders (which, in the case of legal persons, are not held in more than 20 per cent. by residents in Portugal) and capital gains arising of the sale of such Notes will be exempt from income tax in Portugal, if certain requirements of evidence attest the non-residency in Portugal (or in any privileged taxation jurisdiction pursuant to the Government Ordinance no. 150/2004, of 13 February, updated to the effective date) of the respective holder of the income, are properly met.</p> <p>In case of the non-delivery, late or incorrect delivery of legally required documents, the direct registering entities (i.e., the financial intermediaries with control accounts with CVM) will be required to withhold at the rate of 25 per cent., 28 per cent. or 35 per cent., depending on the case. Non-resident Noteholders shall obtain its own tax advice to ensure they comply with all procedures relating to the proper tax treatment of payments received under the holding of the Notes. The Issuer does not assume the obligation to pay gross amounts, in case any withholding of payments due to non-delivery, late or incorrect delivery of legally required documents is applicable.</p> <p><u><i>Applicable law and legal changes</i></u></p> <p>The Investors rights in its capacity as Noteholders shall be governed by the Portuguese law, some aspects may differ from the rights usually recognized to Noteholders in companies governed by legal systems other than the Portuguese.</p> <p>It cannot be ensured that legal (including tax) or regulatory changes may not occur, and that changes in the interpretation or application of the legal standards that may have some sort of adverse effect on the rights and obligations of the Issuer and/or of the investors in the Notes.</p> <p><u><i>General risks of the market</i></u></p> <p><u><i>The secondary market in general</i></u></p> <p>It will be requested the admission to trading of the Notes on the Luxembourg Stock Exchange regulated market, so that the investors may transact the Notes in the market after the respective date of admission. However, the admission does not guarantee, by itself, an effective liquidity of the Notes.</p> <p>Thus, the Notes do not have an established market on the date of admission, and such a market may not develop itself. If a market develops, it may not have a high level of liquidity, so investors may not be able to sell the Notes easily or at prices that allow them to recover the amounts invested or perform a gain comparable to similar investments that have been performed on the secondary market. Illiquidity may have a negative effect on the market value of the Notes. Investors shall be prepared to hold the Notes until the respective maturity date.</p> <p>Further to this Issue, Mota-Engil currently has the following notes (<i>obrigações</i>) issued and not yet redeemed:</p> <ul style="list-style-type: none"> <li>(i) Note loan in the total principal amount of €25 million, currently amounting to € 15 million, with no guarantees for a period of five years, denominated “Mota-Engil, SGPS/2011-2016 - Variable Rate”;</li> <li>(ii) Note loan in the total principal amount of €15 million, with no guarantees for a period of five years, denominated “Mota-Engil, SGPS/2012-2017 - Variable Rate”;</li> </ul>
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		<p>(iii) Note loan in the total principal amount of €175 million, with no guarantees for a period of three years, denominated “Mota-Engil, SGPS/2013-2016 – Fixed Rate”;</p> <p>(iv) Note loan in the total principal amount of USD50 million, with no guarantees for a period of three years, denominated “Mota-Engil, SGPS/2013-2016 – Fixed Rate”; and</p> <p>(v) Note loan in the total principal amount of €20 million, with no guarantees for a period of four years, denominated “Mota-Engil, SGPS/2013-2017 – Variable Rate”.</p> <p><i>Interest rate risk and foreign exchange controls</i></p> <p>The Issuer will pay the principal and interest on the Notes in Euro (the “<b>Selected Currency</b>”), which poses certain risks relating to currency conversions if the financial investments of an investor are primarily denominated in a currency (the “<b>Investor’s Currency</b>”) different from the Selected Currency. Such risks include the risk that exchange rates may change significantly (including due to the depreciation of the Selected Currency or revaluation of the Investor’s Currency) and the risk that authorities with jurisdiction over the Investor’s Currency or the Selected Currency may impose or modify foreign exchange controls. An appreciation of the Investor’s Currency relative to the Selected Currency will decrease (i) the equivalent yield of the Notes on the Selected Currency, (ii) the equivalent principal of the Notes on the Selected Currency and (iii) the equivalent market value of the Notes in the Selected Currency.</p> <p>Governments and monetary authorities of the relevant jurisdictions may impose (as has happened in the past) rates likely to adversely affect the applicable foreign exchange rate. Accordingly, investors may receive less interest or principal than expected, or not even to receive principal or interest.</p> <p>The interest rate at which the Notes entitle is calculated with reference to a fixed rate. Accordingly, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. In particular, if the market interest rates (namely Euribor) rise, it shall be expected that the market value of Notes comes down.</p> <p><i>Considerations about the lawfulness of the investment</i></p> <p>The activities of certain investors are subject to laws and regulations on investment matters and/or review or regulation by certain authorities. Each potential investor shall use its own legal advisors to determine whether and to what extent (i) the Notes are legally allowed investments, (ii) the Notes can be used as collateral for various types of loans, and (iii) other restrictions apply to the subscription/purchase of the Notes. Financial institutions shall consult its legal, financial or other advisors or the relevant regulatory agencies to determine the appropriate treatment of the Notes pursuant to the rules of risk management applicable to capital or other similar rules.</p> <p><i>Changes to the risk weighted asset framework</i></p> <p>The Basel committee on banking supervision (the “<b>Basel Committee</b>”) published by 2006 the regulatory capital framework (the “<b>Basel II framework</b>”).</p> <p>In the end of 2010, the Basel Committee issued recommendations regarding the amendments to the then current applicable rules on the calculation of capital requirements for international banks which are addressed on the additional Recommendations usually known as Basel III. These Recommendations were finalized on 1 June 2011 and include some amendments to the capital ratios as well as the inclusion of leverage and liquidity ratios.</p> <p>Meanwhile, Basel III Recommendations were enacted as European Union law through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investments firms (“<b>CRD IV</b>”) and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms (“<b>CRR</b>”). CRR is directly applicable to the European States since 1 January 2014 and includes provisions regarding, for instance, own funds requirements, minimum capital ratios, liquidity ratios.</p> <p>These may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.</p> <p>In addition, recent amendments to the CRD and other amendments to EU legislation could lead to certain investors being subject to additional regulatory obligations. These regulatory</p>
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		<p>obligations would vary depending on the type of investor and the jurisdiction in which they are regulated. Investors should be aware that such regulatory obligations may adversely affect their own holding of the Notes (if they fall within one of the relevant categories of regulated investors) and may adversely affect the price for which they can sell the Notes or their ability to sell the Notes at all.</p> <p>In general, investors should consult their own advisors as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of the application of the CRD as well as any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. Each investor should make its own determination as to such treatment, conduct, appropriate due diligence and/or seek professional advice and, where relevant, consult its regulator.</p>
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### Section E - Offer

<b>E.2.b</b>	<b>Reasons for the issue and use of proceeds</b>	The issue of the Notes aims at raising funds in order to finance the current activity of the Issuer, so as to increase the average maturity of its debt and align the debt amortisation profile to the expected expansion of its businesses.
<b>E.3</b>	<b>Terms and conditions of the offer</b>	Not Applicable. The Notes have already been issued and delivered.
<b>E.4</b>	<b>Description of any interest that is material to the issue/offer including conflicting interests</b>	<p>The Arranger and Lead Manager has a direct interest of financial nature in respect of the Notes.</p> <p>There are no conflicts of interests of natural and legal persons involved in the issue of the Notes.</p>
<b>E.7</b>	<b>Estimated expenses charged to the investor</b>	Not Applicable. Neither the Issuer nor any of its affiliates charged any expense to investors in the Notes in connection with the offer of the Notes.



## **CHAPTER 2 RISK FACTORS**

The Notes constitute a direct, unconditional and general liability of the Issuer that will engage all its good faith in the respective fulfilment. The Notes are unconditional obligations of the Issuer, which will rank *pari passu* without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such exemptions as may be provided by applicable law.

Potential investors in the Notes shall, prior to the investment, carefully consult the information contained in the Prospectus or the documents incorporated by reference and form their own conclusions before making an investment decision, considering its process of decision making in conjunction with the other information contained in this Prospectus, the risk factors listed below, relating to the Issuer (*see part A - Risks relating to Mota-Engil and its activities*) and relating to the Notes subject to the Offer (*see part B - Risks relating to the Notes*) and other information and warnings that are contained in this Prospectus.

The potential investors in the Notes shall also take into account that the risks identified in the Prospectus are the most significant risks and susceptible of affecting the Mota-Engil Group and/or the ability of the Issuer to fulfil its obligations relating to the Notes, and therefore are not the only risks that Mota-Engil is subject to, and there may be other risks and uncertainties currently unknown or that the Issuer currently considers not significant and that, nevertheless, may have an adverse effect on its activities, in the development of the business, in the operating results, in the financial position, in the income, in the asset and liquidity, in the future prospects of Mota-Engil or in its capacity to achieve its goals.

The order of presentation of the risk factors below does not indicate the likelihood of these risks actually occurring or the scope of any potential impairment these risks might cause to the business of Mota-Engil. The risks could be realised individually or cumulatively.

### **A. RISKS RELATING TO MOTA-ENGIL AND ITS ACTIVITIES**

#### ***Conjuncture risks***

On a global economy perspective and despite a growth witnessed in 2013 is below the growth in the previous years, some signs emerged in the fourth quarter of 2013, which enable to cultivate sound expectations of inversion of this downward trend, for 2014 and 2015.

These signs, although extremely positive, did not prevent 2013 from being a year of profound recession, particularly in Portugal and Poland, economies in which Mota-Engil focuses its activity in Europe, significantly affecting the volume of contracting and infrastructure construction.

Despite all the economic measures which are now in place to prevent / resolve the European crisis, some concerns persist regarding the debt burden of certain Eurozone countries and their ability to meet future financial obligations, the stability of the euro in general and the suitability of the single currency given the adverse economic and political circumstances individually considered in some Member States. The high levels of sovereign debt and fiscal deficits in several Member States raise concerns regarding the financial condition of credit institutions, insurance companies and other companies (i) established in the Member States in question, (ii) with direct or indirect exposure to them, or (iii) which service providers, funders and suppliers are exposed to these Member States. A significant decrease in the credit risk of one or more sovereign States or financial institutions rating may have an adverse effect on the financial system as a whole and adversely affect some of the markets in which the Issuer operates in ways difficult to forecast.

Portugal, in particular, has witnessed a request to financial assistance in 2011, the closure of financial markets to its economy and a high recession in the past three years. Now it is showing the first signs of recovery, having managed to redress its trade balance and reduce its dependency on exterior financing and, therefore, the two last quarters of the year registered a knock-on growth,

leading to the belief that 2014 shall be the year of economic upturn and that it may enable a decisive boost of private investment.

In Africa, particularly in the Southern African Development Community (SADC), a region in which Mota-Engil is present, the gross domestic product remained stable, with the estimation of a growth of 3.6 per cent.. The markets of Angola and Mozambique continue to benefit from mining and Oil & Gas activities. Nonetheless, South Africa, the main provider of raw materials and equipment in the region, was deeply affected by the currency crisis of emerging countries, undergoing a considerable devaluation of its currency.

Nevertheless, despite the fact that Mota-Engil develops its operations in four geographic poles - Portugal, Africa, Central Europe and Latin America - as a way of reducing the risks of conjuncture/cyclical nature and the recent signs announcing the recovery of the economy, the part of the business and activities of Mota-Engil located Portugal and Central Europe is likely to be affected by the crisis still affecting the Eurozone, which may have an adverse impact on the Mota-Engil business or in the results of its activities. Potential investors in the Notes shall ensure that they have sufficient knowledge of the crisis in the Eurozone, the global financial crisis and of the economic situation development and consider these factors in evaluating the risks and merits of investing in the Notes. Moreover, budget constraints both in Portugal and in Poland (the country where Mota-Engil does most of its business in Central Europe), may also have an adverse impact on cyclical business and results of Mota-Engil in these markets. It is also important to know the prospects for medium and long-term public investment in these two countries to better assess the risk and impact on the respective Mota-Engil business. It is also important to know the macroeconomic indicators (proxy for the evolution of the private investment) and programs for medium and long-term public investment in infrastructure in the countries that Mota-Engil operates in Africa and Latin America, to assess the sustainability of size of its business companies in these regions. The potential investors in the Notes shall ensure that they properly perceive the proportion that each region has in Mota-Engil total business.

***Particularly, the risk of instability in the Eurozone and of the Notes redenomination in a new legal tender***

As result of the crisis affecting Europe, in particular the Eurozone, and the concerns regarding the indebtedness of some Eurozone countries, several measures were adopted, although some doubts relating to its ability to fulfil the assumed obligations and the stability of the Euro persist. Thus, these events may lead to the reintroduction of national currencies in one or more Member States, or in more extreme circumstances, the Euro could become extinct.

Being the Euro the legal tender in Portugal and specified for the Notes if at any time after the date of issue: (i) come into existence more than one legal tender in Portugal; or (ii) the legal tender in Portugal would become other than Euro, the currency in which the Notes are denominated (and will be performed the payments relating to the Notes) will be the new legal tender in Portugal and the Issuer may adjust the Terms and Conditions of the Notes (subject to the approval of the Noteholders), as it see fit and adequate to prevent the effects of such redenomination in the Notes and it will determine the validity of such adjustments. Such adjustments, including the exchange rate between the current and the new legal tender in Portugal, may affect the value of the Notes. In circumstances where the Euro continues to exist, but no longer as the legal tender in Portugal or ceases to be the only legal tender in Portugal, the value of the new currency which is legal tender in Portugal can decrease when compared with Euro, which means that the Notes will have a lower value than they would have if they continued to be denominated in Euro. Legal and contractual consequences for the holders of the Notes denominated in Euro will be determined by the laws in force at such time. These potential developments or market perceptions on this matter and other related can have an adverse effect on the value of the Notes.

### ***Financial risks***

Mota-Engil is exposed to a range of financial risks with interest rates, exchange rates, liquidity and credit worthy of special attention. These risks result from the carrying on of the Mota-Engil Group business and lead to uncertainties regarding the capacity for generating cash-flows and returns adequate for the return on equity.

The Mota-Engil Group's financial risk management policies seek to minimise the impact and adverse effects deriving from the uncertainties which characterise the financial markets. The uncertainty which is reflected in numerous forms, requires particular attention and specific, concrete and effective management measures

The posture of the Mota-Engil Group relative to the management of financial risks is cautious and conservative with recourse where advisable to instruments derived from the cover of risks with a view to them being related with ongoing activities, never assuming positions in derivatives or other financial instruments of a speculative nature.

The various types of financial risk are inter-related and the different management measures, although specific to each one, are linked in the longer term with this integration contributing to the following of the same objective, which is the reduction of volatility in cash-flows and returns expected.

Despite this cautious and conservative posture of the Mota-Engil Group in relation to the management of financial risks, Mota-Engil cannot exclude the possibility of any or a combination of financial risks listed below or others that are not currently considered material or are unknown, adversely affect Mota-Engil business and/or the results of its activities.

### ***Credit Risk***

Mota-Engil is subject to the credit risk, of operational and treasury nature, that is, to some extent, boosted by the current macroeconomic imbalances.

Exposure of the Mota-Engil Group to credit risk above all is attached to the accounts receivable deriving from the normal day-today carrying on of business with special attention paid to the provision of services and/or retail sales.

The mitigation of this risk is achieved preventively before exposure to the risk by recourse to information providers and credit risk profilers which allow a reasoned decision to be taken regarding the granting of credit. Subsequently and after the credit has been granted, the maintenance of credit control and payment structures is promoted and, in certain specific cases, recourse is promoted to the contracting of credit insurance from credible insurers. These measures contribute to the maintenance of customer credit within levels which are not likely to affect the financial health of Mota-Engil Group's companies.

Nevertheless, without prejudice of Mota-Engil Group not being exposed to significant credit risk with any particular client, since the developed activities are based on a large number of customers, spread across diverse business areas and geographical poles, the exposure of Mota-Engil to credit risk could adversely affect its business and/or the results of its activities.

### ***Liquidity risk***

Since the second half of 2007, the disturbances that occurred in the global credit markets, coupled with the re-pricing of credit risk and the deterioration of real estate markets, particularly in the United States, have contributed to an increasing of the conditions deterioration in the financial markets and had a negative impact on investor confidence. This macroeconomic and financial environment presents a set of constraints, including the lack of liquidity in the market and the consequent increase in the spreads charged to the companies, adversely affecting the interbank and

debt markets in terms of volume, maturity and margins and involving an increasing difficulty in accessing to bank credit. The continued volatility in the financial sector and in the capital market, the defaults, or fears of failure of one or more financial institutions could lead to a reduction in liquidity across the market, thus compromising the ability of Mota-Engil in financing its current activity and possible future investments, or to secure refinancing operations with payment conditions deemed appropriate, including the Note loans not yet repaid, including the Notes.

Mota-Engil Group adopted a policy for management of the liquidity risk that aims at ensuring that there are funds available at all times in the Mota-Engil Group and in its subsidiaries which are sufficient for meeting all financial commitments assumed at the appropriate time. This is therefore a means of ensuring that the Mota-Engil Group has the financial resources available (cash on hand and financial inflows) necessary to meet commitments (financial outflows) whenever they become due.

The achievement of the high levels of financial flexibility which are vital to the management of this risk has been sought by means of recourse to the following management measures:

- (a) The establishment of partnership relationships with financing entities, ensuring their financial support for the Mota-Engil Group with a longer term view in the best or at least the least unfavourable conjuncture which affects all business cyclically;
- (b) The contracting and maintenance of short-term credit lines which are taken out as liquidity reserves available for use at any time;
- (c) The carrying out of tight financial planning for each company with the periodic drawing up and revision of cashflow budgets which make it possible to forecast future shortages and excesses of cash-flow and their optimisation and integrated management between Mota-Engil Group companies;
- (d) The financing of medium to longer term investments adapting debt maturities and the plan for the payment of liabilities resulting from the financing to cash-flow generating potential for each project or company;
- (e) The beginning of the process of negotiating the refinancing of medium- and long-term loans maturing within a year, at least a year in advance of its respective maturity;
- (f) The maintenance of a debt structure for companies with financing levels at medium and long term between 60 and 70 per cent., thus reducing their dependency on more volatile, short-term funding, thus contributing to immunity to the conjuncture factors of financial markets;
- (g) The scheduling of the maturity of longer term financial debts seeking to extend average maturity so that it coincides more closely with the level of permanence of certain longer term assets held by the Mota-Engil Group;
- (h) The seeking out of new sources of finance and new financiers with the intention of:
  - (i) Geographic diversification and the harnessing of resources in the different markets where the Mota-Engil Group carries on business;
  - (ii) The diversification of debt instruments – the harnessing of funds from alternative sources.

The effective management of risk is closely linked to the management of other financial risks which contribute as a complement to the prosecution of this objective and ensuring the cash-flows at the times and in the sums forecast. However, Mota-Engil cannot yet forecast future credit conditions in the financial markets, in particular with regard to liquidity. The difficulty in accessing financing due to the lower availability from financing institutions because of scarce

liquidity may, as the higher cost of fund raising, adversely affect the business of Mota-Engil or the results of its activities.

### ***Exchange rate risk***

The exposure of Mota-Engil Group to exchange rate risk results mainly from the presence of several subsidiaries in various markets, in particular in Angola and in Central Europe, where business represents an increasingly greater part of business turnover, as well as from a presence in Central and Latin America, particularly in the Peruvian, Mexican and Brazilian markets, which bring new challenges with exposure to different currencies and new economic realities.

In terms of management of the exchange rate risk, wherever possible or advisable, natural coverage is sought for exposed currencies by recourse to financial debt denominated in the currency in which the sums at risk are expressed. Whenever it proves possible or advisable, the contracting or undertaking of other transactions is promoted based on structured derivative instruments seeking the minimisation of cost in particular by covering the risks involved in future exchange rate transactions with a high degree of certainty with regard to the sum and the date of its realisation. Mainly in African markets, it is of note that a significant part of the contracts entered into is denominated in USD or Euros.

Without prejudice of implementing a policy of hedging the exchange rate risk in order to reduce the volatility of investments and transactions denominated in foreign currencies (currencies other than the Euro), with recourse to the use of financial instruments by Mota-Engil to mitigate this risk and seek a lesser sensitivity to the foreign exchange rate fluctuations, Mota-Engil cannot predict the evolution of foreign exchange rates and its impact. If the foreign exchange rates fluctuate adversely, it may negatively affect the business of Mota-Engil and/or the results of its activities.

### ***Interest rate risk***

Before 2008 various operations for fixing or limiting the variation in interest rates on loans were realised for the distinct areas of business and mainly indexed to Euribor by the contracting of swaps or through other operations structured on derivatives at zero cost and which contributed (and will in future contribute) to the reduction in sensitivity to financial charges and potential upward movements in interest rates.

The contracting of these operations had the underlying rationale of the prosecution of the objective of realising and/or maintaining cover at around 30 per cent. of Mota-Engil Group corporate debts, normally issued under an indexed or variable regime.

Since 2008 and in the light of the stagnation to which short- and medium-term interest rates have been subject and stable at historic lows following the grave and prolonged financial crisis we are dealing with, no new operations to cover this risk have been entered into, the Mota-Engil Group however being aware of the inversion of the trend which will surely accompany the inevitable upturn in the economy in the coming years.

Despite the implementation of an interest rate risk management policy which aims at optimizing the cost of the debt, obtaining of a reduced level of volatility in finance charges or rather the control and mitigation of the risk of incurring losses resulting from variations in the rates of interest which are indexed to the Mota-Engil Group's debts and which are principally denominated in Euros, Mota-Engil cannot forecast the evolution of interest rates and its impact. Accordingly, if interest rates raise more than expected or if obtaining new financing becomes more costly than in the past, this may adversely affect the results of its activities.

### ***Another risks related with Mota-Engil and its activity***

*Mota-Engil does not directly develop operational activities*

Mota-Engil, as a holding company (SGPS), develops direct and indirect management activities over its subsidiaries, whereby the fulfilment of its assumed obligations depends on the cash flows generated by its subsidiaries. Mota-Engil thus depends on the distribution of dividends by its subsidiary companies, interest payments, repayment of loans and other cash flows generated by those companies. The ability of Mota-Engil subsidiaries to make available/repay funds to Mota-Engil depends, partly, on its ability to generate positive cash flows within operational activities. The ability of these companies in one hand to distribute dividends and the other hand to pay interest and repay loans granted by Mota-Engil, is subject, in particular, to the statutory and tax restrictions, its revenues, the available reserves and its financial structure, which may have an adverse impact on Mota-Engil results.

*Mota-Engil may be affected by legal and regulatory tax changes or its interpretation by the tax authorities*

Mota-Engil may be adversely affected by tax changes in Portugal, in the European Union and other countries where it develops its activities. Mota-Engil does not control these tax changes or changes in the interpretation of tax laws by any tax authority. Significant tax legislation in Portugal, European Union or in countries where the Mota-Engil develops its activities, or difficulties in implementing or complying with new tax laws and regulations changes, can have an adverse impact on Mota-Engil business or in results of its activities.

*Mota-Engil is subject to an acquisition or change of control*

Mota-Engil is a public company, whose main shareholders are referred in Chapter 4 (*Main Shareholders of the Issuer*). Any Mota-Engil acquisition or relevant change of control by a shareholder (current or future) may impact the current corporate strategy in key markets where it operates, in its operations, and business and resources, which may have an adverse effect on results of its activities.

*Risks relating to the market where it operates and with its activity*

Mota-Engil indirectly develops its activity in various business areas and in various markets as described in this Prospectus.

Regarding its activity developed in Portugal, in addition to the market risks mentioned above, it shall be taking into account that, regarding the construction activity, public works contracts and real estate development, the performance of the Mota-Engil Group companies depends on the levels of public and private investment and may exist a correlation between the macroeconomic indicators of this financial magnitudes and the revenues of Mota-Engil Group. Therefore, it shall not be excluded from the risks of an activity reduction in this area of business the regional macroeconomic conditions, though do not exist, or are in progress, public works whose eventual cancelation is expected to have a significant impact on Mota-Engil value. Even in regard to the activity in Portugal, contracts with EP – Estradas de Portugal, S.A. are being renegotiated concerning sub-concessions of communication routes. As in the previous cases, the company does not anticipate a significant impact on the value of its assets, including the subsidiary through which this operation is developed.

Moreover, much of Mota-Engil Group companies activity which are engaged in this business area depend, regarding the formation of its cost structure, of the changes in the international prices of some commodities, such as, among others, oil , steel and cement. Finally, still in the same business area, Mota-Engil Group companies are subject to the risks of contractual conditions (to the extent that many of the services it provides are framed by specific contracts which are, however, framed by legislation and sectorial regulations) and regulatory (since the operation is dependent on obtaining general license and specific licenses for certain activities/tasks). Similarly, there are operational risks in treatment and collection of solid waste activities, treatment and distribution of

water and sanitation, operation of rail and port terminal concessions. In most of these activities there is a significant weight of personnel costs, so regarding this aspect, there will be risks associated with instability on the performance of human resources.

In the activity developed in foreign markets further to the reliance on investment, which may be called risk-seeking, it adds, for being especially relevant, the potential impact of risks associated with the logistics of supplies and, consequently, the development of the work and the provision of services in the Latin American markets, and especially in Africa. In Africa, the logistics component of transporting people, equipment and supplies (diesel, iron, cement and others) is a challenge to the major works being therefore necessary to foresee the cost and time in the budgets and deadlines to be provided to the customers. Regarding Latin America, in the markets in which Mota-Engil operates, it is important the value of works of high technical complexity, given the type of terrain, with frequent development of mining projects or works of art above 2000, or even 3000 meters of altitude, with the natural difficulty at the level of the means of production transportation. In the case of Central Europe, it deserves special attention the risks associated with the organization of the competition conditions as a result of the reduction in the number and value of infrastructure projects to develop in the region there has been the emergence of an excess of market players and has been common the defilement of prices, aspects that create competitive imbalances.

Any of these risks is of uncertain assessment and amplitude, so that the occurrence of any of them, or others directly or indirectly connected, may have an adverse effect on Mota-Engil business or in its activities results.

## **B. RISKS RELATING TO THE NOTES**

### ***General risks of the Notes***

*The Notes may not be an investment suitable to all the investors*

Each potential investor in the Notes must determine the suitability of the investment in attention to their own circumstances. In particular, each potential investor shall:

- (a) have sufficient knowledge and experience to conduct a thorough evaluation of the Notes, the benefits and risks of an investment in the Notes and the information contained or incorporated by reference in this Prospectus or any supplement or amendment to the same;
- (b) have access and the appropriated analytical tools to assess in the context of its particular financial condition, an investment in the Notes and the impact on its investment portfolio;
- (c) have sufficient financial resources and liquidity which enable it to support all the inherent risks of an investment in the Notes;
- (d) thoroughly understand the terms and conditions applicable to the Notes and be acquainted with the relevant financial markets and with advice from a financial advisor or other appropriated, as well as the possible scenarios for the economic factors, interest rates or other that may affect its investment and its ability to bear the applicable risks.

The past performance of Notes or other securities issued by the Issuer may not be a reliable guide to future performance of the Notes. The Notes may fall as well as rise in value. Income or gains from Notes may fluctuate in accordance with market conditions and taxation arrangements.

### *Payment procedures in respect of the Notes*

Payment of principal and interest will be (i) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent acting on behalf of the Issuer from the payment current account which the Paying Agent has indicated to, and has been accepted by, Interbolsa to be used on the Paying Agent's behalf for payments in respect of securities held through Interbolsa to the payment

current accounts held by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter (ii) credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, as the case may be.

Noteholders must rely on the procedures of Interbolsa to receive payment under the Notes and the Issuer will have no responsibility or liability for the records relating to payments made in respect of beneficial interests in the Notes.

#### *Noteholders meetings, modifications and waivers*

The Terms and Conditions of the Notes set out in Chapter 6 (*Terms and Conditions of the Notes*), as well as the applicable laws and regulations contain rules on convening Noteholders meetings to deliberate on matters affecting its interests in general. Those rules provide that the making of decisions based on certain majorities binds all Noteholders, including those who have not participated or voted in that particular meeting and those who voted against the approved resolution.

#### *Portuguese tax rules applicable to non-residents*

Pursuant to the Decree-law no. 193/2005 of 7 November, investment income paid to non-resident Noteholders (which, in the case of legal persons, are not held in more than 20 per cent. by residents in Portugal) and capital gains arising of the sale of such Notes will be exempt from income tax in Portugal, if certain requirements of evidence attest the non-residency in Portugal (or in any privileged taxation jurisdiction pursuant to the Government Ordinance no. 150/2004, of 13 February, updated to the effective date) of the respective holder of the income, are properly met.

In case of the non-delivery, late or incorrect delivery of legally required documents, the direct registering entities (i.e., the financial intermediaries with control accounts with CVM) will be required to withhold at the rate of 25 per cent., 28 per cent. or 35 per cent., depending on the case (see Chapter 7 (*Taxation*)). Non-resident Noteholders shall obtain its own tax advice to ensure they comply with all procedures relating to the proper tax treatment of payments received under the holding of the Notes. The Issuer does not assume the obligation to pay gross amounts, in case any withholding of payments due to non-delivery, late or incorrect delivery of legally required documents is applicable.

#### *Applicable law and legal changes*

The Investors rights in its capacity as Noteholders shall be governed by the Portuguese law, some aspects may differ from the rights usually recognized to Noteholders in companies governed by legal systems other than Portuguese.

It cannot be ensured that legal (including tax) or regulatory changes may not occur, and that changes in the interpretation or application of the legal standards that may have some sort of adverse effect on the rights and obligations of the Issuer and/or of the investors in the Notes.

#### ***General risks of the market***

##### *The secondary market and the liquidity of the Notes*

It will be requested the admission to trading of the Notes on the Luxembourg Stock Exchange regulated market, so the investors may transact the Notes in the market after the respective date of admission. However, the admission does not guarantee, by itself, an effective liquidity of the Notes.



Thus, the Notes do not have an established market on the date of issue, and such a market may not develop itself. If a market develops, it may not have a high level of liquidity, so investors may not be able to sell the Notes easily or at prices that allow them to recover the amounts invested or perform a gain comparable to similar investments that have been performed on the secondary market. Illiquidity may have a negative effect on the market value of the Notes. Investors shall be prepared to hold the Notes until the respective maturity date.

#### *Interest rate risk and foreign exchange controls*

The Issuer will pay the principal and interest on the Notes in Euro (the “**Selected Currency**”), which poses certain risks relating to currency conversions if the financial investments of an investor are primarily denominated in a currency (the “**Investor's Currency**”) different from the Selected Currency. Such risks include the risk that exchange rates may change significantly (including due to the depreciation of the Selected Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency or the Selected Currency may impose or modify foreign exchange controls. An appreciation of the Investor's Currency relative to the Selected Currency will decrease (i) the equivalent yield of the Notes on the Selected Currency, (ii) the equivalent principal of the Notes on the Selected Currency and (iii) the equivalent market value of the Notes in the Selected Currency.

Governments and monetary authorities of the relevant jurisdictions may impose (as has happened in the past) rates likely to adversely affect the applicable foreign exchange rate. Accordingly, investors may receive less interest or principal than expected, or not even to receive principal or interest.

The interest rate at which the Notes entitle is calculated with reference to a fixed rate. Accordingly, investment in the Notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the Notes. In particular, if the interest rate market (namely Euribor) rise, it shall be expected that the market value of Notes comes down

#### *Considerations about the lawfulness of the investment*

The activities of certain investors are subject to laws and regulations on investment matters and/or review or regulation by certain authorities. Each potential investor shall use its own legal advisors to determine whether and to what extent (i) the Notes are legally allowed investments, (ii) the Notes can be used as collateral for various types of loans, and (ii) other restrictions apply to the subscription/purchase of the Notes. Financial institutions shall consult its legal, financial or other advisors or the relevant regulatory agencies to determine the appropriate treatment of the Notes pursuant to the rules of risk management applicable to capital or other similar rules.

#### *Changes to the risk weighted asset framework*

The Basel committee on banking supervision (the “**Basel Committee**”) published by 2006 the regulatory capital framework (the “**Basel II framework**”).

In the end of 2010, the Basel Committee issued recommendations regarding the amendments to the then current applicable rules on the calculation of capital requirements for international banks which are addressed on the additional Recommendations usually known as Basel III. These Recommendations were finalized on 1 June 2011 and include some amendments to the capital ratios as well as the inclusion of leverage and liquidity ratios.

Meanwhile, Basel III Recommendations were enacted as European Union law through Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013, on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (“**CRD IV**”) and Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013, on prudential requirements for credit institutions and investment firms

(“**CRR**”). CRR is directly applicable to the European States since 1 January 2014 and includes provisions regarding, for instance, own funds requirements, minimum capital ratios, liquidity ratios.

These may have an impact on incentives to hold the Notes for investors that are subject to requirements that follow the revised framework and, as a result, they may affect the liquidity and/or value of the Notes.

In addition, recent amendments to the CRD and other amendments to EU legislation could lead to certain investors being subject to additional regulatory obligations. These regulatory obligations would vary depending on the type of investor and the jurisdiction in which they are regulated. Investors should be aware that such regulatory obligations may adversely affect their own holding of the Notes (if they fall within one of the relevant categories of regulated investors) and may adversely affect the price for which they can sell the Notes or their ability to sell the Notes at all.

In general, investors should consult their own advisors as to the regulatory capital requirements in respect of the Notes and as to the consequences to and effect on them of the application of the CRD as well as any changes to the Basel II framework (including the Basel III changes described above) and the relevant implementing measures. No predictions can be made as to the precise effects of such matters on any investor or otherwise. Each investor should make its own determination as to such treatment, conduct, appropriate due diligence and/or seek professional advice and, where relevant, consult its regulator.

### **CHAPTER 3**

#### **RESPONSIBILITY STATEMENTS AND IMPORTANT NOTICES**

The Issuer, Mota-Engil, SGPS, S.A., publicly-held company, with head office at Rua do Rego Lameiro, no. 38, 4300 - 454 Oporto, Portugal, registered with the Commercial Registry of Oporto with the taxpaying number 502 399 694, with the share capital of €204.635.695,00, and the members of the Issuer's Board of Directors identified in Chapter 4 (*Description of the Issuer*), accept responsibility for the information contained in this Prospectus and hereby declare that the information contained in this Prospectus is, to the best of their knowledge (having taken all reasonable care to ensure that such is the case), in accordance with the facts and does not omit anything likely to affect the import of such information.

The members of the Supervisory Board of the Issuer are responsible for the accuracy of the financial statements of the Issuer required by law or regulation to be prepared as from the date on which they began their current term of office following their appointment as members of the supervisory board of the Issuer. No representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by them as to the accuracy or completeness of any information contained in this Prospectus (other than the aforementioned financial information) or any other information supplied in connection with the Notes or their distribution

The statutory auditor of the Issuer, António Magalhães e Carlos Santos, SROC, with registered office in Oporto, at Rua do Campo Alegre, 606, 2<sup>nd</sup> – Rooms 201/203, registered with the professional body *Ordem dos Revisores Oficiais de Contas* as SROC no. 53 and registered with CMVM with the no. 1975, hereby represented by António Monteiro de Magalhães, ROC no. 179, is responsible for the consolidated audited financial information of the Issuer relating to fiscal years of 2012 and 2013.

The independent auditor Deloitte & Associados, SROC, S.A., with registered office in Lisbon, at Edifício Atrium Saldanha, Praça Duque de Saldanha, 1 - 6º, 1050-094 Lisbon and registered with the professional body *Ordem dos Revisores Oficiais de Contas* as SROC no. 43 and registered with CMVM with the no. 231, hereby represented by Jorge Manuel Araújo de Beja Neves, ROC no. 746, is responsible for the audit report performed by auditor registered with CMVM on the consolidated financial information of the Issuer relating to fiscal years of 2012 and 2013.

This Prospectus is to be read in conjunction with all documents which are deemed to be incorporated herein by reference (see "*Information Incorporated by Reference*"). This Prospectus shall be read and construed on the basis that such documents are incorporated by reference and form part of this Prospectus.

Neither the Arranger and Lead Manager nor any other person mentioned in this Prospectus or the documents incorporated by reference, except for the Issuer, is responsible for the information contained in this Prospectus, and accordingly, and to the extent permitted by the laws of any relevant jurisdiction, none of these persons accepts responsibility for the accuracy and completeness of the information contained herein. The Arranger and Lead Manager makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Prospectus. Nothing contained in this Prospectus is or should be relied upon as a promise or representation by the Arranger and Lead Manager as to the past or the future.

Neither the Issuer nor the Arranger and Lead Manager nor any of its affiliates or representatives are making any representation to investors in the Notes regarding the legality of an investment in the Notes, and therefore investors in the Notes should not construe anything in this Prospectus as legal, business, tax or other advice. Investors in the Notes should consult their own advisors as to the legal, tax, business, financial and related aspects of an investment in the Notes. Laws in certain jurisdictions may restrict the distribution of this Prospectus and the offer and/or sale of the Notes. Each investor in the Notes must comply with all laws and regulations applicable in any jurisdiction in which it buys, offers or sells the

Notes or possesses or distributes this Prospectus, and must obtain all applicable consents and approvals; neither the Issuer nor the Arranger and Lead Manager shall not have any responsibility for any of the foregoing legal requirements. Investors in the Notes agree to the foregoing by accepting this Prospectus.

The Notes have not been registered under the United States Securities Act of 1933, as amended (the “**Securities Act**”) or the securities laws of any state of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the Securities Act) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. The Notes have not been registered, and are intended to be registered, under the Securities Act.

Each person receiving this Prospectus acknowledges that (i) we have afforded it an opportunity to request and to review, and it has received, all additional information considered by it to be necessary to verify the accuracy of or to supplement the information contained in this Prospectus, (ii) investing in the Notes involves risks, (iii) it has not relied upon the Arranger and Lead Manager or any person affiliated with the Arranger and Lead Manager in connection with its investigation of the accuracy of such information or its investment decision, (iv) this Prospectus relates to offerings exempt from registration under the Securities Act and does not comply in important respects with Securities and Exchange Commission rules that would apply to an offering document relating to a public offering of securities, (v) no person has been authorized to give information or to make any representation concerning the Issuer, this offering or the Notes, other than as contained in this Prospectus and the documents incorporated by reference, in connection with an investor’s examination of us and the terms of this offering, and (vi) that information herein cannot be used for any purpose other than considering an investment in the Notes.

#### **Disclosure regarding forward-looking statements**

This Prospectus contains forward-looking statements. Any statements about our expectations, beliefs, plans, objectives, assumptions or future events or performance are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as “believes”, “anticipates”, “estimates”, “intends”, “expects”, “predicts”, “plans”, “projects”, “seeks” or “could” and similar formulations. These statements involve estimates, assumptions and uncertainties which could cause actual results, performance or events to differ materially from those expressed in them. Although the Issuer believes that the expectations reflected in such forward-looking statements are reasonable, forward-looking statements are inherently subject to risks and uncertainties, many of which cannot be predicted with accuracy and some of which might not even be anticipated, and future events and actual results, financial and otherwise, could differ materially from those set forth in or contemplated by the forward-looking statements contained elsewhere in this Prospectus.

The Issuer has based these forward-looking statements on current estimates and assumptions made to the best of its knowledge. By their nature, such forward-looking statements involve risks, uncertainties, assumptions and other factors which could cause actual results, including our financial condition and profitability, to differ materially and be more negative than the results expressly or implicitly described in or suggested by these statements. Moreover, forward-looking estimates or predictions derived from third parties’ studies or information may prove to be inaccurate. Consequently, the Issuer cannot give any assurance regarding the future accuracy of the opinions set forth in this Prospectus or the actual occurrence of the developments described herein.

In addition, even if the Issuer’s future results meet the expectations expressed here, those results may not be indicative of our performance in future periods. These risks, uncertainties, assumptions, and other factors that could cause actual results to differ from our projected results are noted in this Prospectus in the section entitled “Risk Factors”. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Prospectus. Key factors that have a direct bearing on our results of operations include, but are not limited to, those factors indicated in this Prospectus in the section entitled “Risk Factors”.

Because the risk factors referred to in this Prospectus could cause actual results or outcomes to differ materially from those expressed in any forward-looking statements made in this Prospectus, investors in the Notes should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and neither the Issuer nor the Arranger and Lead Manager has an obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. New factors will emerge in the future that could cause our actual development, results of operations or performance to be materially different from what may be expressly or implicitly assumed in forward-looking statements. It is not possible for the Issuer to predict what these new factors will be.

### **Industry information**

This Prospectus contains or refers to numerical data, market data, analyst reports and other publicly available information about our industry, or our estimates based largely on published market data or on numerical data derived from publicly accessible sources. The Issuer believes that the estimates based on information that is not available from publicly accessible sources are accurate and impartial. The Issuer has accurately reproduced and indicated the respective source of the information in this Prospectus from publicly accessible sources or otherwise acquired from third parties.

Where information in this Prospectus has been specifically identified as having been extracted from third party documents, the Issuer confirms that this information has been accurately reproduced and that as far as the Issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. Investors in the Notes should bear in mind that neither the Issuer nor the Arranger and Lead Manager has verified and assumes no liability for the numerical data, market data and other information from public sources. Neither the Issuer nor the Arranger and Lead Manager makes any representation as to the accuracy of such information. In addition, investors in the Notes should bear in mind that market studies are based on information and assumptions that may not be accurate or factually correct, and may be forward-looking or speculative in nature.

### **Notice to investors in the European Economic Area**

In relation to each member state of the EEA which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), the Arranger and Lead Manager has represented and agreed that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of the Notes to the public in that Relevant Member State, except that it may make an offer of such Notes in such Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), as permitted under the Prospectus Directive, subject to obtaining the prior consent for any such offer; or
- (c) in any other circumstances falling within Article 3 para. (2) of the Prospectus Directive, provided that no such offer of Notes shall require a prospectus to be approved and published pursuant to Article 3 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer to the public**” in relation to any of the Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offering and the Notes to be offered so as to enable an investor to decide to purchase or subscribe for the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

**Reasons for the issue and other information**

The issue of the Notes aims at raising funds in order to finance the current activity of the Issuer, so as to increase the average maturity of its debt and align the debt amortisation profile to the expected expansion of its businesses.

The Arranger and Lead Manager have a direct interest of financial nature in respect of the Notes.

There are no conflicts of interests of natural and legal persons involved in the issue of the Notes.

**Yield of the Notes**

The Notes were placed to investors at 100 per cent. of their nominal amount and, therefore, the yield of the Notes is 5.5 per cent. per annum.

## CHAPTER 4 DESCRIPTION OF THE ISSUER

### A. BACKGROUND AND DEVELOPMENT OF THE ISSUER

#### **Legal and commercial name of the Issuer**

The legal name of the Issuer is Mota-Engil, SGPS, S.A. and the most frequent commercial name is Mota-Engil.

#### **Registration and legal person number of the Issuer**

Mota-Engil is a limited liability and public company (*sociedade aberta de responsabilidade limitada*) with the capital open to the public investment, with head office at Rua do Rego Lameiro, no. 38, 4300-454 Oporto, registered with the Commercial Registry of Oporto under the sole registration and tax payer number 502 399 694, with the share capital fully subscribed and paid-up in the amount of €204,635,695.

#### **Incorporation of the Issuer**

Mota-Engil was incorporated on 16 August 1990 for an unlimited period of time.

#### **Head office, legal form and legislation that governs the Issuer's activity**

Mota-Engil has its head office at Rua do Rego Lameiro, no. 38, Campanhã parish, Oporto municipality and its telephone number is (+351) 22 519 03 00.

Mota-Engil is a holding company under the legal form of a limited publicly-held company, incorporated and operating under the laws of the Portuguese Republic, therefore, under the article 2 of its by-laws, its social scope is the “management of holdings in other companies as an indirect way of carrying out economic activities”.

The articles 4 and 5 of the respective by-laws further provide that Mota-Engil may “acquire and dispose holdings in national or foreign law companies, with the same or different social scope referred to in the second article, in companies governed by special laws and in unlimited liability companies” and “associate with other legal entities, in particular to form new companies, including European limited liability companies, complementary company groupings, European economic interest groupings, consortia and joint ventures”.

Mota-Engil is governed by the Portuguese laws applicable to holding companies, particularly by the Commercial Companies Code, the Portuguese Securities Code and the Decree-law no. 495/88, dated 30 December 1988 and by its by-laws.

The Mota-Engil share capital is €204,635,695, represented by 204,635,695 ordinary shares with a nominal value of one euro each and is fully subscribed and paid-up.

#### **Recent events with impact on the evaluation of the Issuer solvency**

Since the date of the latest annual audited accounts, there has been no governmental, political, fiscal and economic exceptional event that has affected Mota-Engil and/or the respective subsidiaries, that is relevant to the assessment of its solvency.

#### **Issuer articles of incorporation and by-laws**

Mota-Engil by-laws, which are deposited with the Commercial Registry of Oporto and available on the Issuer website ([www.mota-engil.pt](http://www.mota-engil.pt)), are included by reference in this Prospectus - see Chapter 8 (*Documents Incorporated by Reference*).

## Investments

There have been no material investments by Mota-Engil since 31 December 2013 and no new material investments have been approved as at the date of this Prospectus.

## B. GENERAL DESCRIPTION OF THE ISSUER'S BUSINESS

### Principal activities

For 66 years, Mota-Engil has been building a reputation of excellence and leadership in connection with sales in the construction sector in Portugal<sup>1</sup>, being currently the biggest Portuguese group in the sector of construction and services<sup>2</sup>, the fifth biggest exporting company<sup>3</sup> (having received the Exportation Prize in the category of large companies, under the first edition of the Prizes Exportation & Internationalisation, promoted by Banco Espírito Santo, S.A.), being also the twenty-ninth biggest European civil engineering company in turnover<sup>4</sup>.

Mota-Engil, through its subsidiaries, develops a wide range of activities connected to the following principal areas:

- Engineering & Construction - roads, airports, railways and ports infrastructures, hydraulic structures, including dams, as well as construction works of public buildings, hospitals, schools, offices and commercial buildings, residential buildings, industrial buildings, agro-industrial buildings, silos and chimneys;
- Environment & Services
  - Waste – activities developed by Subgroup Suma regarding collection, management and transport of waste (including solid and urban, hospital, toxic, dangerous and industrial waste) e urban cleaning
  - Water – activities developed by Subgroup Indaqua regarding municipal concessions and public-private partnerships on water concessions, sanitation and collection of wastewater and stormwater;
  - Logistics – activities developed by Subgroup Tertir regarding management of port, road and railway terminals, integrated logistics and railway transport of goods;
  - Multi-Services – buildings and facilities maintenance, rehabilitation of pipelines, landscape architecture, design, construction and maintenance of green spaces and golf courses, car park management and direct mail;
- Transport concessions - activities developed on concessions of road-railway transport infrastructures, with presence in Portugal, Mozambique, Mexico and Brazil.
- Mining – activities of prospection, extraction and exploration.

### Engineering & Construction

At the moment the Mota-Engil Group is focusing on the engineering and construction industries in Europe as well as in Portugal and Poland, 2013 witnessing a natural decrease in business for the engineering and construction companies in the region by some 36 per cent., the result of the current economic situation in Europe and the easing off of growth in the countries of Central Europe.

In spite of the prolonged crisis, the Mota-Engil Group's perspectives for 2014 are moderately encouraging. The internal reorganisation of the segment which has brought greater levels of operational, financial, economic and management efficiency permit a degree of optimism in facing up to the economic and financial situation in the certainty that this business area will be strengthened after the recovery taking place in the industry in these countries.

Environment & Services: the main activities are the following:

<sup>1</sup> Source: Revista Exame (Edição Especial 2012 – “500 Maiores e Melhores”).

<sup>2</sup> Source: Revista Exame (Edição Especial 2012 – “500 Maiores e Melhores”).

<sup>3</sup> Source: Revista Expresso (1000 Maiores – Edição 2011).

<sup>4</sup> Source: Deloitte: European Powers of Construction 2011 (disponível em [www.deloitte.com](http://www.deloitte.com)).



### *Waste*

The waste disposal business has been consolidated into the SUMA sub-group (“SUMA”) which includes more than two dozen companies which complement their activity in a strategic alliance with the objective of providing a range of solutions in the field of waste disposal.

With generally the same configuration and strategic profile as that over the past few years along with a leadership position in the national waste management market which reached some 48 per cent. in 2013, the structure of the SUMA subgroup continues with its strategic management focused on ongoing improvements while seeking out successful alternatives and a greater geographical coverage in order to combat the stagnation and resistance on the national market to the privatisation of urban cleaning solutions and the collection and disposal of waste.

As the celebration of two whole decades of existence approaches and in spite of the leading position occupied since 1996, the SUMA sub-group continues to lead the field and is marked by its dynamism and innovative policies together with the rigorous nature of its plans for the optimisation of its resources and the extensive and cross-cutting application of best practice throughout the service supply chain.

### *Water*

The strategy for the Mota-Engil Group in the area of water management consists of seeking partnerships which boost investment capacity while expanding the water management business in both Portugal and in overseas markets.

At the end of 2012 and as a result of this strategy the Mota-Engil Group disposed of a minority holding in Indaqua, a company which specialises in the water management industry, which resulted in the loss of the Mota-Engil Group’s control of the company and the deconsolidation of its businesses from the full method. Hence, the Water segment is longer a reportable segment for the Mota-Engil Group.

Despite this fact, and as the Mota-Engil Group still has a significant participation in Indaqua, the Issuer considers that it is still an important activity to be mentioned.

### *Logistics*

The logistics business segment covers the areas of port and road/railway terminals, integrated logistics and railway transport of goods. Mota-Engil occupies a leading position in the operation of port facilities in particular at Leixões, Aveiro, Figueira da Foz, Lisbon and Setúbal.

The Mota-Engil Group also operates in the fields of road and rail transport of goods, intermodal logistics installations, distribution, transport and other related services where it is the major private operator in Portugal in the railway transport of goods.

International expansion has taken place via the management of port concessions in Peru through the Mota-Engil Group’s participation in the Euro-Andean Port terminals consortium as well as in Spain with the Ferrol Container Terminal and the goods transport company Transitex which handles container traffic including port-to-port and which also has its own structure in various other countries including Mozambique, Mexico, Brazil, Colombia, Chile, South Africa and Peru.

The Mota-Engil Group also has an important presence as a railway goods transport business in both Portugal and Spain through its associate companies Takargo and Ibercargo.

Regarding the Portuguese market, the port terminal business was characterised by a growth of some 6.41 per cent. in terms of container handling, increasing from 714 thousand TEU in 2012 to 759 thousand TEU in 2013. In terms of general cargo, the growth was even greater increasing 22.7 per cent. from 3.2 million tons in 2012 to almost 4 million tons in 2013.

Business at the concessions held by the Mota-Engil Group in the port at Lisbon increased in the period by 16 per cent., recovering from the strike by port workers which had a significant effect on the operations at

the port in the last quarter of 2012. On the other hand, operations at the Leixões Port underwent a slight drop of some 3 per cent. in 2013 without any benefit from the problems which affected the port of Lisbon the previous year.

Internationally, the port terminal in Peru remained at the construction stage as with the terminal at Ferrol where the investment in facilities was made so that the start of operations could take place in the first half of 2014.

#### Transport concessions

The Ascendi Group is the result of a partnership entered into between the Grupo Mota-Engil and Banco Espírito Santo Group for the operation of transport concessions.

The process of share concentration began in 2010 with an operation to increase the fully paid up capital for ESConcessões by the Ascendi Group using the shareholdings in the Norte, Costa de Prata, Beiras Litoral and Alta, and Greater Porto concessions. In 2013 the shareholding transfer process continued with 20% of Copexa which now held 50% and with the transfer of the holding in the Madrid-Toledo motorway. These transactions were effected by the acquisition from ESConcessions Latam Holding BV. Shares were also acquired in the Douro Interior sub-concession which were held by Mota-Engil Engenharia, Opway, BES and ESConcessões with Ascendi Group now holding a total of 80.75%.

The transfer of the remaining shareholdings should take place in the course of 2014.

#### *Ascendi Norte, Costa da Prata, Beiras Litoral e Alta, Grande Porto and Grande Lisboa*

In the course of 2013 the terms of the concession were renegotiated with the Portuguese government represented by the UTAP (Project Monitoring Technical Unit). Availability payments, the financing of major repairs, levels of quality and service and the rate of return for shareholders were all the subject of renegotiation. Notwithstanding the failure to sign a revised contract incorporating the results of the renegotiations and still without the agreement of the finance companies, the management team is convinced that the process will be completed in the course of 2014 and that the agreements will reflect the results of discussions.

#### *Ascendi Pinhal Interior*

In the course of 2013, 33 kilometres of road were opened up to traffic. The terms of the sub-concession were also renegotiated with EP – Estradas de Portugal SA, including the schedule for the construction and the scope of the operation and maintenance services. Notwithstanding the failure to sign a revised contract incorporating the results of the renegotiations and still without the agreement of the finance companies, the management team is convinced that the process will be completed in the course of 2014 and that the agreements will reflect the results of discussions.

#### *Lusoponte*

Although negotiations were opened in 2013 with the concession authority it was not possible to reach an agreement on the disputes regarding the financial re-balancing of the concession called for by Lusoponte, the previous agreements being signed. The parties did though attempt to terminate the payments from the Government to the concessionaire for the remaining concession period in addition to resolving existing differences. As a consequence of the recessionary macro-economic situation in Portugal, uneven growth in traffic took place in the first half of the year including a reduction of 4.6% but with an increase of 0.4% in the second half. Overall, traffic on the concession fell by 2.1% more or less the same in both directions while receipts increased by 1.3%.

#### *Vialitoral*

Vialitoral's general activity in the Madeira Autonomous Region (RAM) is developed in a very difficult situation deriving from the debt of (€ 98 M) owed by RAM to the concession operator which was incurred up to the 31st of December 2011. SCUT toll fees in 2012 and 2013 were paid up in full using a

loan taken out by RAM under the Economic and Financial Adjustment Plan although the debt incurred up to 2011 remained without being regularised. In spite of the efforts of the concession operator and the banks, in 2013 an agreement was not yet reached on the regularising of the debt nor was there an initial understanding on the matter of the renegotiation of the concession which is further behind than the negotiations of former mainland SCUT concession operators. The resulting financial inadequacies and the obligatory reserves of course affect part of the business of the concession operator and returns for shareholders which is due to the failure of the concession awarding body. A solution will have to be found for the non-payment of the concession awarding body's debts without prejudice to the concession operator attempting to agree a new contractual stabilisation framework for the concession.

#### *Brazil - Rodovias do Tietê Concession*

In 2013 the Rodovias do Tietê concession operator had a quite active year. In the first half of the year the concession operator focused its activity on its long-term financing which on the 19th of July culminated in the first issue of debentures in the sum of R\$ 1 mil millions. The issue had three noteworthy features. This was the first debenture issue in BRL on the international market as well as being the first under the project finance model and also with a 15-year maturity instead of the local maximum of 12.

The second half of the year began with an unfortunately serious incident. On the 1st of July an accident involving one of the pillars of the new bridge over the Piracicaba river resulted in five fatalities and in the suspension of work. The work on the Piracicaba ring road is one of the major contracts for the concession operator which will allow the direct connection of three adjacent highways with the principal through road operated by the concession holder, the SP 308.

The contract for the widening of the SP 308, a key strategic interest in this road system, is ongoing and the road expected to be opened to traffic six years before the date provided for in the contract. In addition, work on a further stage in the widening of the SP 101 connecting the cities of Campinas and Capivari has begun. The contracts are expected to be completed on time in October 2014.

#### *Mexico - Perote-Xalapa Motorway Concession (Copexa)*

In the course of 2013 Copexa carried out work on the Libramiento de Xalapa stretch to complete the construction related with the shoring up of banking. The Perote-Banderilla road in 2013 recorded a daily average flow of 5,079 vehicles, 80% light and 20% heavy vehicles, producing a turnover in the order of Peso 173 million. The Libramiento de Xalapa road recorded a daily average flow of 2,119 vehicles of which 60% were light and 40% heavy vehicles, producing a turnover of Peso 128 million. In April 2013 toll fees began to be collected electronically so that by the end of the year 40% of income was collected by this method.

#### *Mozambique – Estradas do Zambeze*

In 2013 the NMGT (Net Minimum Guaranteed Turnover) was in line with the financial model. The collection of toll fees on the Samora Machel bridge took place without problems, having been guaranteed by INFRA, one of the shareholders in the concession. A proposal was made to the concession awarding entity for the implementation of the collection of toll fees as soon as the respective toll booths have been completed. Following the tender process in 2012 for the subconcession of seven service areas to be built along the roads included in the concession, the contract was entered into after negotiations with the Mozambican company PETROMOC. The completion of 100% of the work on the structure of the new bridge and the access viaduct took place while the access roads for the bridge are 42% complete. The planning for the construction of the bridge and the access viaduct took place without problem and on time. Although the contract is expected to be completed by September 2014, there are delays in the building of access roads to the bridge due to hold-ups in the acquisition of land and relocations in the first case and the failure to take a decision on the northern route layout, both delays being attributable to the concession awarding entity. The contract has progressed without accidents under the health and safety plan implemented. The Zambezi highways operator Operadora Estradas do Zambeze, on what routine

maintenance is concerned, in 2013 was active mainly on the N9 (Tete-Cassacatiza stretch) together with the N304 (Mussacama-Calomué), although some urgent repairs were made to the main N7/N8 (Cuchamo-Zobué), which is having its surface rehabilitated by the road building consortium. In addition, the seasonal (biannual) verge-cutting and ditch-clearing operation was carried out along the 700 kilometres of concessions operated.

### **Principal markets**

Mota-Engil Group is present in twenty countries (Portugal, Spain, Ireland, Slovakia, Hungary, Poland, Czech Republic, South Africa, Angola, Cape Verde, Ghana, Malawi, Mozambique, São Tomé and Príncipe, Zambia, Zimbabwe, Brazil, Colombia, Mexico, Peru), three continents and concentrates the activities of 214 companies in four geographic poles – Portugal, Africa, Central Europe e Latin America – , seeking to project its businesses according to each market on a single and integrated vision. The strategy of internationalisation of Mota-Engil Group, although initially based on the construction businesses, also involves the development of businesses in the areas of environment and services and concessions, in each country in which it is present.

#### Portugal

Mota-Engil has in Portugal the leadership in the majority of its business areas, as in the sectors of civil construction and public works<sup>5</sup>, waste management, port management and municipal water concessions, representing in its whole a significant level of activity on a diversified business model which has tried to reproduce in the remaining geographic areas. On a path of permanent investment, innovation and acknowledged management capacity, Portugal has represented an important and significant support to the internationalization process and to the diversification of its activities for other geographic areas.

#### Africa

Africa is a natural market for Mota-Engil Group, given its presence in Angola for more than 68 years, which allows having in this market a reference brand, Mota-Engil Angola. With a very representative activity in other markets such as Mozambique and Malawi, and others in expansion such as South Africa, Cape Verde, Ghana, S. Tomé and Príncipe, Zambia and Zimbabwe, Mota-Engil develops its activities more and more in Southern Africa. Mota-Engil Group has been broadening geographically its activity in Africa, assessing new markets and the diversification to new business areas, making a commitment with the development of these economies with high potential. Investment in mining constitutes the most recent example of that same commitment with Africa.

#### Central Europe

In the process of European construction and approach of Central Europe and East countries to the other countries of European Union, the development of infrastructures is a major factor. With that purpose, Mota-Engil Group sought in due time to position itself in the region, through the centralization of Poland operations as its principal market. Through Mota-Engil Central Europe, with a path of fifteenth years and a position between the ten biggest polish companies in the construction sector<sup>6</sup>, Mota-Engil Group is ready to give response to projects in Poland, Czech Republic, Slovakia and Hungary.

#### Latin America

The presence of Mota-Engil Group in Latin America began in 1998 in Peru, with a continuous investment of Group Mota-Engil in the strengthening of the execution capacity and in the development of technical skills to turn Mota-Engil Peru into a diversified company in area of engineering and construction, being currently a reference in Peruvian market. More recently, the Mota-Engil Group has decided to get in new geographic areas of the region, as Brazil, Mexico and Colombia, strengthening growth and diversification in areas such as road construction, port management or motorways concession projects such as in Mexico

<sup>5</sup> Source: Liderança em matéria de vendas -Revista Exame (Edição Especial 2012 – “500 Maiores e Melhores”).

<sup>6</sup> Source: PMR Publications – Road Construction Sector in Poland 2011 – Development forecasts for 2011-2014

(Perote-Xalapa) and Brazil (Rodovias do Tietê).

## **C. ISSUER'S ORGANIZATIONAL STRUCTURE**

### **Organizational Structure**

Mota-Engil leads a business group, the Mota-Engil Group. As a holding company, Mota-Engil indirectly exercises its economic activities, through holdings in other companies. The economic and financial situation of Mota-Engil is therefore directly dependent on the activity and results of its subsidiaries.

Under the provisions of the Commercial Companies Code, the Issuer establishes a group or control relationship with the following companies, grouped by geographical business area, according with the management responsibility:

Parent company of the Mota-Engil Group and related activities

- Mota-Engil, SGPS, S.A., Sociedade Aberta
- Largo do Paço – Investimentos Turísticos e Imobiliários, Lda.
- ME 3I, SGPS, S.A.
- MESP – Mota-Engil, Serviços Partilhados, Administrativos e de Gestão, S.A.
- MESP Central Europe Sp. z o. o.
- Mota-Engil Finance, BV
- Mota-Engil Indústria e Inovação, SGPS, S.A.
- RTA - Rio Tâmega, Turismo e Recreio, S.A.
- SGA – Sociedade de Golfe de Amarante, S.A.

Europe - Engineering and Construction

- Aurimove – Sociedade Imobiliária, S.A.
- Calçadas do Douro - Sociedade Imobiliária, Lda.
- Carlos Augusto Pinto dos Santos & Filhos S.A.
- Corgimobil - Empresa Imobiliária das Corgas, Lda.
- Edifício Mota Viso – Soc. Imobiliária, Lda.
- Edipainel – Sociedade Imobiliária, Lda.
- Grossiman, S.L.
- Mercado Urbano - Gestão Imobiliária, S.A.
- Mil e Sessenta – Sociedade Imobiliária, Lda.
- Motadómus - Sociedade Imobiliária, Lda.
- Mota-Engil Engenharia e Construção, S.A.
- Mota-Engil Ireland Construction Limited
- ME REAL Estate Mota-Engil Real Estate Portugal, S.A.
- Nortedomus, Sociedade Imobiliária, S.A.
- Sedengil – Sociedade Imobiliária, S.A.

Portugal – Environment and Services

- Áreagolfe - Gestão, Construção e Manutenção de Campos de Golf, S.A.
- CH&P – Combined Heat & Power Anadia, Sociedade Unipessoal, Lda.
- CH&P – Combined Heat & Power Coja, Unipessoal, Lda.
- Citrave - Centro Integrado de Tratamento de Resíduos de Aveiro, S.A.
- Correia & Correia, Lda.
- Enviroil – SGPS, Lda.
- Enviroil II – Reciclagem de Óleos Usados, Lda.
- FCT - Ferrol Container Terminals S.L.U
- Glan Agua, Ltd

- InvestAmbiente - Recolha de Resíduos e Gestão de Sistemas de Saneamento Básico, S.A.
- Liscont - Operadores de Contentores, S.A.
- Lokemark - Soluções de Marketing, S.A.
- Manvia - Manutenção e Exploração de Instalações e Construção, S.A.
- Mota-Engil Energia, S.A.
- Mota-Engil II, Gestão, Ambiente, Energia e Concessões de Serviços, S.A.
- Mota-Engil Ireland Services Ltd.
- Mota-Engil, Ambiente e Serviços, SGPS, S.A.
- Multiterminal - Soc. De Estiva e Tráfego, S.A.
- Nova Beira - Gestão de Resíduos, S.A.
- Novaflex - Técnicas do Ambiente, S.A.
- Proempar - Promoção e Gestão de Parques Empresariais e Tecnológicos, S.A.
- PTT - Parque Tecnológico do Tâmega, S.A.
- Real Verde - Técnicas de Ambiente, S.A.
- Resiges - Gestão de Resíduos Hospitalares, Lda.
- Resilei – Tratamento de Resíduos Industriais, S.A.
- Rima – Resíduos Industriais e Meio Ambiente, S.A.
- Sealine - Navegação e Afretamentos, Lda.
- SIGA - Serviço Integrado Gestão Ambiental, S.A.
- SLPP - Serviços Logísticos de Portos Portugueses, S.A.
- Socarpor - Soc. Cargas Port. (Aveiro), S.A.
- Socarpor - Soc. Gestora de Participações Sociais (Douro / Leixões), S.A.
- STM - Sociedade de Terminais de Moçambique, Lda.
- Sol-S Internacional, Tecnologias de Informação, S.A.
- Sotagus - Terminal de Contentores de Santa Apolónia, S.A.
- SRI - Gestão de Resíduos, Lda.
- Suma – Serviços Urbanos e Meio Ambiente, S.A.
- Suma (Douro) - Serviços Urbanos e Meio Ambiente, Lda.
- Suma (Esposende) - Serviços Urbanos e Meio Ambiente, Lda.
- Suma (Matosinhos) - Serviços Urbanos e Meio Ambiente, S.A.
- Suma (Porto) - Serviços Urbanos e Meio Ambiente, S.A.
- Takargo-Trasporte de Mercadorias, S.A.
- TCL - Terminal de Contentores de Leixões, S.A.
- Tertir - Concessões Portuárias, SGPS, S.A.
- Tertir - Terminais de Portugal, S.A.
- Transitex Colombia, S.A.S.
- Transitex - Trânsitos de Extremadura, S.A.
- Transitex - Trânsitos de Extremadura, S.L.
- Transitex do Brasil Serviços de Logística, Ltda.
- Transitex Global Logistics Operations
- Transitex México, S.A. de C.V.
- Transitex Moçambique, Lda.
- Transitex Peru SAC
- Tratofoz - Sociedade de Tratamento de Resíduos, S.A.
- Triu - Técnicas de Resíduos Industriais e Urbanos, S.A.

- Vibeiras – Sociedade Comercial de Plantas, S.A.

#### Africa

- AGIR - Ambiente e Gestão Integrada de Resíduos, Lda.
- Automatriz, S.A.
- Cecot - Centro de Estudos e Consultas Técnicas, Lda.
- Emocil – Empresa Moçambicana de Construção e Promoção Imobiliária, Lda.
- Fatra - Fábrica de Trefilaria de Angola, S.A.
- Fibreglass Sundlete (Moç), Lda.
- GT - Investimentos Internacionais SGPS, S.A.
- Mota-Engil Minerals Mining Investment B.V.
- Mota & Companhia Maurícias, Lda.
- Mota Internacional – Comércio e Consultadoria Económica, Lda.
- Mota-Engil África, BV
- Mota-Engil África, SGPS, S.A.
- Mota-Engil Angola, S.A.
- Mota-Engil Engenharia e Construção África, S.A.
- Mota-Engil S.Tomé e Príncipe, Lda.
- Penta - Engenharia e Construção, Lda.
- Prefal – Préfabricados de Luanda, Lda.
- Rentaco Angola – Equipamentos e Transportes, Lda.
- Sonauta - Sociedade de Navegação, Lda.
- Tracevia Angola - Sinalização, Segurança e Gestão de Tráfego, Lda.
- Traversofer - Industrie et Services Ferroviaires SARL
- VBT - Projectos e Obras de Arquitectura Paisagística, Lda.
- Vista Waste Management, Lda.
- Ecolife, S.A.
- Manvia Conduitas Moçambique, Lda.

#### Central Europe

- Bergamon, A.S.
- Bicske Plaza Kft.
- Bohdalecká Project Development s.r.o.
- Centralna Project Development Sp. z o.o.
- Devonská Project Development A.S.
- Dmowskiego Project Development, Sp. z.o.o.
- Ekosrodowisko Spólka z.o.o.
- Eltor, S.A.
- Hungária Hotel Kft.
- Immo Park Warszawa, Sp. z.o.o.
- Immo Park, Sp. z.o.o.
- Jeremiasova Project Development, s.r.o.
- Kilinskiego Project Development Sp. z.o.o.
- Kilinskiego Property Investment Sp. z.o.o.
- Kordylewskiego Project Development Sp. z o.o.
- Legowa Project Development Sp. z o.o.
- MEŚ, Mota-Engil Środowisko Sp. z o.o.
- Metroepszolg, Zrt

- M-Invest Bohdalec, A.S., v likvidaci
- M-Invest Devonska, s.r.o.
- Mota-Engil Brand Management B.V.
- Mota-Engil Central Europe Ceska Republika, AS
- Mota-Engil Central Europe Hungary Beruházási és Építőipari Kft.
- Mota-Engil Central Europe PPP Sp. z.o.o
- Mota-Engil Central Europe Romania S.R.L.
- Mota-Engil Central Europe Slovenská Republika, AS
- Mota-Engil Central Europe, S.A.
- Mota-Engil Central Europe, SGPS, S.A.
- Mota-Engil Investitii AV s.r.l.
- Mota-Engil Magyarország Zrt.
- Mota-Engil Parking 1 Sp. z.o.o
- Mota-Engil Parking 2 Sp. z.o.o
- Mota-Engil Project 1 Kft.
- Mota-Engil Real Estate Hungary Kft
- Mota-Engil Real Estate Management, sp. z.o.o.
- Mota-Engil, Brands Development Limited
- Nowohucka Project Development Sp. z o.o.
- Piastowska Project Development Sp. z o.o.
- Przedsiębiorstwo Robót Drogowo - Mostowych w Lublinie Sp z o.o.
- Sikorki Project Development Sp. z o.o.
- Soltysowska Project Development Sp. z o.o.
- Steinerova Project Development A.S.
- Száz - Invest Project Development Kft.
- Tabella Holding, BV
- Tetenyi Project Development Kft
- Wilanow Project Development SP. z.o.o.
- Wilenska Project Development Sp. z.o.o.
- Zöld-Project 2 Kft.
- Zsombor Utcai Kft.

#### Latin America

- MEBR Engenharia, Consultoria e Participações, Ltda.
- MK Contractors, LLC
- Mota-Engil Brasil Participações, Ltda.
- Mota-Engil Colômbia, S.A.S.
- Mota-Engil México, S.A. de C.V.
- Mota-Engil Peru, S.A.
- Terminais Portuários Euroandinos Paita, S.A.
- Tertir Peru, S.A.
- Tracevia do Brasil - Sistemas de Telemática Rodoviária Ltda.
- Mota Engil America Latina, SAPI de CV
- Mota-Engil Latin America, BV

For all these companies, the Issuer acts as the parent company, responsible for the coordination of its activities and ensuring the representation of the common interests of all those companies.

The following table identifies the remaining holdings held by Mota-Engil:



Parent company of the Mota-Engil Group and associated activities

- Haçor, Conc. Edifício do hospital da ilha terceira, S.A.
- Haçor Móveis – Compra e Venda de Imóveis, Lda.
- HL - Sociedade Gestora do Edifício, S.A.
- HL – Manutenção, S.A.
- Turalgo-Sociedade de Promoção Imobiliária e Turística do Algarve, S.A.

Portugal - Environment and Services

- Águas de S. João, E.M., S.A.
- Ambital - Investimentos Ambientais no Alentejo, EIM.
- Chinalog - Serviços Logísticos e Consultadoria, Lda.
- Citrup – Centro Integrado de Resíduos, Lda.
- Ecolezíria - Empresa Intermunicipal para Tratamento de Resíduos Sólidos, E. I. M.
- HEPP - Hidroenergia de Penacova e Poiares, Lda.
- Ibercargo Rail, S.A.
- Indaqua - Indústria e Gestão de Águas, S.A.
- Indaqua Fafe - Gestão de Águas de Fafe, S.A.
- Indaqua Feira - Indústria de Águas de Santa Maria da Feira, S.A.
- Indaqua Matosinhos - Gestão de Águas de Matosinhos, S.A.
- Indaqua Santo Tirso/Trofa - Gestão de Águas de Santo Tirso e Trofa, S.A.
- Indaqua Vila do Conde - Gestão de Águas de Vila do Conde, S.A.
- Logz - Atlantic Hub, S.A.
- Manvia II Condutas, Lda.
- Operestiva - Empresa de Trabalho Portuário de Setúbal, Lda.
- Sadoport - Terminal Marítimo do Sado, S.A.
- Tersado - Terminais Portuários do Sado, S.A.

Africa

- Akwangola, S.A.
- Asinter – Comércio Internacional, Lda.
- Auto Sueco Angola, S.A.
- Vista Energy Environment & Services, S.A.
- Novicer-Cerâmicas de Angola, Lda.
- Icer – Indústria de Cerâmica, Lda.
- Vista Water, Lda.

Central Europe

- Bay 6.3 Kft.
- Bay Office Kft.
- Bay Park Kft.
- Bay Tower Kft.
- Bay Wellness Kft.
- Engber Kft.
- M-Invest Slovakia Mierova , s.r.o.
- Nádor Öböl Kft.
- Öböl Invest Kft.
- Öböl XI Kft.
- Sampaio Kft.

Latin America

- Constructora Autopista Perote Xalapa’ S.A. de C.V.

– Mota-Engil-Opway Mexicana, S.A. De C.V.  
Ascendi Group

#### **Dependency on Mota-Engil Group entities**

Mota-Engil does not depend on any other entity. Nevertheless, the company FM – Sociedade de Controlo, SGPS, S.A. has directly and indirectly 56.41 per cent. of the Issuer’s voting share capital. Mota-Engil, as a holding company, does not directly carry out any activity of operational nature, therefore the fulfilment of the assumed obligations depends on the cash flows generated by its subsidiaries. Accordingly, Mota-Engil main assets are the holdings representing the share capital of its subsidiaries, whereby it depends on the distribution of dividends by its subsidiaries, interest payments, repayment of loans and other cash flows generated by those companies (see at this regard the Chapter 2 (*Risk Factors*)).

#### **D. TREND INFORMATION**

##### **Trends, Uncertainties, Requests, Commitments or other circumstances likely to significantly affect the Issuer’s perspectives**

Mota-Engil does not predict that any trend, uncertainty, request, commitment or circumstance is likely to significantly affect its economic and financial situation in the current fiscal year, beyond the situations provided for in Chapter 2 (*Risk Factors*).

##### **Recent Developments – the African IPO**

During 2013, Mota-Engil Group has managed to promote suitable changes in its organisation, portfolio of both businesses and markets and balance sheet structure not only to overcome the obstacles enforced but also to impose itself at a global level as a leading multi business and multinational Mota-Engil Group.

The Board of Directors of Mota-Engil proposed to its shareholders to approve in the General Meeting a set of operations on the Mota-Engil Group’s subholding where the African businesses are aggregated (“**Mota-Engil Africa**”), aiming at reinforcing the economic and financial conditions for the Mota-Engil Group to proceed successfully its strategy.

On 27 December 2013, the shareholders of Mota-Engil decided to approve the conditional free share distribution as an extraordinary dividend corresponding to 20 per cent. of the share capital of the Mota-Engil Africa entity (Mota-Engil Africa BV, a company incorporated under the laws of Netherlands) and its listing in a regulated Stock Exchange of an European Union Member State. The implementation process is currently in place and is scheduled to be finished no later than 31 December 2014.

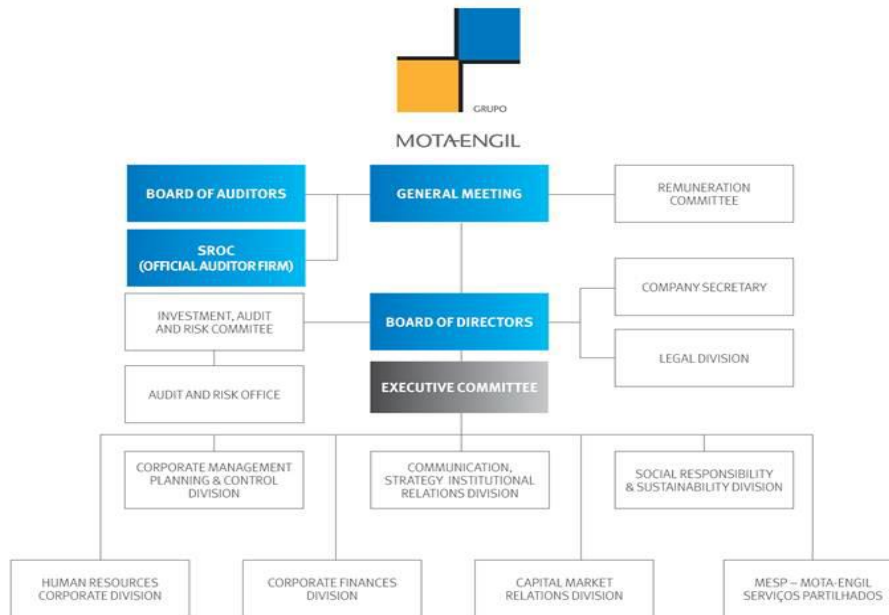
#### **E. PROFIT FORECAST OR ESTIMATE**

This Prospectus does not contain any forecast or estimate of future profits.

#### **F. ISSUER’S CORPORATE STRUCTURE**

The Issuer’s corporate structure is composed by a Board of Directors, the General Meeting, the Supervisory Board and the Auditor, which is one of the corporate structures legally valid under Portuguese law.

The following chart presents the Issuer’s internal structure:



## Board of Directors

The Board of Directors is the competent board to represent the Issuer and to carry out all acts and activities necessary to ensure its business.

In accordance with the Issuer's by-laws, the Board of Directors comprises a minimum of three members and a maximum of fifteen members appointed by the General Meeting.

Currently, Mota-Engil has a Board of Directors composed by fifteen members, including a chairman, two vice-chairmen and twelve members.

In accordance with the Issuer's by-laws, the Board of Directors is specially responsible to deliberate on:

- (a) the approval of the company's business plans and budgets;
- (b) the acquisition, finance leasing, disposal and encumbrance of any movables;
- (c) the acquisition, finance leasing, disposal and encumbrance of any immovables;
- (d) leasing any movable or immovable goods by the company, either as lessor or as lessee;
- (e) setting up or acquiring and also disposing of or burdening holdings in any companies and joint ventures or other types of association, under the terms of Article 4 and 5 of the articles of association;
- (f) the acquisition or disposal of any establishment by means of assignment subject to key money ("trespasse");
- (g) taking out loans and obtaining guarantees on national and international financial markets;
- (h) placement of the company's surplus funds in accordance with its interests and convenience;
- (i) the financing of or provision of guarantees in favour of subsidiaries or associates in which the company has interests warranting such operations;
- (j) the appointment of any persons, natural or corporate, to exercise corporate office in other companies;
- (k) the appointment of company attorneys to carry out certain acts, with definition of the extent of

the powers inherent in the respective powers-of-attorney;

- (l) declaring definitive non-attendance of a member of the Board of Directors under the terms of Article 11.7 of these articles of association;
- (m) The annual allocation to the Foundation Manuel Antonio da Mota, a sum not exceeding 5 per cent. of net profit obtained in the previous year by the Company;
- (n) The issuance by the company of securities, according to the interests and convenience of the company.

*Composition of the Board of Directors, correspondent to the quadrennium 2010-2013:*

- Mr. António Manuel Queirós Vasconcelos da Mota (President)
- Mr. Arnaldo José Nunes da Costa Figueiredo (Vice-President)
- Mr. Gonçalo Nuno Gomes de Andrade Moura Martins (Vice-President)
- Mr. José Pedro Matos Marques Sampaio de Freitas (Member)
- Ms. Maria Manuela Queirós Vasconcelos Mota dos Santos (Member)
- Ms. Maria Teresa Queirós Vasconcelos Mota Neves da Costa (Member)
- Ms. Maria Paula Queirós Vasconcelos Mota de Meireles (Member)
- Mr. Luís Filipe Cardoso da Silva (Member)
- Mr. Ismael Antunes Hernandez Gaspar (Member)
- Mr. Doutor Luís Valente de Oliveira (Independent Member)
- Mr. António Bernardo Aranha da Gama Lobo Xavier (Independent Member)
- Mr. António Manuel da Silva Vila Cova (Independent Member)
- Ms. Maria Isabel da Silva Ferreira Rodrigues Peres (Member)
- Mr. Carlos António Vasconcelos Mota dos Santos (Member)
- Mr. Pedro Manuel Teixeira Rocha Antelo (Member)

The election of the board members for the next quadrennium (2014-2017) is one of the items included on the agenda of the general meeting of shareholders that was convened for 30 April 2014. The members proposed are the following:

- Mr. António Manuel Queirós Vasconcelos da Mota
- Mr. Arnaldo José Nunes da Costa Figueiredo
- Mr. Gonçalo Nuno Gomes de Andrade Moura Martins
- Ms. Maria Manuela Queirós Vasconcelos Mota dos Santos
- Ms. Maria Teresa Queirós Vasconcelos Mota Neves da Costa
- Ms. Maria Paula Queirós Vasconcelos Mota de Meireles
- Mr. Ismael Antunes Hernandez Gaspar
- Mr. Luís Francisco Valente de Oliveira
- Mr. António Bernardo Aranha da Gama Lobo Xavier
- Mr. António Manuel da Silva Vila Cova

- Mr. Luís Filipe Cardoso da Silva
- Mr. Carlos António Vasconcelos Mota dos Santos
- Mr. José Pedro Matos Marques Sampaio de Freitas
- Mr. António Martinho Ferreira Oliveira
- Mr. Gilberto Silveira Rodrigues
- Mr. João Pedro dos Santos Dinis Parreira

#### **Executive Committee**

The Board of Directors has delegated on the Executive Committee the day-to-day management of the company.

*The Executive Committee of the Issuer is currently composed by the following six members of the Board of Directors that carry out executive functions:*

- Mr. Gonçalo Nuno Gomes de Andrade Moura Martins (CEO)
- Mr. Arnaldo José Nunes da Costa Figueiredo
- Mr. José Pedro Matos Marques Sampaio de Freitas (CFO)
- Mr. Ismael Antunes Hernandez Gaspar
- Mr. Carlos António Vasconcelos Mota dos Santos
- Ms. Maria Isabel da Silva Ferreira Rodrigues Peres

#### **Supervisory Board**

Supervision of the company is exercised by an Audit Committee and by an Official Accountant for Firm of Official Accountants, not members of the said Audit Committee, who shall perform the duties prescribed by the law and by the Issuer's by-laws.

The Audit Committee is appointed by the General Meeting and comprises a minimum of three full members, the majority of whom shall be independent.

*The Audit Committee of Mota-Engil elected for the quadrennium 2011/2014 is composed by the following members:*

- Mr. Alberto João Coraceiro de Castro (President)
- Mr. José Rodrigues de Jesus (Effective)
- Mr. Horácio Fernando Reis e Sá (Effective)
- Mr. Pedro Manuel Seara Cardoso Perez (Substitute)

There are no potential conflicts of interests between any duties to the Issuer of any person composing the board of directors or the supervisory board of the Issuer and and their private interests or other duties.

The Issuer complies with the corporate governance regime applicable in Portugal.

#### **General Meeting**

The General Meeting comprises members with voting rights owning shares registered in their name at 0 hours (GMT) of the 5th (fifth) stock exchange trading day before the General Meeting.

*The General Meeting Board elected for the quadrennium 2010/2013 is composed by the following members:*

Chairman: Mr. Luís Neiva Santos

Secretary: Mr. Rodrigo Neiva Santos

The election of the members of the General Meeting for the next quadrennium (2014-2017) is one of the items included on the agenda of the general meeting of shareholders that was convened for 30 April 2014. The members proposed are the following:

Chairman: Mr. Luís Neiva Santos

Secretary: Mr. Rodrigo Neiva Santos

All the above mentioned members of the Issuer's boards have their professional residence at Rua do Rego Lameiro, no. 38, 4300-454 Oporto

**Principal Activities of the members of the Issuer's boards that have duties outside of the Issuer (as of 31 December 2013)**

Luís Valente de Oliveira (Independent Member)

- Member of the Board of Fundação AEP
- European Coordinator of Auto-Estradas do Mar
- Chairman of the Founders Board of Casa da Música
- Member of the Consultative Committee of Foundations (Presidency of the Council of Ministers)

António Bernardo Aranha da Gama Lobo Xavier (Independent Member)

- Executive member of the Board of Directors of Sonaecom, SGPS, SA
- Non-executive member the Board of Directors of Banco BPI, SA
- Member of the Board of Directors of EPM, SGPS, SA;
- Non-executive member the Board of Directors of Riopele, SA
- Non-executive member the Board of Directors of Público Comunicação Social, SA;
- Non-executive member the Board of Directors of Vallis Capital Partners
- Chairman of the Board of Directors of Têxtil Manuel Gonçalves, SA
- Member of the Supervisory Board of Fundação Belmiro de Azevedo

António Manuel da Silva Vila Cova (Independent Member)

- Member of the Supervisory Board of Banco Finantia

Alberto João Coraceiro de Castro (Chairman)

- Member of the General and Supervisory Board of EDP – Electricidade de Portugal, S.A.
- Chairman of the Fiscal Board of Unicer – Bebidas S.A.
- Deputy-Chairman of the General Meeting of Metro do Porto, S.A.
- Member of the General Meeting of CGC – Centro de Genética Clínica e Patologia, SA

- Chairman of the Supervisory Board of the Portuguese Red Cross

José Rodrigues de Jesus (Full Member)

- Member of the Supervisory Board of the following societies:
  - Millenniumbcp Fortis, Grupo Segurador, S.G.P.S., S.A.
  - Germen – Moagem de Cereais, S.A.
  - Fundação Cidade de Guimarães"
- Single Auditor of the following societies:
  - Calfor - Indústrias Metálicas, S.A.
  - Porto Vivo, SRU – Sociedade de Reabilitação Urbana da Baixa Portuense, S.A.
  - Edemi Gardens – Promoção Imobiliária, S.A.
  - Lankhorst Euronete Ropes, S.A.
  - Arsopi – Holding, Sociedade Gestora de Participações Sociais, S. A.
  - Arsopi – Indústrias Metalúrgicas Arlindo S. Pinho, S.A.
  - Arlindo Soares de Pinho, Lda.
  - Imoágueda, S.A.
  - Fundação Cidade de Guimarães
  - Farmácia Ribeiro, S.A.
  - Camilo dos Santos Mota, S.A.
  - Oliveira Dias, S.A.
  - Vacatio, S.A.
  - Divinvest – Promoção Imobiliária, S.A.
  - DIMO – Desenvolvimento Imobiliário e Construção, S.A.
  - Toupronto – Imobiliária, S.A.
  - Y2K – Imobiliária, S.A.
  - Evitu – Imobiliária, S.A.
  - Sekiwi, SGPS, S.A.
  - Címbalo – Serviços de Consultoria, S.A.
  - Instituto dos Vinhos do Douro e do Porto
  - Um Porto para o Mundo – Associação para o Congresso OIV 2011"
- Deputy-Chairman of the Association of Statutory Auditors
- Non-executive director, also sitting on the Audit Committee, of Banco Comercial Português, S.A.

**G. MAIN SHAREHOLDERS OF THE ISSUER**

**Shareholder structure**

The share capital of Mota-Engil is €204.635.695, fully subscribed and paid-up, represented by 204.635.695 bearer ordinary shares with the nominal value of 1 (one) euro each. All shares composing the share capital of the Issuer are admitted to trading in the regulated market Euronext Lisbon.

As of the date of this Prospectus, the structure of qualified shares of Mota-Engil, is the following:

<b>Shareholders</b>	<b>Number of shares</b>	<b>% Share Capital</b>
Mota Gestão e Participações, SGPS, S.A.	98,525,575	48.14%
António Manuel Queirós Vasconcelos da Mota	5,292,359	2.59%
Maria Manuela Queirós Vasconcelos Mota dos Santos	3,675,066	1.80%
Maria Teresa Queirós Vasconcelos Mota Neves da Costa	3,676,836	1.80%
Maria Paula Queirós Vasconcelos Mota de Meireles	4,231,630	2.07%
Carlos António Vasconcelos Mota dos Santos	29,300	0.01%
<b>Attributable to FM – Sociedade de Controlo, SGPS, S.A.</b>	<b>115,430,766</b>	<b>56.41%</b>
Amber Capital UK LLP	4,275,000	2.1%
<b>Attributable to Joseph Oughourlian</b>	<b>4,275,000</b>	<b>2.1%</b>

#### **Agreements with impact on the shareholder structure**

To the best knowledge of Mota-Engil, there are no shareholders agreements regarding the exercise of corporate rights in Mota-Engil.

#### **H. ISSUER'S FINANCIAL INFORMATION**

##### **Financial documents of the Issuer incorporated by reference**

The consolidated audited financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 31 December 2012 and 31 December 2013 (prepared in accordance with IFRS-EU) shall be deemed to be incorporated by reference in, and to form part of, this Prospectus

Copies of the documents specified above as containing information in line with the cross-reference table provided below may be inspected, free of charge, at the registered office of the Issuer (Rua do Rego Lameiro, no. 38, 4300 - 454 Oporto), and the Specified Offices of the Paying Agent.

This Prospectus as well as the information incorporated by reference in it has been published on the website of the Luxembourg Stock Exchange at [www.bourse.lu](http://www.bourse.lu).

##### **Last audited financial information of the Issuer**

At the date of this Prospectus, the last year in relation to which there is audited financial information of the Issuer, is the year ended on 31 December 2013.

Besides the information incorporated by reference in this Prospectus, there are not any other information on the Issuer audited by the auditors.



## Selected Financial Information

### MOTA-ENGIL, SGPS, S.A.

#### Consolidated Income Statements for the year ended December 31, 2013 & 2012

	Year	
	2013 € '000	2012 € '000
	(audited)	(audited)
Sales & services rendered	2.313.702	2.243.167
Other revenues	61.401	82.992
Cost of goods sold, mat. cons. & Subcontractors	(1.063.745)	(1.146.298)
<b>Gross profit</b>	<b>1.311.359</b>	<b>1.179.862</b>
Operating Costs	362.839	287.455
<b>Operating profit</b>	<b>242.876</b>	<b>171.180</b>
Net Financial Results and associates / jointly controlled companies	(107.694)	(60.137)
Income before taxes	135.182	111.044
Income Tax	(46.714)	(37.037)
<b>Consolidated net profit of the year</b>	<b>88.468</b>	<b>74.007</b>

### MOTA-ENGIL, SGPS, S.A.

#### Statement of Consolidated Financial Position as at December 31, 2013 & 2012

	2013 € '000	2012 € '000
	(audited)	(audited)
<b>Assets</b>		
Non-current	1.599.410	1.414.415
Non-current Assets Held for Sale	30.311	79.398
Current	2.143.708	2.104.936
<b>Total Assets</b>	<b>3.773.429</b>	<b>3.598.749</b>
<b>Liabilities</b>		
Non-current	1.066.469	912.530
Current	2.147.734	2.250.238
<b>Total Liabilities</b>	<b>3.214.203</b>	<b>3.162.768</b>
<b>Shareholders' equity</b>		
Own funds attributable to the Group	357.495	324.121
<b>Total shareholders' equity</b>	<b>559.226</b>	<b>435.981</b>
<b>Total shareholders' equity &amp; liabilities</b>	<b>3.773.429</b>	<b>3.598.749</b>

MOTA-ENGLI, SGPS, S.A.

Statement of Consolidated Comprehensive Income  
for the year ended December 31, 2013 & 2012

	Year	
	2013 € '000	2012 € '000
	(audited)	(audited)
Consolidated net profit for the year	88.468	74.007
Items of other comprehensive income	13.041	(8.605)
Total comprehensive income for the year	101.510	65.401
Attributable:		
to non-controlling interests	34.574	33.908
to the Group	66.936	31.493

### Litigation

There are no, nor have there been, any governmental, legal or arbitration proceedings, involving the Issuer (and, so far as the Issuer is aware, no such proceedings are pending or threatened) which may have, or have had, during the twelve months prior to the date of this Prospectus, a significant effect on the financial position of the Issuer.

### Material adverse change on the financial position of the Issuer

There has been no material adverse change in the prospects of the Issuer since 31 December 2013 and no significant change in the financial or trading position of the Issuer since 31 December 2013.

### I. MATERIAL CONTRACTS

Beyond the agreements entered into by the Issuer within the context of its normal business or the arrangements described in this Prospectus, the Issuer is not part of any other relevant arrangements which may affect its ability to comply with its obligations before the Noteholders.

## CHAPTER 5 FORM OF THE NOTES

### Form of the Notes

The Notes are represented in dematerialised book-entry form (*forma escritural*), registered in the Portuguese Central Securities Clearing System – the Central de Valores Mobiliários or “CVM” - and are bearer notes (*ao portador*), as Interbolsa cannot inform the Issuer of the identity of the Noteholders. The Notes will be held through the accounts of Affiliate Members of Interbolsa, the manager of the CVM.

The appropriate International Securities Identification Number Notes are as follows:

ISIN code PTMENNOE0008 and the common code 106094357 in relation to a tranche of Notes in the amount of €50,000,000.

ISIN code PTMENOOE0007 and the common code 106200092 in relation to a tranche of Notes in the amount of €60,000,000.

The codes applicable to the issue of €60,000,000 are temporary and are only applicable up to (but excluding) the First Interest Payment Date. As from, and including, the First Interest Payment Date, the Notes issued on 22 April and the Notes issued on 29 April will be fungible and only the first ISIN code and common code referred above will apply.

### Clearing and Settlement

Interbolsa manages the operation of CVM, the central securities clearing system in Portugal known as *sistema centralizado* in which all securities in book-entry form admitted to trading on a regulated market to be centrally cleared and settled in Portugal must be registered with (the “**Book-Entry Registry**”). The CVM is composed of interconnected securities accounts, through which securities (and inherent rights) are created, held and transferred. This allows Interbolsa to control the amount of securities created, held and transferred. Issuers of securities, financial intermediaries which are Affiliate Members of Interbolsa and the Bank of Portugal, all participate in the CVM.

The CVM provides for all the procedures which allow the owners of securities to exercise their rights. In relation to each issue of securities, CVM comprises *inter alia*, (i) the issue account, opened by the issuer in the CVM and which reflects the full amount of securities issued; and (ii) the control accounts opened by each of the financial intermediaries which participate in Interbolsa’s centralised system, and which reflect, at all times, the aggregate nominal amount of securities held in the individual securities accounts opened by holders of securities with each of the Affiliate Members of Interbolsa. Title to the Notes passes upon registration in the records of an Affiliate Member of Interbolsa. Each person shown in the records of an Affiliate Member of Interbolsa as having an interest in Notes shall be treated as the holder of the principal amount of the Notes recorded.

“**Affiliate Member of Interbolsa**” means a financial institution licensed to act as a financial intermediary for the purposes of the Portuguese Securities Code and which is entitled to hold control accounts with Interbolsa on behalf of Noteholders. For the avoidance of doubt, Affiliate Members of Interbolsa include any depository banks appointed by: (i) Euroclear and Clearstream, for the purposes of holding accounts on behalf of Euroclear and Clearstream with Interbolsa; or (ii) other financial intermediaries that do not hold control accounts directly with Interbolsa.

One or more certificates in relation to the Notes (each a “**Certificate**”) will be delivered by the relevant Affiliate Member of Interbolsa in respect of its registered holding of Notes upon the request by the relevant Noteholder and in accordance with the procedures of such Affiliate Member of Interbolsa and pursuant to article 78 of the Portuguese Securities Code.

Any Noteholder will, except as otherwise required by law, be treated as the absolute owner of the relevant Notes for all purposes regardless of the theft or loss of, the Certificate issued in respect of such Notes and

no person will be liable for so treating any relevant Noteholder.

Notes registered with Interbolsa have been attributed an International Securities Identification Number (ISIN) code through Interbolsa's codification system and are accepted for clearing through CVM, the clearing system managed by Interbolsa as well as through the clearing systems operated by Euroclear and Clearstream and settled by Interbolsa's settlement system.

### **Payments**

Payment of principal and interest in respect of the Notes will be (i) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent in the payment current account which the Paying Agent uses for payments in respect of securities held through Interbolsa, (ii) transferred, on the relevant payment date, from the payment current account which the Paying Agent uses for payments in respect of securities held through Interbolsa to the payment current accounts held according to the applicable procedures and regulations of Interbolsa by the relevant Affiliate Members of Interbolsa, and thereafter (iii) transferred by such Affiliate Members of Interbolsa from the respective above mentioned payment current accounts to the accounts of the Noteholders or of Euroclear or Clearstream, Luxembourg with said Affiliate Members of Interbolsa, as the case may be.

The Issuer must give Interbolsa advance notice of all payments and provide all necessary information for that purpose, notably the identity of the financial intermediary registered with Interbolsa appointed by the Issuer to act as the paying agent in respect of the Notes (the "**Paying Agent**") and perform the relevant payments.

Prior to any payment the Paying Agent shall provide Interbolsa with a statement of acceptance of its role of Paying Agent. Interbolsa must notify the Paying Agent of the amounts to be settled, which will be determined by Interbolsa on the basis of the account balances of the accounts of the Affiliate Members of Interbolsa.

On the date on which any payment in respect of the Notes is to be made, the corresponding entries and counter-entries will be made by Interbolsa in the relevant current accounts held by the Paying Agent and by the Affiliate Members of Interbolsa.

Accordingly, payment of principal and interest in respect of Notes will be (a) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent (acting on behalf of the Issuer) from the payment current account which the Paying Agent has indicated to, and has been accepted by, Interbolsa to be used on the Paying Agent's behalf for payments in respect of securities held through Interbolsa to the payment current accounts held by the Affiliate Members of Interbolsa whose control accounts with Interbolsa are credited with such Notes and thereafter (b) credited by such Affiliate Members of Interbolsa from the aforementioned payment current accounts to the accounts of the owners of those Notes or through Euroclear and Clearstream to the accounts with Euroclear and Clearstream of the beneficial owners of those Notes, in accordance with the rules and procedures of Interbolsa, Euroclear or Clearstream, as the case may be.

References to Clearstream and/or Euroclear shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system.

### **Terms and Conditions applicable to the Notes**

The terms and conditions applicable to any Note will be incorporated by reference into each such Note and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below.

## CHAPTER 6 TERMS AND CONDITIONS OF THE NOTES

The €110,000,000 Fixed Rate Notes (*Obrigações*) due 2019 (the “**Notes**” which expression shall include, in these Conditions and unless the context otherwise requires, the €50,000,000 Fixed Rate Notes Notes issued on 22 April 2014, the €60,000,000 Fixed Rate Notes Notes issued on 29 April 2014 (with the amendments provided for in Condition 16) and any further notes issued pursuant to Condition 11 and forming a single series with the Notes) of Mota-Engil, SGPS, S.A. (the “**Issuer**”), are issued on the Issue Date (as defined in Condition 15).

### 1. FORM, DENOMINATION, TITLE AND TRANSFER

#### 1.1 FORM AND DENOMINATION

The Notes are represented in dematerialised book-entry (“*escriturais*”) and bearer form (“*ao portador*”) in the denomination of €10,000 each.

The Notes are registered by, and held through, Interbolsa, as management entity of the CVM.

#### 1.2 TITLE

Title to the Notes will be evidenced by book-entries in individual securities accounts held with the relevant Affiliate Member of Interbolsa, in accordance with the Portuguese Securities Code and the regulations issued by, or otherwise applicable to, Interbolsa.

Title to the Notes held through Interbolsa is subject to compliance with all applicable rules, restrictions and requirements of Interbolsa and Portuguese law.

#### 1.3 HOLDER ABSOLUTE OWNER

Each person shown in the individual securities accounts of an Affiliate Member of Interbolsa as having an interest in the Notes shall (except as otherwise required by law) be deemed for all legal purposes as the holder of the principal amount of the Notes recorded (each, a “**Noteholder**”).

One or more certificates in relation to the Notes (each, a “**Certificate**”) will be delivered by the relevant Affiliate Member of Interbolsa in respect of a registered holding of Notes upon the request by the relevant Noteholder and in accordance with that Affiliate Member of Interbolsa’s procedures pursuant to article 78 of the Portuguese Securities Code.

The Issuer and the Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the person or entity registered in each individual securities account of an Affiliate Member of Interbolsa as the holder of any Note and the absolute owner for all purposes. Proof of such registration is made by means of a Certificate.

#### 1.4 TRANSFER OF NOTES

No Noteholder will be able to transfer the Notes, or any interest therein, except in accordance with Portuguese laws and regulations. Notes may only be transferred upon registration in the relevant individual securities accounts held with the relevant Affiliate Member of Interbolsa in accordance with the applicable procedures established by the Portuguese Securities Code and the regulations issued by the *Commission de Surveillance du Secteur Financier*, the regulated market of the Luxembourg Stock Exchange or Interbolsa, as the case may be.

### 2. STATUS OF THE NOTES AND ISSUER UNDERTAKINGS

#### 2.1 STATUS OF NOTES

The Notes are direct, senior, unconditional and unsecured (without prejudice to the provisions of Condition 2.2 (a)) and unsubordinated obligations of the Issuer and rank *pari passu*, without any

preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, save for such exemptions as may be provided by applicable law.

## **2.2 ISSUER UNDERTAKINGS**

### *(a) Negative Pledge*

So long as any Note remains outstanding, the Issuer shall not create or permit to subsist any Security Interest to secure any indebtedness without at the same time or prior thereto (a) securing the Notes by means of creating equivalent Security Interests in favour of the Noteholders or (b) providing such other security for the Notes as may be approved by an Extraordinary Resolution of Noteholders, except if such Security Interest is securing any indebtedness incurred in relation to any asset for the purpose of financing the whole or any part of the acquisition, creation, construction, improvement or development of such asset where the financial institutions to whom such indebtedness is owed have recourse solely to the applicable project borrower and/or such asset and/or the shares held in such project borrower and any similar transaction in nature.

### *(b) Financial Covenant*

So long as the Notes remain outstanding, the Issuer shall ensure at all times that the Net Debt / EBIDTA is lower than 6x.

### *(c) Trading of the Notes in the regulated market of the Luxembourg Stock Exchange*

So long as the Notes remain outstanding, the Issuer shall perform all and every acts available to it to ensure the maintenance of the trading of the Notes in the regulated market of the Luxembourg Stock Exchange or in such other regulated market as the Issuer and the Noteholders may agree from time to time.

### *(d) Set-off*

All payments required to be made by the Issuer under the Notes shall be calculated without reference to any set-off or counterclaim that the Issuer may hold against any of the parties thereto or against the Noteholders and shall be made free and clear of and without any deduction for or on account of any set-off or counterclaim the Issuer may hold against the Noteholders.

## **3. INTEREST**

### **3.1 INTEREST ACCRUAL**

#### *(a) Accrual of interest*

Interest on the Notes calculated in accordance with the Interest Rate is payable in euro in arrear on each Interest Payment Date to or on behalf of the Noteholders registered in the individual securities accounts of each relevant Affiliate Member of Interbolsa, commencing on the First Interest Payment Date. For the avoidance of doubt, interest accrues on the Notes on a daily basis irrespective of whether such day is a Business Day.

#### *(b) Cessation of interest*

Interest (if any) will cease to accrue on each Note on the due date for redemption thereof unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until the day on which all sums due in respect of such Note are received by or on behalf of the relevant Noteholder.

(c) *Default interest*

Interest on overdue principal and interest on the Notes, if any, will accrue from the due date up to the date of actual payment at a rate that is 1 per cent. higher than the then applicable interest rate on the Notes.

**3.2 INTEREST RATE AND INTEREST PAYMENT DATES**

(a) *Fixed Interest Rate*

The Interest Rate in respect of the Notes for each Interest Period shall be determined by applying the Fixed Rate to the Principal Amount Outstanding, multiplying the product by the actual number of days in the Interest Period concerned divided by 360 and rounding the resultant figure to the nearest cent (half a cent being rounded upwards).

(b) *Payment of Interest*

The Interest Rate in respect of the Notes for each Interest Period shall be payable semi-annually in arrears on each Interest Payment Date.

(c) *Payments on Business Days*

Noteholders shall not be entitled to any further interest or other payment for any delay in receiving the amount due as a result of the relevant due date not being a Business Day. If the relevant Interest Payment Date is not a Business Day, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

**4. PAYMENTS**

**4.1 PAYMENTS IN RESPECT OF NOTES**

Payment of principal and interest in respect of the Notes will be (i) credited, according to the procedures and regulations of Interbolsa, by the Paying Agent in the payment current account which the Paying Agent uses for payments in respect of securities held through Interbolsa, (ii) transferred, on the relevant payment date, from the payment current account which the Paying Agent uses for payments in respect of securities held through Interbolsa to the payment current accounts held according to the applicable procedures and regulations of Interbolsa by the relevant Affiliate Members of Interbolsa, and thereafter (iii) transferred by such Affiliate Members of Interbolsa from the respective above mentioned payment current accounts to the accounts of the Noteholders or of Euroclear or Clearstream, Luxembourg with said Affiliate Members of Interbolsa, as the case may be.

**4.2 NOTIFICATION OF NON-PAYMENT**

If the Issuer determines that it will not be able to pay the full amount of principal and/or interest in respect of the Notes on the relevant due date, the Issuer will, in accordance with Condition 9, forthwith give notice to the Noteholders of its inability to make such payment.

**4.3 NOTIFICATION OF LATE PAYMENT**

If the Issuer expects to pay the full amount in respect of the Notes at a date later than the date on which such payments are due, the Issuer will, in accordance with Condition 9, give notice of such late payment to the Noteholders.

#### **4.4 PAYMENTS SUBJECT TO APPLICABLE LAWS**

Payments in respect of principal and interest on the Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of the Terms and Conditions of the Notes.

#### **4.5 PAYING AGENT**

The paying agent appointed by the Issuer in connection with the Issue of the Notes is Banco Finantia, S.A. with principal business office at Rua General Firmino Miguel, 5 - 1º, 1600-100 Lisbon, Portugal (“**Paying Agent**”).

The Issuer reserves the right at any time to vary or terminate the appointment of the Paying Agent and to appoint additional or other paying agents provided that:

- (a) there will at all times be a Paying Agent in Portugal capable of making payment in respect of the Notes as contemplated by these Conditions, the Paying Agency Agreement and applicable Portuguese laws and regulations;
- (b) the Issuer undertakes that it will ensure that it at all times maintains a paying agent in a Member State of the European Union that is not obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC or any law implementing or complying with, or introduced in order to conform to, such Directive.

Notice of any termination or appointment and of any changes in specified offices will be given to the Noteholders promptly by the Issuer in accordance with Condition 9.

### **5. REDEMPTION AND PURCHASE**

#### **5.1 REDEMPTION ON THE MATURITY DATE**

Unless the Notes are previously redeemed or purchased and cancelled as provided below, each Note shall be finally redeemed by the Issuer on the Maturity Date at its Principal Amount Outstanding.

#### **5.2 PURCHASE**

Subject to the applicable laws and regulations in force from time to time, the Issuer may, at any time, purchase Notes in the secondary market or otherwise at any price.

#### **5.3 CANCELLATIONS**

All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer will forthwith be cancelled by Interbolsa, and accordingly said Notes may not be held, reissued or resold and shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders, or for the purposes of Condition 10.1 or for the purposes of the Paying Agency Agreement.

### **6. TAXATION**

#### **6.1 PAYMENTS OF INTEREST WITHOUT WITHHOLDING OR DEDUCTION**

All payments in respect of the Notes by or on behalf of the Issuer will be made without any withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature (“**Taxes**”) imposed or levied by or on behalf of a Relevant Jurisdiction, unless the withholding or deduction of such Taxes is required by law.

In such event, the Issuer will pay such additional amounts as will result in the receipt by the relevant Beneficiaries of such amounts as would be received by them had no such withholding or deduction been required, except that no additional amounts shall be payable in relation to any payment in respect of any Note:



- (a) to, or to a third party on behalf of, a Beneficiary who is liable to the Taxes in respect of the Note by reason of having some connection with the Relevant Jurisdiction other than the mere holding of the Note; or
- (b) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC or any other EC law or domestic law implementing or complying with, or introduced in order to conform to, such Directive; or
- (c) to, or to a third party on behalf of, a Beneficiary in respect of whom the information required in order to comply with Decree-Law no. 193/2005, of 7 November, and any implementing legislation, is not received by the Affiliate Member of Interbolsa with which securities are registered in the name of the Beneficiary, no later than the second Business Day prior to the Relevant Date (as defined in Condition 6.2.(a)), or which does not comply with the formalities in order to benefit from tax treaty benefits, when applicable; or
- (d) to, or to a third party on behalf of, a Beneficiary (i) resident for tax purposes in the Relevant Jurisdiction or when the investment income is imputable to a permanent establishment of the Beneficiary located in Portuguese territory or (ii) resident in a tax haven jurisdiction as defined in Ministerial Order (“*Portaria*”) 150/2004, of 13 February, as amended from time to time, with the exception of (a) central banks and governmental agencies, as well as international institutions recognised by the Relevant Jurisdiction, of those tax haven jurisdictions, and (b) tax haven jurisdictions which have a double taxation treaty in force or a tax information exchange agreement in force with the Relevant Jurisdiction; and/or
- (e) to, or to a third party on behalf of, (i) a Portuguese resident legal entity subject to Portuguese corporate income tax with the exception of entities that benefit from a waiver of Portuguese withholding tax or from Portuguese income tax exemptions, or (ii) a legal entity not resident in the Portuguese territory acting with respect to the holding of the Notes through a permanent establishment in Portuguese territory with the exception of entities that benefit from a waiver of Portuguese withholding tax (for the avoidance of doubt, an Affiliate of Interbolsa holding Notes on behalf of Noteholder should not be considered as having a permanent establishment in the Portuguese territory).

## 6.2 INTERPRETATION

In these Conditions:

- (a) “**Relevant Date**” means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Paying Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect has been duly given to the Noteholders by the Issuer in accordance with Condition 9;
- (b) “**Relevant Jurisdiction**” means the Republic of Portugal or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer, as the case may be, becomes subject in respect of payments made by it of principal and interest on the Notes; and
- (c) “**Beneficiary**” means the holder of the Notes who is the effective beneficiary of the income arising thereto.

### **6.3 ADDITIONAL AMOUNTS**

Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition 6 or under any undertakings given in addition to, or in substitution for, this Condition 6.

### **7. PRESCRIPTION**

Claims against the Issuer in respect of the Notes will become void unless made within periods of 20 (twenty) years in the case of principal and 5 (five) years in the case of interest from the Relevant Date (as defined in Condition 6.2. (a)) in respect of the Notes.

### **8. EVENTS OF DEFAULT**

8.1 If any of the following events occurs and is continuing:

- (a) *Non-payment*: the Issuer fails to pay any amount of principal or interest in respect of the Notes, unless the failure is remedied, in the case of principal, within 3 (three) Business Days after the Maturity Date or, in the case of interest, within 10 (ten) Business Days after the relevant Interest Payment Date; or
- (b) *Breach of other obligations or undertakings*: the Issuer fails to perform any other obligation relating to the Notes, unless the relevant failure, being reparable, is remedied within 30 (thirty) days (or in a longer period allowed by the common representative of the Noteholders (if any) or by the Noteholders), as from the date on which notice to effect is given to the Issuer; or
- (c) *Cross acceleration*: the occurrence of an event of default under any loan, credit facility, guarantee or other commitment with financial implications, entered into by the Issuer or a Relevant Subsidiary with the Portuguese financial system or abroad, or under obligations arising from the issue of securities or monetary values of any kind, provided that the amount in question exceeds €40 million (or its equivalent in another currency), considered individually or in the aggregate; or
- (d) *Proceedings*: one or more final judicial or administrative decisions in respect of the Issuer or the Relevant Subsidiary where there is no possibility for defence or appeal or the filing of one or more judicial or administrative proceedings in respect of the Issuer or a Relevant Subsidiary, unless the Issuer or the Relevant Subsidiary fully pays the value in question within 60 (sixty) days starting from the filing of the court proceedings or notice of the tax or Social Security debt assessment, or the existence of a tax or Social Security debts enforcement proceeding in respect of the Issuer or a Relevant Subsidiary, unless (i) the Issuer or such Relevant Subsidiary, as the case may be, provides a suitable guarantee to suspend such enforcement proceeding or (ii) such proceeding is being contested by appropriate means by the Issuer or such Relevant Subsidiary, as the case may be, and the Issuer or such Relevant Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so, in any of the cases above if the decision or proceedings determines the Issuer or such Relevant Subsidiary's responsibility in an amount exceeding €40 million (or its equivalent in another currency), considered individually or in the aggregate; or
- (e) *Enforcement proceedings*: filing of an enforcement proceeding imposed on all or a substantially part of the assets of the Issuer or a Relevant Subsidiary, unless (i) the Issuer or such Relevant Subsidiary, as the case may be, provides a suitable guarantee to suspend such proceeding or (ii) such proceeding is being contested by appropriate means by the Issuer or such Relevant Subsidiary, as the case may be, and the Issuer or

such Relevant Subsidiary, as the case may be, has been advised by recognised independent legal advisers of good repute that it is reasonable to do so; or

- (f) *Insolvency*: (i) the Issuer or a Relevant Subsidiary expressly acknowledges the impossibility of fully and duly pay their debts as they fall due or if the Issuer or a Relevant Subsidiary cease payments in general, (ii) the Issuer or Relevant subsidiary requests its insolvency declaration, or the declaration of insolvency of the Issuer or a Relevant Subsidiary is required by a third party, unless the Issuer or the Relevant Subsidiary submits its statement of defence within the legally due time and has been advised by recognised independent legal advisers of good repute that it is reasonable to do so, (iii) the Issuer or Relevant Subsidiary is declared insolvent by a competent judicial court or, in the scope of an insolvency proceeding, is concluded an agreement with, or assigned to the benefit of, general creditors of the Issuer or a Relevant Subsidiary; or (iv) is appointed an insolvency administrator or other equivalent entity for the Issuer or a Relevant Subsidiary in relation to the whole or a substantial part of the Issuer or Relevant Subsidiary assets; or
- (g) *Sale of assets*: sale, transfer, lease, or disposal, through any means by the Issuer or a Relevant Subsidiary, of all or a substantial part of its assets (including shareholdings in subsidiaries) and provided that such sale, transfer, loan or disposal produces a substantial impact on the Issuer or on a Relevant Subsidiary assets. Albeit, it is not considered a default situation for present purposes the sale, transfer, lease, or disposal, by any means, performed by the Issuer or a Relevant Subsidiary as long as (i) it is done at market prices, including for such purposes any equity IPO or any financial transaction executed under market conditions (for the avoidance of doubt, neither the IPO of a subsidiary of the Issuer aggregating all or a substantial part of the African business of the Issuer nor the completion of the share distribution resolved by the Issuer's shareholders on 27 December 2013 shall, in any way, be deemed to constitute a breach of this Condition); or (ii) it is part of a restructuring operation– without prejudice to the legal form that such restructuring will take – conducted between companies that form part of the Issuer's group; or
- (h) *Pari passu and issuer undertakings*: the Issuer breaches any of the undertakings set forth in Condition 2.1 and 2.2; or
- (i) *Change of control*: António Manuel Queirós Vasconcelos da Mota, Maria Manuela Queirós Vasconcelos Mota, Maria Teresa Queirós Vasconcelos Mota, Maria Paula Queirós Vasconcelos Mota and Mota Gestão e Participações, SGPS, S.A., together cease to hold directly or indirectly the majority of the share capital and/or voting rights of the Issuer; or
- (j) *Validity*: the validity of the Notes is contested by the Issuer or the Issuer shall deny any of its obligations under the Notes (whether by a general suspension of payments or a moratorium on the payment of debt or otherwise) or it shall be or become unlawful for the Issuer to perform or comply with all or any of its obligations set out in the Notes or any such obligations shall be or become unenforceable or invalid, in each case as a result of any law or regulation in the Portuguese Republic or any ruling of any court in the Portuguese Republic whose decision is final and unappealable; or
- (k) *Cessation of business*: If the Issuer or Relevant Subsidiary ceases all or substantial part of its business or if an event occurs (including the approval of resolutions by the competent boards or the loss or suspension of any license or relevant authorisation to the exercise of its business) which (i) determines, under the applicable law, the dissolution or liquidation of the Issuer or of Relevant Subsidiary, except if such event occurs in the

context of a solvent corporate reorganization involving the Mota-Engil Group, or which  
(ii) causes a material adverse change in the normal business activities carried out by the Issuer or the Relevant Subsidiary; or

- (l) *Analogous event*: any event occurs which the Issuer has, directly or indirectly, caused and which has an analogous effect to any of the events referred to in this Condition 8.1.

then (i) the holder of any Note may declare such Note, or (ii) the Noteholders may, by means of an Extraordinary Resolution, declare all the Notes – in each case by written notice addressed to the Issuer and delivered to the Issuer and to the Paying Agent – to be immediately due and payable, whereupon, in the case of (i) above, such Note and, in the case of (ii) above, all of the Notes, shall become immediately due and payable at their principal amount together with accrued interest without further action or formality.

- 8.2** Immediately upon becoming aware of the occurrence of an Event of Default, or of any event likely to cause an Event of Default, the Issuer shall forthwith notify the Noteholders.

## **9. NOTICES**

Notices to the Noteholders shall be valid if mailed to them at their respective addresses recorded in the respective register of Noteholders of the Affiliate Members of Interbolsa through which the Notes are held. Any notice shall be deemed to have been given on the date of publication or, if so published more than once or on different dates, on the date of the first publication, or, if applicable, on the day after being so mailed.

## **10. MEETINGS OF NOTEHOLDERS AND MODIFICATION**

### **10.1 MEETINGS OF NOTEHOLDERS**

Meetings of the Noteholders to consider any matter affecting their interests, including the modification or abrogation of any of these Conditions by Extraordinary Resolution and the appointment or dismissal of a common representative are governed by the Portuguese Commercial Companies Code.

Meetings may be convened by a common representative (if any) or by the chairman of the general meeting of shareholders of the Issuer before the appointment of, or in case of refusal to convene the meeting by, a common representative, and shall be convened if requested by Noteholders holding not less than 5 (five) per cent. in principal amount of the Notes for the time being outstanding.

The quorum required for a meeting convened to pass a resolution other than an Extraordinary Resolution will be any person or persons holding or representing the Notes then outstanding, independently of the principal amount thereof; and an Extraordinary Resolution will require the attendance of a person or persons holding or representing at least 50 (fifty) per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, the attendance of a person or persons holding or representing at least 1/3 (one third) of the principal amount of the Notes then outstanding.

The majority required to pass a resolution other than an Extraordinary Resolution is the majority of the votes cast at the relevant meeting; the majority required to pass an Extraordinary Resolution, including, without limitation, a resolution relating to the modification or abrogation of certain of the provisions of these Conditions, is at least 50 (fifty) per cent. of the principal amount of the Notes then outstanding or, at any adjourned meeting, 1/3 (one third) of the principal amount of the Notes then outstanding.

Resolutions passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting or have voted against the approved resolutions.

## **10.2 APPOINTMENT, DISMISSAL AND SUBSTITUTION OF COMMON REPRESENTATIVE**

Pursuant to and in accordance with the relevant provisions of the Portuguese Commercial Companies Code, a common representative may be designated by the Noteholders.

The dismissal and substitution of a common representative, pursuant to the relevant provisions of the Portuguese Commercial Companies Code, shall be made by way of a resolution passed for such purpose pursuant to these Conditions and the Portuguese Commercial Companies Code.

## **10.3 NOTIFICATION TO THE NOTEHOLDERS**

Any modification, abrogation, waiver or authorisation in accordance with this Condition 10 shall be binding on all Noteholders and shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 9.

## **11. FURTHER ISSUES**

The Issuer is at liberty from time to time, subject to the Terms and Conditions of the Notes, without the consent of the Noteholders to create and issue further notes or bonds either ranking *pari passu* in all respects (or in all respects save for the first payment of interest thereon) and so that the same shall be consolidated and form a single series with the outstanding notes or bonds of any series (including the Notes).

## **12. GOVERNING LAW AND SUBMISSION TO JURISDICTION**

### **12.1 GOVERNING LAW**

The Notes, and any non-contractual obligations arising out of or in connection with them, are governed by, and will be construed in accordance with, Portuguese law.

### **12.2 JURISDICTION**

The courts of Lisbon, Portugal shall have jurisdiction to settle any proceedings arising out of or in connection with the Notes.

## **13. ADMISSION OF THE NOTES TO TRADING IN THE REGULATED MARKET**

The Notes shall be admitted to trading in the regulated market of the Luxembourg Stock Exchange on the Listing Date.

## **14. SUBSCRIPTION AND SALE**

The minimum subscription amount in the primary market has been €100,000 per Noteholder and any offer, sale, distribution or transfer, in any way, of the Notes in secondary market must at all times be made in accordance with all the laws and regulations applicable in the relevant jurisdiction where such offer, sale, distribution or transfer is made or deemed to be made, including in what concerns public offers.

## **15. DEFINITIONS**

In these Conditions the following expressions have the following meanings:

“**Affiliate Member of Interbolsa**” means any financial intermediary licensed to act as such entitled to hold control accounts with Interbolsa;

“**Business Day**” means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System is open;

“**Clearstream**” means the Clearstream Banking, société anonyme;

“**CVM**” means the *Central de Valores Mobiliários*, the Portuguese Centralised System of Registration of Securities managed by Interbolsa;

“**EBITDA**” means the consolidated profit of the Issuer before interest, taxes, depreciations, provisions and other non-operating expenses and incomes for any 12 (twelve) month period ending on the last day of the period covered by the most recent financial accounts published on a quarterly basis, including for such purpose its audited financial statements for each financial year;

“**Eur**”, “**euro**” or “**€**” means euro, the European single currency;

“**Euroclear**” means the Euroclear Bank SA/NV;

“**Event of Default**” means any of the events listed in Condition 8;

“**Extraordinary Resolution**” means a resolution passed at a meeting of Noteholders in respect of any of the following matters: (i) to change any date fixed for payment of principal or interest in respect of the Notes, reduction of the amount of principal or interest due on any date in respect of the Notes or variation of the method of calculating the amount of any payment in respect of the Notes on redemption or maturity; (ii) to change the currency in which amounts due in respect of the Notes are payable; (iii) to approve the modification or abrogation of any of the provisions of these Conditions; (iv) to approve any amendment of this definition; and (v) to approve any other matter in respect of which these Conditions require an Extraordinary Resolution to be passed;

“**First Interest Payment Date**” means 22 October 2014;

“**Fixed Rate**” means a rate of 5.5 per cent. per annum;

“**Interbolsa**” means Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A.;

“**Interest Rate**” means the rate of interest applicable to the Notes for each Interest Period as determined pursuant to Condition 3;

“**Interest Payment Date**” means the First Interest Payment Date and the date that falls every six months after the First Interest Payment Date (up to and including the Maturity Date);

“**Interest Period**” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the First Interest Payment Date or the next Interest Payment Date, as the case may be;

“**Issue Date**” means, in relation to a tranche of Notes in the amount of €50,000,000, 22 April 2014, and in relation to a tranche of Notes in the amount of €60,000,000, 29 April 2014;

“**Listing Date**” means 30 April 2014;

“**Maturity Date**” means the Interest Payment Date falling on 22 April 2019;

“**Mota-Engil**” or “**Issuer**” means Mota-Engil is a limited liability company, registered and incorporated in Portugal, under Portuguese law, and with head office at Rua do Rego Lameiro, no. 38, 4300 - 454 Oporto;

“**Mota-Engil Group**” means the Issuer and the other companies in which it, directly or indirectly, participates;

“**Notes**” means the 5.5 per cent. fixed rate notes due 2019 issued on the Issue Date by the Issuer on an amount of €110,000,000;

“**Noteholder**” means each person shown in the individual securities accounts of an Affiliate Member of Interbolsa as having an interest in the Notes;

“**Portuguese Commercial Companies Code**” means Decree-Law no. 262/86, of 2 September, as amended from time to time;

“**Portuguese Securities Code**” means Decree-Law no. 486/99, of 13 November, as amended from time to time;

“**Principal Amount Outstanding**” means, on any day, (i) in relation to a Note, the principal amount of that Note upon issue; and (ii) in relation to the Notes outstanding at any time, the aggregate of the amount in (i) in respect of all Notes outstanding;

“**Prospectus**” means this Prospectus for admission to trading of the Notes;

“**Relevant Subsidiary**” means any company in a group relationship with the Issuer and that on each given moment complies with one of the following requirements:

- (i) which the EBITDA, according with the latest audited and approved by the General Assembly annual accounts, is equal to or greater than 30 (thirty) per cent. of the consolidated EBITDA of Mota-Engil Group (according to the latest audited and approved by the General Assembly consolidated annual accounts), or
- (ii) which the total assets, according to the latest audited and approved by the General Assembly annual accounts, are equal to or greater than 30 (thirty) per cent. of the total consolidated assets of Mota-Engil Group (according to the latest audited and approved by the General Assembly annual consolidated accounts), or
- (iii) which the income, according to the latest audited and approved by the General Assembly annual accounts, are equal to or greater than 30 (thirty) per cent. of the total consolidated revenues of Mota-Engil Group (according to the latest audited and approved by the General Assembly annual consolidated accounts).

For the purpose of assessing if certain company is a Relevant Subsidiary for these purposes, the Issuer shall produce a management report stating that if, in its opinion, the company is or is not, or was or was not at a given time a Relevant Subsidiary. In the absence of manifest error, such report shall be conclusive and binding to all parties and may be supplemented by an external report of the Issuer’s auditor confirming the information therein contained, if so is requested by a resolution of the Noteholders General Meeting taken by a majority of more than 50 (fifty) per cent. of the Notes nominal amount.

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest (“*garantia real*”) including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction, created upon the whole or any part of the Issuer’s undertaking or assets, present or future, which represent more than 25 (twenty five) per cent. of its consolidated net assets, except:

- (i) security existing as at the date hereof and those that are or will be created to secure obligations of the Issuer arising in connection with the Notes;
- (ii) security created with the prior consent of the Noteholders, granted through an Extraordinary Resolution of Noteholders; and
- (iii) security created upon assets to be acquired by the Issuer or for its benefit, to the extent that (i) the relevant acquisition does not correspond to a mere substitution of assets, it being understood that the investment in assets forming part of the real estate of the Issuer which are obsolete or deteriorated will not be deemed a mere substitution of assets, and (ii) the security is created to secure the payment of the relevant price or is otherwise associated with any credit extended for such purpose.

To this effect, consolidated net assets (“*ativo líquido consolidado*”) means the total assets evidenced by the consolidated financial position statement (“*demonstração da posição financeira consolidada*”).

“**TARGET Settlement Day**” means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System is open;

“**Transaction Documents**” means the Notes, the Paying Agency Agreement and any other agreement or document entered into from time to time by the Issuer in connection with the Issue of the Notes.

## **16. NOTES ISSUED ON 29 APRIL 2014**

In relation to the terms and conditions of the €60,000,000 Fixed Rate Notes issued on 29 April 2014, there is only the following difference from the Terms and Conditions described above:

- (i) With effect from, and including, the first Interest Payment Date, the Notes issued on 29 April 2014 will be consolidated and fungible with the Notes issued on 22 April 2014 and thus form a single series and as of such date the Notes issued on 29 April 2014 will have mutatis mutandis the same rights and obligations as the Notes issued on 22 April 2014.



## CHAPTER 7 TAXATION

### *Luxembourg Taxation*

*The following information is of a general nature only and is based on the laws presently in force in Luxembourg, though it is not intended to be, nor should it be construed to be, legal or tax advice. The information contained within this section is limited to Luxembourg withholding tax issues and prospective investors in the Notes should therefore consult their own professional advisers as to the effects of state, local or foreign laws, including Luxembourg tax law, to which they may be subject.*

Please be aware that the residence concept used under the respective headings below applies for Luxembourg income tax assessment purposes only. Any reference in the present section to a withholding tax or a tax of a similar nature, or to any other concepts, refers to Luxembourg tax law and/or concepts only.

### *Withholding Tax*

#### *(i) Non-resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the laws of 21 June 2005, as amended (the “**Laws**”), there is no withholding tax on payments of principal, premium or interest made to non-resident holders of Notes, nor on accrued but unpaid interest in respect of the Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of the Notes held by non-resident holders of Notes.

Under the Laws implementing the Council Directive 2003/48/EC of 3 June 2003 on taxation of savings income in the form of interest payments (the “**EU Savings Directive**”) and ratifying the treaties entered into by Luxembourg and certain dependent and associated territories of EU Member States (the “**Territories**”), payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to or for the immediate benefit of an individual beneficial owner or a residual entity (within the meaning of the Laws) which are resident of, or established in, an EU Member State (other than Luxembourg) or one of the Territories will be subject to a withholding tax unless the relevant recipient has adequately instructed the relevant paying agent to provide details of the relevant payments of interest or similar income to the competent Luxembourg fiscal authority in order for such information to be communicated to the competent tax authorities of the beneficiary’s country of residence or establishment, or, in the case of an individual beneficial owner, has provided a tax certificate issued by the fiscal authorities of his/her country of residence in the required format to the relevant paying agent.. Payments of interest under the Notes coming within the scope of the Laws will be subject to a withholding tax at a rate of 35 per cent.

In April 2013, the Luxembourg Government announced its intention to abolish the withholding system with effect from 1 January 2015, in favour of automatic information exchange under the EU Savings Directive.

#### *(ii) Resident holders of Notes*

Under Luxembourg general tax laws currently in force and subject to the law of 23 December 2005, as amended (the “**Law**”), there is no withholding tax on payments of principal, premium or interest made to Luxembourg resident holders of Notes, nor on accrued but unpaid interest in respect of Notes, nor is any Luxembourg withholding tax payable upon redemption or repurchase of Notes held by Luxembourg resident holders of Notes.

Under the Law, payments of interest or similar income made or ascribed by a paying agent established in Luxembourg to an individual beneficial owner who is resident of Luxembourg or to a residual entity

(within the meaning of the Laws) established in an EU Member State (other than Luxembourg) or one of the Territories and securing such payments for the benefit of such individual beneficial owner will be subject to a withholding tax of 10 per cent. Such withholding tax will be in full discharge of income tax if the beneficial owner is an individual acting in the course of the management of his/her private wealth.. Payments of interest under the Notes coming within the scope of the Law will be subject to a withholding tax at a rate of 10 per cent.

### ***Portuguese Taxation***

Economic benefits derived from interest, amortisation, reimbursement premiums and other instances of remuneration arising from the Notes are designated as investment income for Portuguese tax purposes.

### ***General tax regime applicable on debt securities***

According to the general tax provisions, investment income on the Notes paid to a holder of Notes (who is the effective Noteholder thereof (the “**Noteholder**”) considered to be resident legal persons for tax purposes in the Portuguese territory or to a non-Portuguese resident having a permanent establishment therein to which income is attributable, is subject to withholding tax at a rate of 25 (twenty five) per cent., except where the Noteholder is either a Portuguese resident financial institution (or a non-resident financial institution having a permanent establishment in the Portuguese territory to which income is attributable) or benefits from a reduction or a withholding tax exemption as specified by current Portuguese tax law. In relation to Noteholders that are corporate entities resident in the Portuguese territory (or non-resident having a permanent establishment therein to which income is attributable), such withholding tax is treated as a payment on account of the final tax due.

However, investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 (thirty five) per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rates applicable to such beneficial owner(s) will apply.

If the payment of interest or other investment income on Notes is made available to Portuguese resident individuals, a withholding tax applies at a rate of 28 (twenty eight) per cent., which is the final tax on that income unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 (forty eight) per cent.. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding € 80,000 as follows: (i) 2.5 (two point five) per cent. on the part of the taxable income exceeding € 80,000 up to € 250,000 and (ii) 5 (five) per cent. on the remaining part (if any) of the taxable income exceeding € 250,000. Also, if the option of income aggregation is made an additional surcharge at the rate of 3.5 (three point five) per cent. will also be due over the amount that exceeds the annual amount of the monthly minimum guaranteed wage. In such a case, the tax withheld is deemed a payment on account of the final tax due.

However, investment income paid or made available to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties is subject to a final withholding tax rate of 35 (thirty five) per cent., unless the relevant beneficial owner(s) of the income is/are identified and as a consequence the tax rates applicable to such beneficial owner(s) will apply.

Investment income on the Notes paid to Noteholders considered as non-resident in the Portuguese territory (and having no permanent establishment therein to which income is attributable) is subject to a final withholding tax at a flat rate of 25 (twenty five) per cent. (in case of non resident legal persons), at a rate of 28 (twenty eight) per cent. (in case of non resident individuals) or at a rate of 35 (thirty five) per cent. (in case of investment income payments (i) to individuals or companies domiciled in a “low tax jurisdiction” list approved by Ministerial Order (*Portaria*) No. 150/2004 of 13 February, as amended by Ministerial Order (*Portaria*) No. 292/2011 of 8 November, or (ii) to accounts opened in the name of one or more accountholders acting on behalf of one or more unidentified third parties, in which the relevant beneficial owner(s) of the income is/are not identified, as the case may be). The above withholding tax

rates may be reduced in accordance with any applicable double taxation treaty entered by Portugal, subject to compliance with certain procedures and certification requirements of the Portuguese tax authorities, aimed at verifying the non-resident status and eligibility for the respective tax treaty benefits.

Capital gains obtained on the disposal of the Notes by Noteholders that are non-resident legal persons that do not have a permanent establishment in Portugal to which the gains are attributable are, as a rule, exempt from corporate income tax. The exemption from income tax liability does not apply to such non residents if: (i) more than 25 (twenty five) per cent. of its share capital is held, either directly or indirectly, by Portuguese residents, or (ii) its country of residence is in a country, territory or region subject to a clearly more favourable tax regime included in the “low tax jurisdictions” list approved by Ministerial order (*Portaria*) no. 150/2004 of 13 February, amended by Ministerial Order (*Portaria*) 292/2011 of 8 November. Whenever the said exemption does not apply, capital gains are subject to taxation at a 25 (twenty five) per cent. flat rate. Under the double taxation conventions entered into by Portugal, Portugal as the State of Source is usually restricted on its taxation powers to tax such gains and hence those gains are not generally subject to Portuguese tax, but the applicable rules should be confirmed on a case by case basis.

Capital gains obtained on the disposal of the Notes by Noteholders that are individuals not resident in a country, territory or region subject to a clearly more favourable tax regime included in the “low tax jurisdictions” list approved by Ministerial order (*Portaria*) no. 150/2004 of 13 February, amended by Ministerial Order (*Portaria*) 292/2011, of 8 November, that do not have a permanent establishment in Portugal to which the income is attributable are exempt from personal income tax. Capital gains obtained by individuals that are not entitled to said exemption will be subject to taxation at a 28 (twenty eight) per cent. flat rate.

Investment income (including interest) derived from the Notes and capital gains obtained by Noteholders that are legal persons resident for tax purposes in Portugal and by non resident legal persons with a permanent establishment in Portugal to which the gains are attributable are included in their taxable income and are subject to corporate income tax rate at a rate of (i) 23 (twenty three) per cent. or (ii) if the taxpayer is a small or medium enterprise as established in Decree-Law no. 372/2007, of 6 November 2007, 17 (seventeen) per cent. for taxable profits up to €15,000 and 23 (twenty three) per cent. on profits in excess thereof to which may be added a municipal surcharge (*derrama municipal*) of up to 1.5 per cent. of its taxable income. Corporate taxpayers with a taxable income of more than €1,500,000 are also subject to State surcharge (*derrama estadual*) of (i) 3 (three) per cent. on the part of its taxable profits exceeding €1,500,000 up to €7,500,000, (ii) 5 (five) per cent. on the part of the taxable profits that exceeds €7,500,000 up to €35,000,000, and (iii) 7 (seven) per cent. on the part of the taxable profits that exceeds €35,000,000.

Capital gains obtained by Noteholders that are resident individuals with the transfer of the Notes are subject to Portuguese capital gains taxation, whereby the positive difference between such gains and gains on other securities and losses in securities is subject to an autonomous tax at 28 (twenty eight) per cent., which is the final tax on that income unless the individual elects to include such income in his taxable income, subject to tax at progressive income tax rates of up to 48 per cent.. In the latter circumstance an additional income tax will be due on the part of the taxable income exceeding € 80,000 as follows: (i) 2.5 (two point five) per cent. on the part of the taxable income exceeding € 80,000 up to € 250,000 and (ii) 5 (five) per cent. on the remaining part (if any) of the taxable income exceeding € 250,000. Also, if the option of income aggregation is made an additional surcharge at the rate of 3.5 (three point five) per cent. will also be due over the amount that exceeds the annual amount of the monthly minimum guaranteed wage.

#### ***Special debt securities tax regime***

Pursuant to Decree-Law 193/2005, of 7 November 2005, as amended from time to time (“**Decree-Law 193/2005**”), investment income paid on, as well as capital gains derived from a sale or other disposition

of the Notes, to non-Portuguese resident Noteholders may be exempt from Portuguese income tax provided the debt securities are integrated in the CVM, managed by Interbolsa (i.e. a centralised system for securities managed by an entity resident for tax purposes in Portugal).

However, for purposes of application at source of this tax exemption regime, Decree-Law 193/2005 requires completion of certain procedures and the provision of certain information. Under these procedures (which are aimed at verifying the non-resident status of the Noteholder), the Noteholder is required to hold the Notes through an account with one of the following entities:

- (i) a direct registered entity, which is the entity with which the debt securities accounts that are integrated in the centralised system are opened;
- (ii) an indirect registered entity, which, although not assuming the role of the “direct registered entities”, is a client of the latter; or
- (iii) an international clearing system, which is an entity that proceeds, in the international market, to clear, settle or transfer securities which are integrated in centralised systems or in their own registration systems.

Direct registered entities are required, for the purposes of Decree-Law 193/2005, to register the Noteholders in one of two accounts: (i) an exempt account or (ii) a non-exempt account.

Registration of the Notes in the exempt account is crucial for the exemption to apply. For this purpose, the registration of the non-resident Noteholders in an exempt account, allowing application of the exemption upfront, requires evidence of the non-resident status, to be provided by the Noteholder to the direct registered entity prior to the relevant date for payment of interest and to the transfer of Notes, as follows:

- (i) if the Noteholder is a central bank, an international body recognised as such by the Portuguese State, or a public law entity and respective agencies, a declaration issued by the beneficial owner of the Notes itself duly signed and authenticated, or proof of non residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (ii) if the Noteholder is a credit institution, a financial company, a pension fund or an insurance company domiciled in any OECD country or in a country with which Portugal has entered into a double taxation treaty, certification shall be made by means of the following: (A) its tax identification official document; or (B) a certificate issued by the entity responsible for such supervision or registration, or by tax authorities, confirming the legal existence of the beneficial owner of the Notes and its domicile; or (C) proof of non residence pursuant to (iv) below. The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;
- (iii) if the Noteholder is an investment fund or other collective investment scheme domiciled in any OECD country or in a country with which Portugal has entered into a double tax treaty in force or a tax information exchange agreement in force, it shall make proof of its non-resident status by providing any of the following documents: (a) a declaration issued by the entity responsible for its supervision or registration or by the relevant tax authority, confirming its legal existence, domicile and law of incorporation; or (b) proof of non-residence pursuant to the terms of paragraph (iv) below; The respective proof of non-residence in Portugal is provided once, its periodical renewal not being necessary and the beneficial owner should inform the direct register entity immediately of any change in the requisite conditions that may prevent the tax exemption from applying;

- (iv) other investors will be required to make proof of their non-resident status by way of: (a) a certificate of residence or equivalent document issued by the relevant tax authorities; (b) a document issued by the relevant Portuguese Consulate certifying residence abroad; or (c) a document specifically issued by an official entity which forms part of the public administration (either central, regional or peripheral, indirect or autonomous) of the relevant country. The Noteholder must provide an original or a certified copy of such documents and, as a rule, if such documents do not refer to a specific year and do not expire, they must have been issued within the three years prior to the relevant payment or maturity dates or, if issued after the relevant payment or maturity dates, within the following three months. The Noteholder must inform the registering entity immediately of any change in the requirement conditions that may eliminate the tax exemption.

### **EU Savings Directive**

Portugal has implemented European Council Directive 2003/48/EC on taxation of savings income into the Portuguese law through Decree-Law no. 62/2005, of 11 March 2005, as amended by Law no. 39-A/2005, of 29 July 2005.

### **Stamp Duty**

No stamp duty will be payable on the issue or transfer of Notes once they qualify as debt securities for the purposes of Article 5 no. 2 of the Council Directive 2008/7/EC of 12 February 2008 concerning indirect taxes on the raising of capital, not capable of being the subject matter of indirect taxation imposed by European Union Member States, a position that has already been sanctioned by the Portuguese Tax Authorities through Opinion no. 156/03, of 13 October 2003 (*Parecer* 156/03). Under said Opinion, interest arising from Notes is also not subject to Portuguese stamp duty.

### **The proposed financial transaction tax (“FTT”)**

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the “**participating Member States**”).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of Notes are advised to seek their own professional advice in relation to the FTT.

## CHAPTER 8 DOCUMENTS INCORPORATED BY REFERENCE

The following documents shall be deemed to be incorporated by reference in, and to form part of, this Prospectus:

- Articles of Association of the Issuer;
- The consolidated audited financial statements (including the auditors' report thereon and notes thereto) of the Issuer in respect of the years ended 31 December 2012 and 31 December 2013 (prepared in accordance with IFRS-EU).

For the life of the Prospectus, copies of the documents incorporated by reference and the Prospectus will, be available for inspection during normal business hours from the registered office of the Issuer (without charge) and may also be obtained from the website of the Luxembourg Stock Exchange ([www.bourse.lu](http://www.bourse.lu)).

For the avoidance of doubt the content of the Issuer website or any other website referred into this Prospectus does not form part of the Prospectus, except the content of the list of documents incorporated by reference.

### Cross reference table

#### *2012 Consolidated audited financial statements*

- Management Report . . . . .page 4 - 50
- Consolidated income statement . . . . . page 53
- Consolidated statement of comprehensive income . . . . . page 54
- Consolidated statement of financial position . . . . . page 55
- Consolidated cash flow statement . . . . . page 58
- Consolidated statement of changes in equity . . . . . page 56 - 57
- Segment reporting . . . . . page 132 - 145
- Notes to the financial statements . . . . . page 59 – 131
- Auditor's report. . . . .page 231 - 233

#### *2013 Consolidated audited financial statements*

- Management Report . . . . . page 3 - 46
- Consolidated income statement . . . . . page 49
- Consolidated statement of comprehensive income . . . . . page 50
- Consolidated statement of financial position . . . . . page 51
- Consolidated cash flow statement . . . . . page 54
- Consolidated statement of changes in equity . . . . . page 52-53
- Segment reporting . . . . . page 141 - 155
- Notes to the financial statements . . . . . page 55 – 140
- Auditor's report. . . . . page 235-236

The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Commission Regulation (EC) no. 809/2004, as amended from time to time.

## CHAPTER 9 GLOSSARY OF DEFINED TERMS

“**Affiliate Member of Interbolsa**” means any financial intermediary licensed to act as such entitled to hold control accounts with Interbolsa;

“**Banco Finantia**” means Banco Finantia, S.A., a credit institution with registered office at Rua General Firmino Miguel, 5, 1<sup>st</sup> floor, Lisbon;

“**Business Day**” means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in Lisbon and the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System is open;

“**Clearstream**” means the Clearstream Banking, société anonyme;

“**CVM**” means the *Central de Valores Mobiliários*, the Portuguese Centralised System of Registration of Securities managed by Interbolsa;

“**EBITDA**” means the consolidated profit of the Issuer before interest, taxes, depreciations, provisions and other non-operating expenses and incomes for any 12 (twelve) month period ending on the last day of the period covered by the most recent financial accounts published on a quarterly basis, including for such purpose its audited financial statements for each financial year;

“**Euroclear**” means the Euroclear Bank SA/NV;

“**Event of Default**” means any of the events listed in Condition 8;

“**Extraordinary Resolution**” means a resolution passed at a meeting of Noteholders in respect of any of the following matters: (i) to change any date fixed for payment of principal or interest in respect of the Notes, reduction of the amount of principal or interest due on any date in respect of the Notes or variation of the method of calculating the amount of any payment in respect of the Notes on redemption or maturity; (ii) to change the currency in which amounts due in respect of the Notes are payable; (iii) to approve the modification or abrogation of any of the provisions of these Conditions; (iv) to approve any amendment of this definition; and (v) to approve any other matter in respect of which these Conditions require an Extraordinary Resolution to be passed;

“**First Interest Payment Date**” means 22 October 2014;

“**Fixed Rate**” means a rate of 5.5 per cent. per annum;

“**Interbolsa**” means Interbolsa - Sociedade Gestora de Sistemas de Liquidação e de Sistemas Centralizados de Valores Mobiliários, S.A., at Avenida da Boavista, 3433, 4100-138, Porto, Portugal;

“**Interest Rate**” means the rate of interest applicable to the Notes for each Interest Period as determined pursuant to Condition 3;

“**Interest Payment Date**” means the First Interest Payment Date and the date that falls every six months after the First Interest Payment Date (up to and including the Maturity Date);

“**Interest Period**” means each period beginning on (and including) the Issue Date or any Interest Payment Date and ending on (but excluding) the First Interest Payment Date or the next Interest Payment Date, as the case may be;

“**Issue Date**” means, in relation to a tranche of Notes in the amount of €50,000,000, 22 April 2014, and in relation to a tranche of Notes in the amount of €60,000,000, 29 April 2014;

“**Listing Date**” means 30 April 2014;

“**Maturity Date**” means the Interest Payment Date falling on 22 April 2019;

“**Mota-Engil Group**” means the Issuer and the other companies in which it, directly or indirectly, participates;

“**Noteholder**” means each person shown in the individual securities accounts of an Affiliate Member of Interbolsa as having an interest in the Notes;

“**Paying Agent**” means Banco Finantia;

“**Paying Agency Agreement**” means the agreement entered into between the Issuer and the Paying Agent, on 8 April 2014, in connection with the issue of the Notes;

“**Portuguese Commercial Companies Code**” means Decree-Law no. 262/86, of 2 September, as amended from time to time;

“**Portuguese Securities Code**” means Decree-Law no. 486/99, of 13 November, as amended from time to time;

“**Principal Amount Outstanding**” means, on any day, (i) in relation to a Note, the principal amount of that Note upon issue; and (ii) in relation to the Notes outstanding at any time, the aggregate of the amount in (i) in respect of all Notes outstanding;

“**Prospectus**” means this Prospectus for admission to trading of the Notes;

“**Prospectus Directive**” means the Directive 2003/71/EC of the European Parliament and of the Council of 4 November 2003, as amended from time to time;

“**Prospectus Regulation**” means the Regulation (CE) no. 809/2004 of the Commission, of 29 April 2004, as amended from time to time;

“**Relevant Subsidiary**” means any company in a group relationship with the Issuer and that on each given moment complies with one of the following requirements:

- (i) which the EBITDA, according with the latest audited and approved by the General Assembly annual accounts, is equal to or greater than 30 (thirty) per cent. of the consolidated EBITDA of Mota-Engil Group (according to the latest audited and approved by the General Assembly consolidated annual accounts), or
- (ii) which the total assets, according to the latest audited and approved by the General Assembly annual accounts, are equal to or greater than 30 (thirty) per cent. of the total consolidated assets of Mota-Engil Group (according to the latest audited and approved by the General Assembly annual consolidated accounts), or
- (iii) which the income, according to the latest audited and approved by the General Assembly annual accounts, are equal to or greater than 30 (thirty) per cent. of the total consolidated revenues of Mota-Engil Group (according to the latest audited and approved by the General Assembly annual consolidated accounts).

For the purpose of assessing if certain company is a Relevant Subsidiary for these purposes, the Issuer shall produce a management report stating that if, in its opinion, the company is or is not, or was or was not at a given time a Relevant Subsidiary. In the absence of manifest error, such report shall be conclusive and binding to all parties and may be supplemented by an external report of the Issuer’s auditor confirming the information therein contained, if so is requested by a resolution of the Noteholders General Meeting taken by a majority of more than 50 (fifty) per cent. of the Notes nominal amount;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest (“*garantia real*”) including, without limitation, anything analogous to any of the foregoing under the laws of any



jurisdiction, created upon the whole or any part of the Issuer's undertaking or assets, present or future, which represent more than 25 (twenty five) per cent. of its consolidated net assets, except:

- (i) security existing as at the date hereof and those that are or will be created to secure obligations of the Issuer arising in connection with the Notes;
- (ii) security created with the prior consent of the Noteholders, granted through an Extraordinary Resolution of Noteholders; and
- (iii) security created upon assets to be acquired by the Issuer or for its benefit, to the extent that (i) the relevant acquisition does not correspond to a mere substitution of assets, it being understood that the investment in assets forming part of the real estate of the Issuer which are obsolete or deteriorated will not be deemed a mere substitution of assets, and (ii) the security is created to secure the payment of the relevant price or is otherwise associated with any credit extended for such purpose.

To this effect, consolidated net assets ("*ativo líquido consolidado*") means the total assets evidenced by the consolidated financial position statement ("*demonstração da posição financeira consolidada*");

"**TARGET Settlement Day**" means any day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (**TARGET2**) System is open;

"**Transaction Documents**" means the Notes, the Paying Agency Agreement and any other agreement or document entered into from time to time by the Issuer in connection with the Issue of the Notes.

**ISSUER**

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Portugal

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**PAYING AGENT**

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