

**MARTIFER**  
GROUP

# **BUILDING THE TOMORROW TODAY**

1H 2016 REPORT





**MANAGEMENT REPORT**

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NOTE: This translation into English of the Portuguese document was made only for the convenience of non-Portuguese speaking shareholders. For all intents and purposes, the Portuguese version shall prevail.

# MANAGEMENT REPORT







MARTIFER GROUP

## 01 | MARTIFER GROUP

## HIGHLIGHTS

- ▶ Revenues reached 106.8 M€ in the 1<sup>st</sup> half
- ▶ Positive EBITDA in 4.4 M€ (4 % margin)
- ▶ Operational segments – Metallic Constructions and Renewables – with a positive operational performance regarding EBITDA
- ▶ Adverse external context – prices of commodities with an impact in the operational activity, namely in Angola, in Saudi Arabia and in Algeria
- ▶ Net Profit attributable to Shareholders of -3.2 M€ (which compares with -8.5 M€ YoY)
- ▶ Order Book in Metallic Constructions registered an YTD growth to 269 M€

## MAIN FINANCIAL INDICATORS

| M€  | JUN-16      | JUN-15       | VAR.%       |
|---|-------------|--------------|-------------|
| Revenues  | 106.8       | 134.4        | -21%        |
| <b>EBITDA</b>                                     | <b>4.4</b>  | <b>8.8</b>   | <b>-50%</b> |
| EBITDA margin                                     | 4%          | 7%           | -2.5 pp     |
| <b>EBIT</b>                                       | <b>-1.9</b> | <b>1.4</b>   | <b>n.m.</b> |
| EBIT margin                                       | -2%         | 1%           | -2.9 pp     |
| Financial results                                 | 0.1         | -10.7        | n.m.        |
| Profit before taxes                               | -1.8        | -9.3         | 80%         |
| Income tax  | -1.2        | -0.7         | -74%        |
| <b>Profit after taxes on continued operations</b> | <b>-3.0</b> | <b>-10.0</b> | <b>70%</b>  |
| Discontinued operations' results                  | -3.7        | 0.1          | n.m.        |
| Attributable to non-controlling interests         | -1.7        | -0.2         | <-100%      |
| Attributable to shareholders                      | -1.9        | 0.2          | n.m.        |
| <b>Net Profit</b>                                 | <b>-6.6</b> | <b>-9.9</b>  | <b>33%</b>  |
| Attributable to non-controlling interests         | -3.4        | -1.4         | <-100%      |
| Attributable to shareholders                      | -3.2        | -8.5         | 62%         |
| Earnings per share                                | 0.0         | -0.1         | 62%         |

| M€  | MARTIFER<br>CONSOLIDATED | METALLIC<br>CONSTRUCTIONS | RENEWABLES  | HOLDING     | SOLAR<br>(discontinued<br>activities) |
|---|--------------------------|---------------------------|-------------|-------------|---------------------------------------|
|   | 1S16                     | 1S16                      | 1S16        | 1S16        | 1S16                                  |
| Revenues                                  | 106,8                    | 100,7                     | 6,3         | 0,5         | 45,2                                  |
| <b>EBITDA</b>                             | <b>4,4</b>               | <b>1,6</b>                | <b>2,4</b>  | <b>0,3</b>  | <b>-2,1</b>                           |
| <i>EBITDA Margin</i>                      | <b>4%</b>                | 2%                        | 39%         | 55%         | -5%                                   |
| <b>EBIT</b>                               | <b>-1,9</b>              | <b>-0,8</b>               | <b>-1,0</b> | <b>0,3</b>  | <b>-2,6</b>                           |
| <i>EBIT Margin</i>                        | -2%                      | -1%                       | -15%        | 55%         | -6%                                   |
| <b>Financial Results</b>                  | <b>0,1</b>               | <b>-4,3</b>               | <b>5,4</b>  | <b>-0,9</b> | <b>-1,9</b>                           |
| - Interests                               | -1,6                     | -0,7                      | 0,0         | -0,9        | -0,7                                  |
| - Exchange differences                    | -1,9                     | -1,8                      | -0,1        | 0,0         | -0,2                                  |
| - Other Net Financial Charges             | 3,8                      | -1,0                      | 4,8         | 0,0         | -1,0                                  |
| - Results in affiliated companies         | -0,3                     | -0,9                      | 0,6         | 0,0         | 0,0                                   |
| <b>Profit Before Taxes</b>                | <b>-1,8</b>              | <b>-5,1</b>               | <b>4,4</b>  | <b>-0,6</b> | <b>-4,5</b>                           |
| <b>Income Tax</b>                         | <b>1,2</b>               | <b>0,9</b>                | <b>0,3</b>  | <b>0,0</b>  | <b>-0,4</b>                           |
| <b>Discontinued Operations' Result</b>    | <b>-3,7</b>              | <b>n.a</b>                | <b>n.a</b>  | <b>n.a</b>  | <b>n.a</b>                            |
| <b>Net Profit</b>                         | <b>-6,6</b>              | <b>-6,0</b>               | <b>4,1</b>  | <b>-0,6</b> | <b>-4,1</b>                           |
| Attributable to non-controlling interests | -3,4                     | 0,1                       | 0,0         | 0,0         | -0,2                                  |
| Attributable to shareholders              | -3,2                     | -6,1                      | 4,1         | -0,6        | -3,9                                  |

## MAIN EVENTS

JANUARY 2016

### Refurbishment of the Ilunion building in Madrid, Spain

Martifer Metallic Constructions was awarded a new project. The project developed by Ruiz Barbarín Arquitectos and ENAR - Envoltentes Arquitectónicas as façade consultant consists of the works to execute the exterior façade of an old building located near the road M-30.

Martifer acts as general contractor, having been selected directly by Hill International (property manager) in a tender. This façade is quite singular, since it is composed by around 6,000 sqm of cladding made by perforated aluminium sheet trays according to a previously developed shading system. These trays are sustained by a steel and aluminium structure created specifically for the project. Furthermore, in the exterior, 4,000 metres of a round tube will be placed, forming rings, which will provide the harmony intended by the architect.

### Merger of Martifer Metallic Constructions with Martifer Energy Systems and Martifer Global

On 27<sup>th</sup> January, with the registry in the Commercial Register Office, the merger by incorporation of the companies Martifer Energy Systems, SGPS, S.A. and Martifer Global - SGPS, S.A. in Martifer Metallic Constructions - SGPS, S.A. was materialised. With this merger, the incorporated companies were extinguished and all their assets, including rights, obligations, responsibilities and guarantees transited to the scope of Martifer Metallic Constructions - SGPS, S.A..

APRIL 2016

### Award of three hotel-ships to West Sea

West Sea was awarded with the constructions of three hotel ships to cruise the Douro River, two 79-metre ships with a 126-passenger capacity each and one 80-metre ship with a 112-passenger capacity. The conclusion of the ships is forecasted for the first quarter of 2017.

JUNE 2016

### Riyadh Metro – King Fahd Road Bridge

Having the FAST Consortium (formed by FCC, Samsung and Alstom) as a client, Martifer will participate in the construction of a 264-metre bridge, over Riyadh's main highway, which will represent a challenge regarding the assembly process. At total, 2,347 tonnes of steel structure will be produced and assembled.

### Merger of Martifer Construções with several companies of the same business segment

On 27<sup>th</sup> June, with the registry in the Commercial Register Office, the merger by incorporation of the companies Martifer Inovação e Gestão, S.A., Martifer Gestão de Investimentos, S.A., Nagatel Viseu – Promoção Imobiliária, S.A. and Gebox, S.A. in Martifer Construções Metalomecânicas, S.A. was materialised. With this merger, the incorporated companies were extinguished and all their assets, including rights, obligations, responsibilities and guarantees transited to the scope of Martifer Construções Metalomecânicas, S.A..

## **SUBSEQUENT EVENTS**

AUGUST 2016

### **Sale of 55 % share owned in Martifer Solar**

Signing of an agreement with Voltalia (French renewable energy company) for the sale of the 55 % share owned in Martifer Solar, S.A.. Through this agreement, Voltalia acquires 100 % of Martifer Solar, S.A. shares, excluding its subsidiaries in the USA, which will continue to be owned by the Martifer Group. The acquisition price, Equity Value, of 100 % of the shares is 9 million euros.





FINANCIAL  
PERFORMANCE

## 02 | FINANCIAL PERFORMANCE

## CONSOLIDATED RESULTS ANALYSIS

| M€  | JUN-16      | JUN-15       | VAR. %      |
|---|-------------|--------------|-------------|
| Revenues  | 106.8       | 134.4        | -21%        |
| <b>EBITDA</b>                                     | <b>4.4</b>  | <b>8.8</b>   | <b>-50%</b> |
| EBITDA Margin                                     | 4%          | 7%           | -2.5 pp     |
| Depreciation & Amortization                       | -5.6        | -6.8         | 17%         |
| Provisions & Impairment Losses                    | -0.7        | -0.6         | -14%        |
| <b>EBIT</b>                                       | <b>-1.9</b> | <b>1.4</b>   | <b>n.m.</b> |
| EBIT Margin                                       | -2%         | 1%           | -2.9 pp     |
| Financial Results                                 | 0.1         | -10.7        | n.m.        |
| Profit before taxes                               | -1.8        | -9.3         | 80%         |
| Income tax  | -1.2        | -0.7         | -74%        |
| <b>Profit after taxes of continued operations</b> | <b>-3.0</b> | <b>-10.0</b> | <b>70%</b>  |
| Discontinued operations' results                  | -3.7        | 0.1          | n.m.        |
| Attributable to non-controlling interests         | -1.7        | -0.2         | <-100%      |
| Attributable to shareholders                      | -1.9        | 0.2          | n.m.        |
| <b>Net profit</b>                                 | <b>-6.6</b> | <b>-9.9</b>  | <b>33%</b>  |
| Attributable to non-controlling interests         | -3.4        | -1.4         | <-100%      |
| Attributable to shareholders                      | -3.2        | -8.5         | 62%         |
| Earnings per share                                | 0.0         | -0.1         | 62%         |

## REVENUES

In the 1<sup>st</sup> half 2016, the total revenues reached 106.8 million euros (134.4 million euros in the 1<sup>st</sup> half 2015), 94 % of which from the Metallic Constructions segment and 6 % from the Renewables segment.

| REVENUES                     | JUN -16      |        | JUN -15      |        | VAR. (%)    |
|------------------------------|--------------|--------|--------------|--------|-------------|
|                              | M€           | WEIGHT | M€           | WEIGHT |             |
| <b>Martifer Consolidated</b> | <b>106.8</b> | 100%   | <b>134.4</b> | 100%   | <b>-21%</b> |
| Metallic Constructions       | 100.7        | 94%    | 127.0        | 94%    | -21%        |
| Renewables                   | 6.3          | 6%     | 7.1          | 6%     | -13%        |
| Other                        | -0.2         | 0%     | 0.3          | 0%     | n.m.        |

## EBITDA AND NET PROFIT

In the 1<sup>st</sup> half 2016, the EBITDA reached 4.4 million euros; the Renewables segment contributed in 2.4 million euros and the Metallic Constructions segment in 1.6 million euros.

| EBITDA                       | JUN -16    |           | JUN -15    |           | VAR. (%)    |
|------------------------------|------------|-----------|------------|-----------|-------------|
|                              | M€         | MARG.     | M€         | MARG.     |             |
| <b>Martifer Consolidated</b> | <b>4.4</b> | <b>4%</b> | <b>8.8</b> | <b>7%</b> | <b>-50%</b> |
| Metallic Constructions       | 1.6        | 2%        | 4.9        | 4%        | -68%        |
| Renewables                   | 2.4        | 39%       | 3.8        | 53%       | -37%        |
| Other                        | 0.4        |           | 0.0        | 5%        | n.m.        |

The consolidated financial results were positive in 0.1 million euros; to this result decisively contributed the Group's debt restructuring in 2015 and the sale to EDP of the Group's share in the company Greenvouga, as well as the additional receipt from the sale of Eviva Gizalki Sp. Zoo. (sold in 2015), showing a significant improvement when compared with the financial results in the 1<sup>st</sup> half 2015, which were negative in 10.7 million euros.

The consolidated net profit reached -6.6 million euros showing a 33 % improvement YoY (-9.9 million euros in the 1<sup>st</sup> half 2015).

| NET PROFIT                     | JUN -16     |             | JUN -15     |             | VAR. (%)   |
|--------------------------------|-------------|-------------|-------------|-------------|------------|
|                                | M€          | WEIGHT      | M€          | WEIGHT      |            |
| <b>Martifer Consolidated</b>   | <b>-6.6</b> | <b>100%</b> | <b>-9.9</b> | <b>100%</b> | <b>33%</b> |
| Metallic Constructions         | -6.0        | 90%         | -4.9        | 50%         | -22%       |
| Renewables                     | 4.1         | -62%        | 0.0         | 0%          | n.m.       |
| Solar* (discontinued activity) | -4.1        | 62%         | -0.3        | 3%          | <-100%     |
| Holding, other and adjust.     | -0.6        | 9%          | -4.7        | 47%         | 87%        |

\* Martifer Solar's consolidated net profit (the contribution to Martifer consolidated in the 1<sup>st</sup> half 2016 is -3.7 million euros, of which -1.9 million euros are attributable to shareholders). The difference is due to consolidation adjustments, included under "Holding, other and adjust."

## CAPEX

The amount of investment on fixed assets in the 1<sup>st</sup> half 2016 was 1.7 million euros, mainly resulting from the investment in the Renewables segment (1.3 million euros) in projects under development in Poland and in Brazil.

## CONSOLIDATED CAPITAL STRUCTURE ANALYSIS

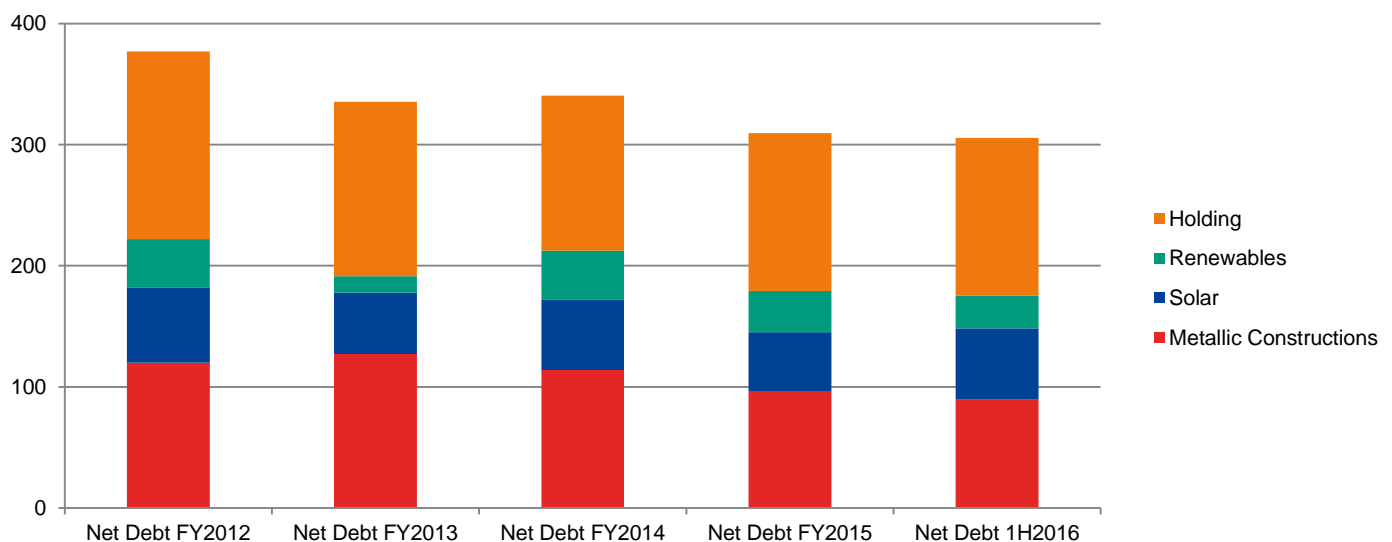
### FINANCIAL POSITION

| M€  | JUN-16       | DEC-15       | VAR. %      |
|---|--------------|--------------|-------------|
| Fixed Assets (including Goodwill)                                       | 153.0        | 163.0        | -6%         |
| Other non-current assets  | 78.5         | 76.0         | 3%          |
| Inventory and Receivables   | 193.9        | 179.3        | 8%          |
| Cash and cash equivalents   | 47.1         | 40.6         | 16%         |
| Non-current assets held for sale  | 121.9        | 147.7        | -17%        |
| <b>Total Assets</b>   | <b>594.4</b> | <b>606.6</b> | <b>-2%</b>  |
| Shareholders Equity   | 34.9         | 40.0         | -13%        |
| Non-controlling interests   | -28.6        | -26.5        | -8%         |
| Non-controlling interests related with non-current assets held for sale | -3.9         | -1.9         | <-100%      |
| <b>Total Equity</b>   | <b>2.3</b>   | <b>11.7</b>  | <b>-80%</b> |
| Non-current debt and leasings   | 281.5        | 286.1        | -2%         |
| Other non-current liabilities   | 30.1         | 32.6         | -8%         |
| Current debt and leasings   | 12.6         | 14.8         | -15%        |
| Other current liabilities   | 155.0        | 124.6        | 24%         |
| Liabilities related with non-current assets held for sale               | 112.9        | 137.0        | -18%        |
| <b>Total Liabilities</b>  | <b>592.1</b> | <b>595.0</b> | <b>0%</b>   |

The total assets registered a slight decrease when compared with the end of 2015, reaching 594.4 million euros, with the non-current assets totalling 231.5 million euros, an amount similar to the one registered at the end of the previous year.

The Equity on 30<sup>th</sup> June 2016 totalled 2.3 million euros which compares with 11.7 million euros on 31<sup>st</sup> December 2015. The equity was penalized by the period's negative net profit (-6.6 million euros) and by the strong unfavourable exchange differences (-1.6 million euros), as well as by other changes and variations in the perimeter. The Equity attributable to shareholders totals 34.9 million euros.

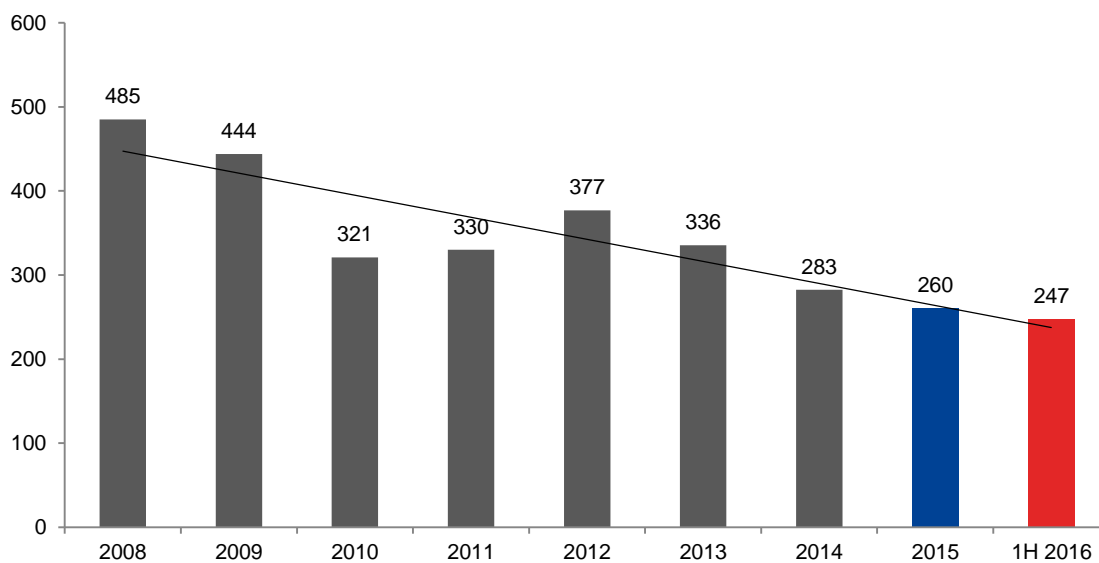
### NET DEBT




The Group's consolidated net debt (Borrowings + Financial Leases (+/-) Derivatives – Cash and Cash Equivalents) on 30<sup>th</sup> June 2016 totalled 247 million euros, showing a 13 million euros decrease when compared with the end of 2015. In 2014, the Group decided to sell Martifer Solar, classifying it as an asset held for sale (\*).

The Group continues focused on the net debt reduction process, so it will continue to be committed to selling non-core assets.

TREND OF CONSOLIDATED NET DEBT (M€)







ANALYSIS  
BY SEGMENT

## 03 | ANALYSIS BY SEGMENT

### METALLIC CONSTRUCTIONS

#### ACTIVITY

The order book at the end of the 1<sup>st</sup> half 2016 totalled 269 million euros and was spread throughout several countries in different geographical regions.

#### ORDER BOOK BY GEOGRAPHY

| GEOGRAPHY                             | TOTAL      | %           |
|---------------------------------------|------------|-------------|
| <b>Africa</b>                         | <b>72</b>  | <b>27%</b>  |
| Algeria                               | 36         | 13%         |
| Sub-Saharan Africa                    | 35         | 13%         |
| <b>Eastern Europe and Middle East</b> | <b>27</b>  | <b>10%</b>  |
| <b>Western Europe</b>                 | <b>170</b> | <b>63%</b>  |
| Metallic Constructions                | 83         | 31%         |
| Naval Industry                        | 88         | 33%         |
| <b>TOTAL</b>                          | <b>269</b> | <b>100%</b> |

#### RESULTS

The revenues in the Metallic Constructions segment in the 1<sup>st</sup> half 2016 re

ached 100.7 million euros; the revenues suffered a sharp reduction when compared with the same period of 2015 (127 million euros), mainly due to the sale of the companies in Brazil in 2015. The revenues of this segment remain focused on the foreign market and on the naval industry in Portugal.

The EBITDA in the 1<sup>st</sup> half 2016 was 1.6 million euros, showing a significant decrease when compared with the 1<sup>st</sup> half 2015, with Martifer Aluminium UK Limited showing the most significant decrease, with a 2.3 million euros negative variation.

The financial results totalled -4.3 million euros, with a 2 million euro improvement YoY. Despite the strong negative foreign exchange impact, with highlight to the companies in Angola, due to the Holding's debt restructuring, interest charges were much lower than in the 1<sup>st</sup> half 2015. The financial results continue to have a very significant role in the net profit for the period.

The net profit in the 1<sup>st</sup> half 2016 totalled -6 million euros, registering a negative variation YoY (-4.9 million euros).

The total capex in the 1<sup>st</sup> half 2016 was around 0.3 million euros, mainly related with the investment this segment has been performing in the shipbuilding area.

| M€  | JUN-16      | JUN-15      | VAR.%       |
|---|-------------|-------------|-------------|
| Revenues                                  | 100.7       | 127.0       | -21%        |
| <b>EBITDA</b>                             | <b>1.6</b>  | <b>4.9</b>  | <b>-68%</b> |
| EBITDA margin                             | 2%          | 4%          | -2.4 pp     |
| Depreciation & Amortization               | -2.6        | -3.2        | 19%         |
| Provisions & Impairment Losses            | 0.2         | 0.2         | 13%         |
| <b>EBIT</b>                               | <b>-0.8</b> | <b>1.9</b>  | <b>n.m.</b> |
| EBIT margin                               | -1%         | 2%          | -2.3 pp     |
| Financial Results                         | -4.3        | -6.3        | 32%         |
| Profit before taxes                       | -5.1        | -4.4        | -18%        |
| Income tax                                | -0.9        | -0.6        | -57%        |
| <b>Net Profit</b>                         | <b>-6.0</b> | <b>-4.9</b> | <b>-23%</b> |
| Attributable to non-controlling interests | 0.1         | 0.3         | -43%        |
| Attributable to shareholders              | -6.1        | -5.2        | -18%        |

## RENEWABLES

### ACTIVITY

Renewables acts as a developer of renewable energy, mainly in wind and solar PV projects. More than accumulating power in operation, Martifer Renewables' strategy is focused on the rigorous use of capital in the development and construction of projects, having implemented an asset rotation policy in projects under development, construction management, asset management and operation and maintenance (O&M).

### RESULTS

The Renewables' total revenues in the 1<sup>st</sup> half 2016 reached 6.3 million euros, which compares with 7.2 million euros YoY and results mainly from the activity in the Romanian wind farm and the solar parks in Spain, as well as the Operation and Maintenance activity.

The EBITDA reached 2.4 million euros in the 1<sup>st</sup> half 2016, showing a 14.9 pp decrease in the margin, due to the operational performance of the farms and parks in operation.

The net profit at the end of the 1<sup>st</sup> half 2016 was positive in 4.1 million euros, registering a significant improvement when compared with the same period of the previous year. This increase is justified mainly by the sale of Greenvouga to EDP and the additional receipt from the sale of Eviva Gizalki Sp. Zoo., which was sold in 2015.

The net debt at the end of the 1<sup>st</sup> half 2016 was 26.9 million euros.

| M€  | JUN-16      | JUN-15     | VAR.%       |
|---|-------------|------------|-------------|
| Revenues                                  | 6.3         | 7.2        | -13%        |
| <b>EBITDA</b>                             | <b>2.4</b>  | <b>3.8</b> | <b>-37%</b> |
| EBITDA margin                             | 39%         | 53%        | -14.9 pp    |
| Depreciation & Amortization               | -3.0        | -3.0       | 0%          |
| Provisions & Impairment Losses            | -0.3        | -0.8       | 57%         |
| <b>EBIT</b>                               | <b>-1.0</b> | <b>0.0</b> | <b>n.m.</b> |
| EBIT margin                               | -15%        | 0%         | -15.6 pp    |
| Financial Results                         | 5.4         | 0.1        | >100%       |
| Profit before taxes                       | 4.4         | 0.1        | >100%       |
| Income tax                                | -0.3        | -0.1       | <-100%      |
| <b>Net Profit</b>                         | <b>4.1</b>  | <b>0.0</b> | <b>n.m.</b> |
| Attributable to non-controlling interests | 0.0         | 0.0        | n.m.        |
| Attributable to shareholders              | 4.1         | 0.0        | n.m.        |

## SOLAR

In September 2014, the Group classified the solar business unit (consisting of Martifer Solar, SA and its subsidiaries) as a non current asset held for sale. This change resulted from the fact that Martifer is currently putting into action its plan to sell its economic interest (currently 55 %) in Martifer Solar.

Since the requirements of IFRS 5 are fulfilled, the contribution to Martifer's consolidated results, coming from this segment, is presented in an autonomous line in the Consolidated P&L and the values YoY were adjusted to allow comparison. The contribution of assets and liabilities of the operational unit classified as held for sale are also presented in separate lines from the Group's remaining consolidated assets and liabilities on 30<sup>th</sup> June 2016.

On 20<sup>th</sup> June 2016, Martifer SGPS, S.A., Public Company ("Martifer"), informed it was in negotiations with Voltalia (French renewable electricity generator Group) for the sale of the 55 % share held in Martifer Solar. In August, the sale of the share was materialised with the signature of the agreement between Martifer and Voltalia. The Voltalia Group is a player in the renewable energy sector; therefore, the transaction will ensure the continuation of Martifer Solar's business.

## ACTIVITY

The backlog of contracts (signed and in final stage of negotiation) totals 159 million euros for the three business areas of Martifer Solar (Development, EPC and O&M), with Africa representing around 78 % of the total amount.

| GEOGRAPHY    | TOTAL      | %           |
|--------------|------------|-------------|
| Africa       | <b>124</b> | <b>78%</b>  |
| America      | 1          | 1%          |
| Asia         | 14         | 9%          |
| Europe       | <b>20</b>  | <b>12%</b>  |
| <b>TOTAL</b> | <b>159</b> | <b>100%</b> |

## RESULTS


The Revenues in the 1<sup>st</sup> half 2016 registered an increase of around 16 % when compared with the 1<sup>st</sup> half 2015, totalling 45.2 million euros versus the 38.8 million euros registered in the same period of last year, justified mainly by the progress in the works of some projects currently under construction in Jordan and in the United Kingdom.

The EBITDA in the 1<sup>st</sup> half 2016 was 2.1 million euros with a margin of around -5 % versus 11 % in the 1<sup>st</sup> half 2015; this reduction is explained by the lower margins in projects when compared with 2015.

On the other hand, net financial results in the 1<sup>st</sup> half 2016, despite being negative in 1.9 million euros, registered an improvement in around 50 % when compared with the negative 3.8 million euros in the same period of the previous year. It is important to highlight the decrease registered in bank interests, as well as in financial exchange losses associated with the financial balances evaluated under foreign currencies.

The gross debt at the end of the 1<sup>st</sup> half 2016 reached 59.5 million euros, registering a favourable evolution when compared with the 61.1 million euros registered at the end of 2015.

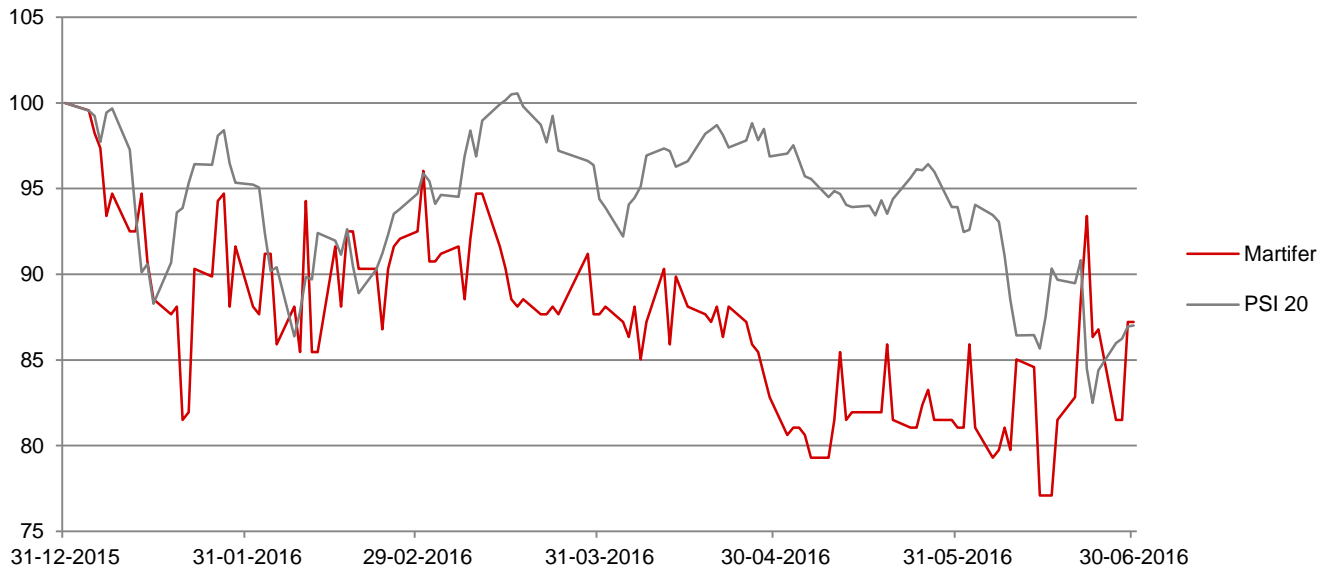
| M€  | JUN-16      | JUN-15      | VAR.%            |
|---|-------------|-------------|------------------|
| Revenues                                  | 45.2        | 38.8        | 16%              |
| <b>EBITDA</b>                             | <b>-2.1</b> | <b>4.2</b>  | <b>n.m.</b>      |
| EBITDA margin                             | -5%         | 11%         | -15.6 pp         |
| Depreciation & Amortization               | -1.1        | -1.4        | 21%              |
| Provisions & Impairment Losses            | 0.6         | 0.8         | -26%             |
| <b>EBIT</b>                               | <b>-2.6</b> | <b>3.7</b>  | <b>n.m.</b>      |
| EBIT margin                               | -6%         | 9%          | -15.2 pp         |
| Financial Results                         | -1.9        | -3.8        | 50%              |
| Profit before taxes                       | -4.5        | -0.2        | <-100%           |
| Income tax                                | 0.4         | -0.1        | n.m.             |
| <b>Net Profit</b>                         | <b>-4.1</b> | <b>-0.3</b> | <b>&lt;-100%</b> |
| Attributable to non-controlling interests | -0.2        | -0.4        | 38%              |
| Attributable to shareholders              | -3.9        | 0.1         | n.m.             |



MARTIFER  
SHARE  
PERFORMANCE

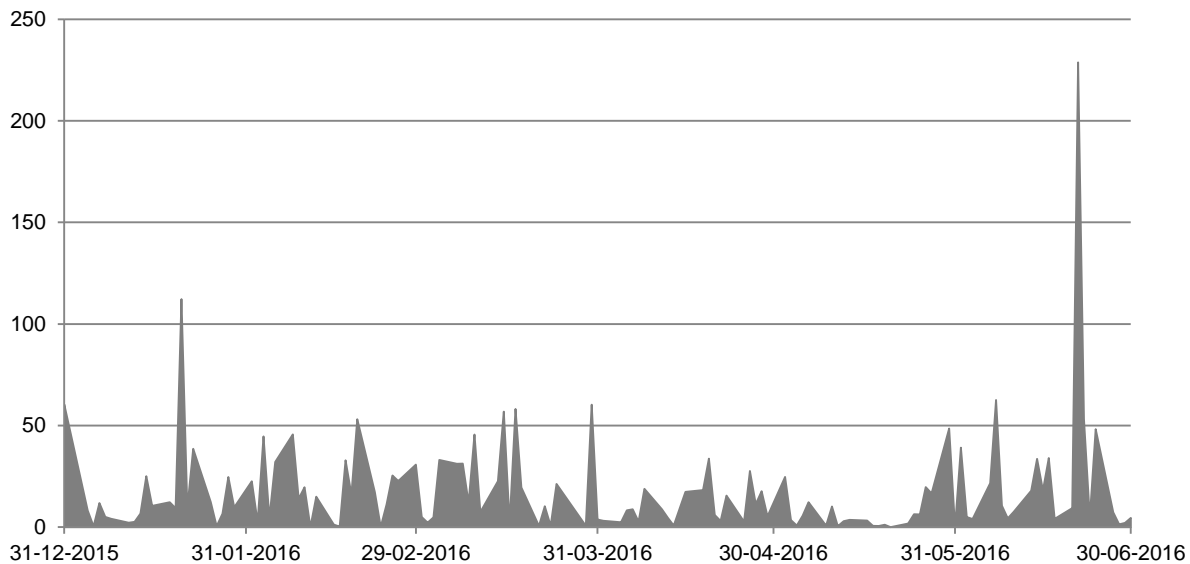
## 04 | MARTIFER SHARE PRICE PERFORMANCE

### SHARE PRICE TREND



Source: Reuters

### TRADED VOLUME ('000 shares)



Source: Reuters

The performance of stock markets in the 1<sup>st</sup> half 2016 was overall marked by Europe's volatility, with difficulties in the Southern countries' banking sector and with the "Brexit".

Portugal was no exception, with most of the listed companies in Lisbon on negative ground, with highlight to the banking sector, strongly penalized.

During the 1<sup>st</sup> half 2016 Martifer's share value decreased, showing a devaluation in around 13 %, in line with the performance of the PSI-20.

Martifer's share price closed the 1<sup>st</sup> half 2016 at 0.198 €/share. The maximum price achieved was 0.226 €/share and the minimum was 0.175 €/share.

The average daily volume of shares traded during the 1<sup>st</sup> half 2016 was 17,166 shares, significantly below the average shares traded in the 1<sup>st</sup> half 2015, which was around 90,283 shares.

Martifer's market value on 30<sup>th</sup> June 2016 was 19.8 million euros.





FUTURE  
PROSPECTS

## 05 | FUTURE PROSPECTS

The Group remains focused on the goals defined for 2016:

- to reinforce the international presence, with focus on core geographies and attractive opportunities in markets profitable above average;
- to reinforce the order book in the Naval and Aluminium areas and the asset rotation strategy in the Renewables segment;
- to reduce indebtedness through the sale of non-core assets;
- to resize and adequate the structure in all geographies where we are present;
- to improve processes and operational efficiency.

The estimates of low growth and recessions in countries worldwide are being confirmed; therefore, 2016 is being a difficult and challenging year, but we believe that the defined strategy will allow us to overcome the difficulties and reach an improvement in the Group's profitability.

Oliveira de Frades, 25<sup>th</sup> August 2016

The Board of Directors,

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Carlos Manuel Marques Martins  
(Chairman of the Board of Directors)

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Jorge Alberto Marques Martins  
(Vice-Chairman of the Board of Directors)

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Pedro Nuno Cardoso Abreu Moreira  
(Member of the Board of Directors)

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Arnaldo José Nunes da Costa Figueiredo  
(Member of the Board of Directors)

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Jorge Bento Ribeiro Barbosa Farinha  
(Member of the Board of Directors)

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Luís Valadares Tavares  
(Member of the Board of Directors)



# MANDATORY INFORMATION





## MANDATORY INFORMATION

### SHAREHOLDINGS OF THE MEMBERS OF THE MANAGEMENT AND SUPERVISORY BODIES

In accordance with articles 447 and 448 of the Portuguese Companies Code, the securities issued by Martifer SGPS, SA and companies dominated by it, held by members of the governing bodies in the period from 1<sup>st</sup> January 2016 through to 30<sup>th</sup> June 2016, are the following:

| HOLDER                                 | GOVERNING BODY   | NO. SHARES HELD ON 30/06/2015 |
|--|--|-------------------------------|
| Carlos Manuel Marques Martins*         | Board of Directors                                     | 420,542                       |
| Jorge Alberto Marques Martins          | Board of Directors                                     | 230,260                       |
| I'M – SGPS, S.A. **                    | Board of Directors                                     | 42,405,689                    |
| Arnaldo José Nunes da Costa Figueiredo | Board of Directors                                     | 3,000                         |
| MOTA-ENGIL, SGPS, S.A. ***             | Board of Directors                                     | 37,500,000                    |
| Luis Valadares Tavares                 | Board of Directors                                     | -                             |
| Jorge Bento Ribeiro Barbosa Farinha    | Board of Directors                                     | -                             |
| Pedro Nuno Cardoso Abreu Moreira       | Board of Directors                                     | -                             |
| Américo Agostinho Martins Pereira      | Supervisory Board                                      | -                             |
| Carlos Alberto da Silva e Cunha        | Supervisory Board                                      | -                             |
| Paulo Sérgio Jesus das Neves           | Supervisory Board                                      | -                             |
| António Baia Engana                    | Supervisory Board                                      | -                             |
| Hermínio António Paulos Afonso         | Statutory Auditor, representing PricewaterhouseCoopers | -                             |
| José Joaquim Neiva Nunes de Oliveira   | General Meeting  | -                             |
| Luis Leitão Marques Vale Lima          | General Meeting  | -                             |
| Luis Neiva Nunes de Oliveira           | General Meeting  | -                             |

\* Shares held by the company Black & Blue Investimentos, S.A. (Carlos Manuel Marques Martins is a board member in this company and, together with his household, are sole shareholders)

\*\* Directors Carlos Manuel Marques Martins and Jorge Alberto Marques Martins are holders of the share capital of I'M SGPS, SA and are, respectively, its Chairman of the Board of Directors and Director

\*\* Director Arnaldo José Nunes da Costa Figueiredo is a Director of MOTA-ENGIL, SGPS, S.A.

### EVENTS DESCRIBED IN ARTICLE 447 OF THE PORTUGUESE COMPANIES CODE

| NAME OF THE MEMBER OF THE GOVERNING BODY | GOVERNING BODY     | NO. SHARES HELD ON 30/06/2016 |
|--|--------------------|-------------------------------|
| Carlos Manuel Marques Martins            | Board of Directors | 420,542                       |
| Jorge Alberto Marques Martins            | Board of Directors | 230,260                       |
| Pedro Nuno Cardoso Abreu Moreira         | Board of Directors | -                             |
| Arnaldo Nunes da Costa Figueiredo        | Board of Directors | 3,000                         |
| Luis António de Valadares Tavares        | Board of Directors | -                             |
| Jorge Bento Ribeiro Barbosa Farinha      | Board of Directors | -                             |
| Carlos Alberto da Silva e Cunha          | Supervisory Board  | -                             |
| Américo Agostinho Martins Pereira        | Supervisory Board  | -                             |
| Paulo Sérgio Jesus das Neves             | Supervisory Board  | -                             |
| António Baia Engana                      | Supervisory Board  | -                             |



Directors Carlos Manuel Marques Martins and Jorge Alberto Marques Martins, respectively Chairman and Vice-Chairman of the Board of Directors, besides the shares held as described above, are sole equal shareholders of I'M SGPS, SA, that on 30<sup>th</sup> June 2016 held a total of 42,405,689 shares of Martifer SGPS, S.A..

#### Transactions by the members of the governing bodies in the 1<sup>st</sup> half 2016:

During the 1<sup>st</sup> half 2016 no transactions were carried out by the members of the governing bodies.

## HOLDERS OF QUALIFYING SHAREHOLDINGS

According to paragraph b) of article 8 of CMVM regulation number 5/2008, and fulfilling article 448 of the Portuguese Companies Code, the following is the list of qualifying shareholders, with an indication of the number of shares and percentage of voting rights held, calculated according to article 20 of the Securities Code (CMVM), as of 30<sup>th</sup> June 2016:

| SHAREHOLDERS                                   | NO. OF SHARES     | % OF SHARE CAPITAL | % OF VOTING RIGHTS <sup>1</sup> |
|--|-------------------|--------------------|---------------------------------|
| <b>I'M – SGPS, SA</b>                          | <b>42,405,689</b> | <b>42.41%</b>      | <b>43.37%</b>                   |
| Carlos Manuel Marques Martins*                 | 420,542           | 0.42%              | 0.43%                           |
| Jorge Alberto Marques Martins*                 | 230,260           | 0.23%              | 0.24%                           |
| <b>Total Imputable to I'M – SGPS, SA</b>       | <b>43,056,491</b> | <b>43.06%</b>      | <b>44.03%</b>                   |
| <b>Mota-Engil – SGPS, SA</b>                   | <b>37,500,000</b> | <b>37.50%</b>      | <b>38.35%</b>                   |
| Arnaldo José Nunes da Costa Figueiredo **      | 3,000             | 0.00%              | 0.00%                           |
| <b>Total Imputable to Mota-Engil, SGPS, SA</b> | <b>37,503,000</b> | <b>37.50%</b>      | <b>38.35%</b>                   |

<sup>1</sup> % Voting rights = Number shares / (Total no. of shares – Own shares)

\* Holder of a position in the Governing Bodies of I'M SGPS, SA

\*\* Holder of a position in the Governing Bodies of Mota-Engil SGPS, SA



## **STATEMENT OF COMPLIANCE ACCORDING TO ARTICLE 246, NUMBER 1, PARAGRAPH C) OF THE SECURITIES CODE (CMVM)**

(Free translation from the original in Portuguese)

Dear Shareholders,

According to article 246, number 1, paragraph c) of the Securities Code (CMVM) and to the best of our knowledge:

(i) the information contained in the consolidated management report faithfully reports the evolution of trading, the performance and the position of Martifer SGPS, SA and of the companies in its consolidation perimeter and contains a description of the main risks and uncertainties facing its business; and

(ii) the information contained in its financial statements and accompanying notes was prepared in accordance with the applicable accounting practices, giving a true and fair view of the assets, liabilities, financial position and financial results of Martifer SGPS, SA and of the companies included in its consolidation perimeter

Oliveira de Frades, 25<sup>th</sup> August 2015

The Board of Directors,

---

Carlos Manuel Marques Martins  
(Chairman of the Board of Directors)

---

Jorge Alberto Marques Martins  
(Vice-Chairman of the Board of Directors)

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Pedro Nuno Cardoso Abreu Moreira  
(Member of the Board of Directors)

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Arnaldo José Nunes da Costa Figueiredo  
(Member of the Board of Directors)

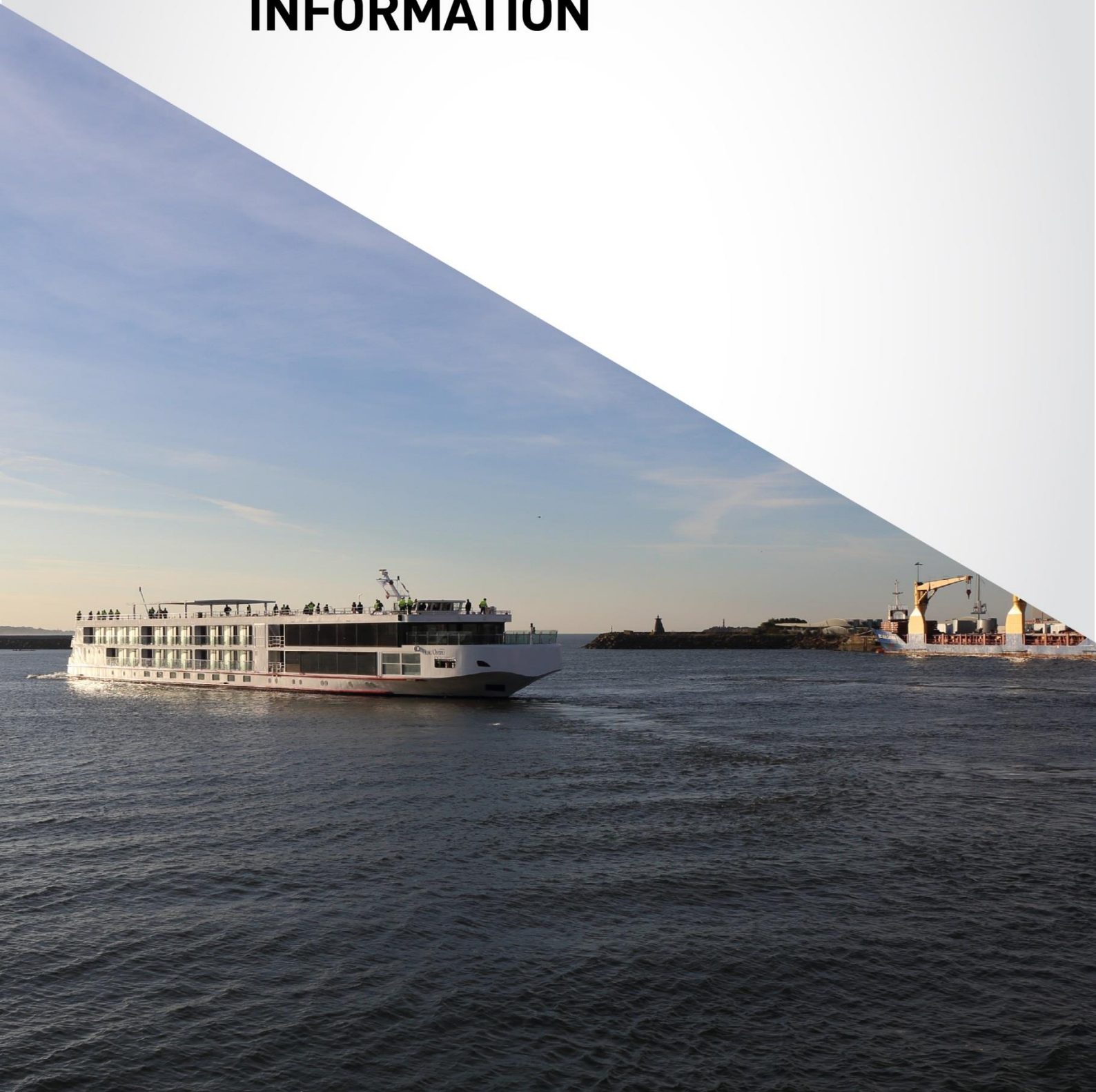
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Jorge Bento Ribeiro Barbosa Farinha  
(Member of the Board of Directors)

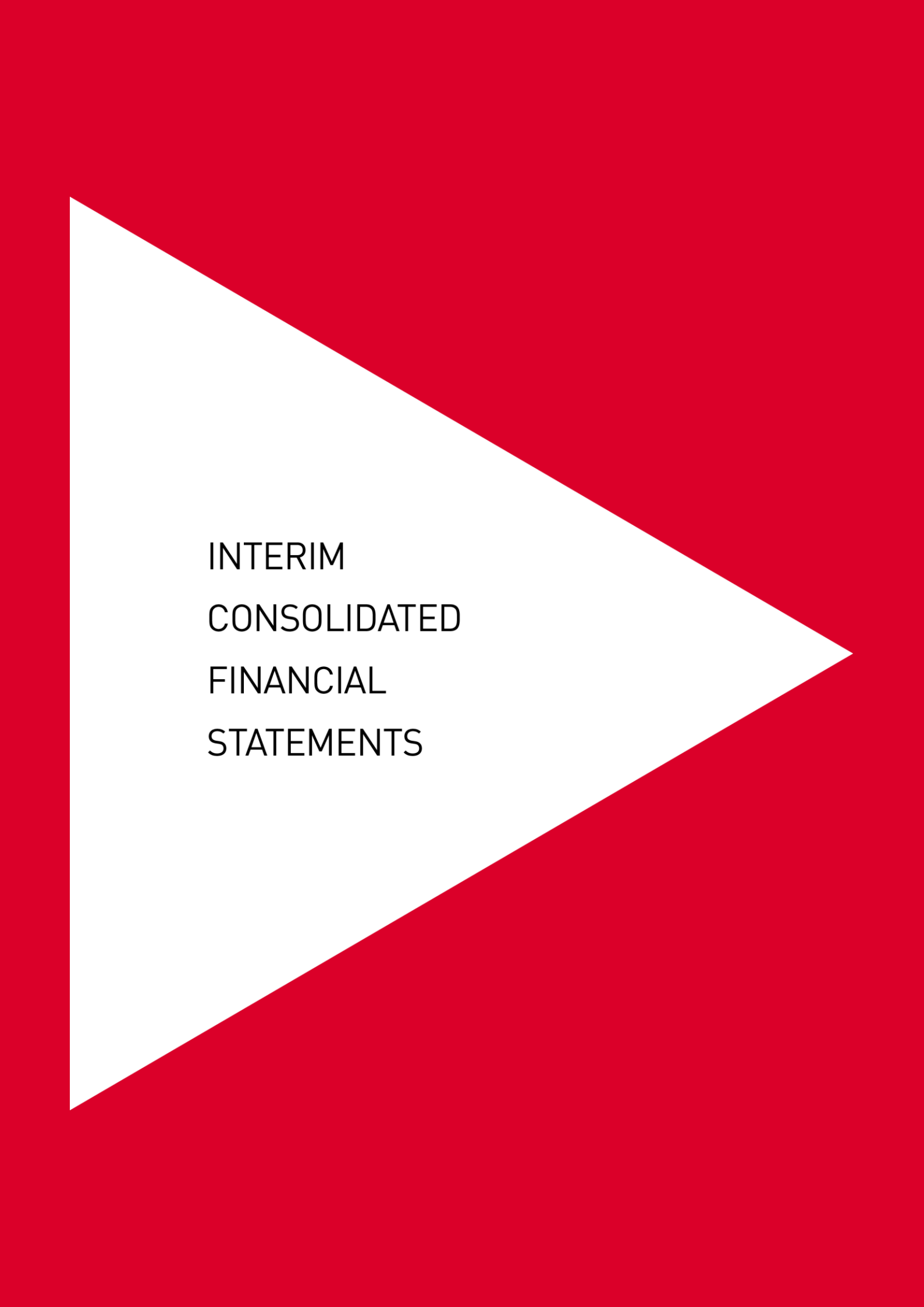
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Luís Valadares Tavares  
(Member of the Board of Directors)

**INTERIM  
CONSOLIDATED  
FINANCIAL  
INFORMATION**







INTERIM  
CONSOLIDATED  
FINANCIAL  
STATEMENTS

## 06 | INTERIM CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENTS FOR THE 1<sup>ST</sup> HALF 2016 AND 2015 AND FOR THE 2<sup>ND</sup> QUARTERS OF 2015 AND OF 2014

(amounts expressed in Euro)

(The translation of the consolidated financial statements was originally issued in Portuguese - Note 31)

|  | NOTES     | 1 <sup>ST</sup> HALF 2016<br>(NON-AUDITED) | 1 <sup>ST</sup> HALF 2015<br>(NON-AUDITED) | 2 <sup>ND</sup> QUARTER<br>2016<br>(NON-AUDITED) | 2 <sup>ND</sup> QUARTER<br>2015<br>(NON-AUDITED) |
|--|-----------|--|--|--|--|
| Sales and services rendered                                    | 3 e 4     | 97,833,797                                 | 123,808,925                                | 51,465,394                                       | 66,124,495                                       |
| Other income   | 5         | 8,923,353                                  | 10,617,708                                 | 6,299,351  | 4,825,598  |
| Cost of goods sold   | 6         | (27,622,399)                               | (36,828,346)                               | (14,175,164)                                     | (19,167,718)                                     |
| Subcontractors   | 7         | (28,609,206)                               | (29,924,328)                               | (15,587,836)                                     | (19,107,390)                                     |
| External supplies and services                                 | 8         | (18,921,733)                               | (27,377,750)                               | (11,111,485)                                     | (13,518,767)                                     |
| Staff costs  | 9         | (19,534,193)                               | (28,701,354)                               | (9,695,684)                                      | (14,639,124)                                     |
| Other expenses   | 10        | (7,666,344)                                | (2,810,536)                                | (4,782,650)                                      | (1,174,802)                                      |
|  | <b>3</b>  | <b>4,403,275</b>                           | <b>8,784,319</b>                           | <b>2,411,926</b>                                 | <b>3,342,292</b>                                 |
| Amortizations  | 3         | (5,649,377)                                | (6,786,562)                                | (2,836,489)                                      | (3,326,638)                                      |
| Provisions   | 11        | 2,533,696                                  | (477,463)                                  | 2,244,086  | (373,705)  |
| Impairment losses  | 11        | (3,184,689)                                | (91,516)                                   | (3,214,650)                                      | 34,112   |
|  | <b>3</b>  | <b>(1,897,095)</b>                         | <b>1,428,778</b>                           | <b>(1,395,127)</b>                               | <b>(323,939)</b>                                 |
| Financial income   | 12        | 6,748,798                                  | 3,204,473                                  | 470,830  | 966,912  |
| Financial expenses   | 12        | (6,404,384)                                | (13,905,535)                               | (553,763)  | (7,214,699)                                      |
| Gains / (losses) on associate companies and joint arrangements | 13        | (262,351)                                  | (12,854)                                   | (114,990)  | (350,429)  |
| <b>Profit before tax of continued operational units</b>        |           | <b>(1,815,032)</b>                         | <b>(9,285,138)</b>                         | <b>(1,593,050)</b>                               | <b>(6,922,155)</b>                               |
| Income tax   | 14        | (1,173,561)                                | (675,194)                                  | (1,048,385)                                      | (428,694)  |
| <b>Profit after tax of continued operational units</b>         |           | <b>(2,988,593)</b>                         | <b>(9,960,332)</b>                         | <b>(2,641,435)</b>                               | <b>(7,350,849)</b>                               |
| <b>Discontinued activities' result</b>                         | <b>20</b> | <b>(3,656,285)</b>                         | <b>64,729</b>                              | <b>(1,650,470)</b>                               | <b>43,972</b>                                    |
| Attributable to:   |           |  |  |  |  |
| non-controlling interests                                      | 20        | (1,723,133)                                | (157,165)                                  | (809,863)  | (156,615)  |
| owners of Martifer   | 20        | (1,933,152)                                | 221,894                                    | (840,607)  | 200,588  |
| <b>Profit for the period</b>                                   | <b>3</b>  | <b>(6,644,879)</b>                         | <b>(9,895,603)</b>                         | <b>(4,291,905)</b>                               | <b>(7,306,876)</b>                               |
| Attributable to:   |           |  |  |  |  |
| non-controlling interests                                      | 21        | (3,406,016)                                | (1,379,889)                                | (1,690,038)                                      | (1,477,116)                                      |
| owners of Martifer   |           | (3,238,863)                                | (8,515,714)                                | (2,601,869)                                      | (5,829,760)                                      |
| Earnings per share:  | 15        |  |  |  |  |
| basic and diluted  |           | (0.0331)                                   | (0.0871)                                   | (0.0266)   | (0.0871)   |
| from continuing operations                                     |           | (0.0134)                                   | (0.0894)                                   | (0.0180)   | (0.0617)   |
| from discontinued operations                                   |           | (0.0198)                                   | 0.0023                                     | (0.0086)   | 0.0021   |

**Note:** In September 2014, the Group started to classify the solar business unit (composed of Martifer Solar, SA and its subsidiaries) as a non-current asset held for sale. Since the requirements of IFRS 5 were fulfilled, the contribution to Martifer's consolidated results coming from this segment are presented in an autonomous line in the Consolidated Income statement and the values YoY were adjusted to allow comparison. The breakdown of these contributions is included in the Notes to Consolidated Financial Statements (Note 20).

The accompanying notes are part of these financial statements

## CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE 1<sup>ST</sup> HALF 2016 AND 2015 AND FOR THE 2<sup>ND</sup> QUARTERS OF 2016 AND OF 2015

(amounts expressed in Euro)

(The translation of the consolidated financial statements was originally issued in Portuguese - Note 31)

|   | 1 <sup>ST</sup> HALF 2016<br>(NON-AUDITED) | 1 <sup>ST</sup> HALF 2015<br>(NON-AUDITED) | 2 <sup>ND</sup> QUARTER<br>2016<br>(NON-AUDITED) | 2 <sup>ND</sup> QUARTER<br>2015<br>(NON-AUDITED) |
|---|--|--|--|--|
| Profit for the year   | (6,644,879)                                | (9,895,603)                                | (4,291,905)                                      | (7,306,876)                                      |
| Fair value of cash flow hedges (derivatives), net of tax  | (36,245)                                   | 135,945                                    | (19,652)   | 83,858   |
| Exchange differences arising from (i) translating foreign operations;<br>(ii) net investment in subsidiaries and (iii) goodwill | (1,552,399)                                | (2,063,311)                                | 510,793  | (3,207,366)                                      |
| Income recognized directly in equity  | (1,588,645)                                | (1,927,366)                                | 491,141  | (3,123,508)                                      |
| <b>Total comprehensive income for the period</b>  | <b>(8,233,524)</b>                         | <b>(11,822,969)</b>                        | <b>(3,800,765)</b>                               | <b>(10,430,384)</b>                              |
| Attributable to:  |  |  |  |  |
| non-controlling interests   | (4,092,079)                                | (2,186,798)                                | (1,381,726)                                      | (1,908,441)                                      |
| owners of Martifer  | (4,141,445)                                | (9,636,171)                                | (2,419,039)                                      | (8,521,942)                                      |
| <b>Total comprehensive income for the period</b>  |  |  |  |  |
| from continued operations   | (4,352,635)                                | (10,140,727)                               | (2,567,406)                                      | (8,246,271)                                      |
| from discontinued operations  | (3,880,889)                                | (1,682,242)                                | (1,233,359)                                      | (2,184,113)                                      |

**Note:** In September 2014, the Group started to classify the solar business unit (composed of Martifer Solar, SA and its subsidiaries) as a non-current asset held for sale. Since the requirements of IFRS 5 were fulfilled, the contribution to Martifer's consolidated results coming from this segment are presented in an autonomous line in the Consolidated Income statement and the values YoY were adjusted to allow comparison. The breakdown of these contributions is included in the Notes to Consolidated Financial Statements (Note 20).

The accompanying notes are part of these financial statements

## CONSOLIDATED STATEMENTS OF THE FINANCIAL POSITION ON 30<sup>TH</sup> JUNE 2016 AND ON 31<sup>ST</sup> DECEMBER 2015

(amounts expressed in Euro)

(The translation of the consolidated financial statements was originally issued in Portuguese - Note 31)

|  | NOTES    | 30 <sup>TH</sup> JUNE 2016<br>(NON-AUDITED) | 31 <sup>ST</sup> DECEMBER 2015 |
|--|----------|---|--------------------------------|
| <b>ASSETS</b>  |          |   |                                |
| Non-current assets   |          |   |                                |
| Goodwill   |          | 10,980,675                                  | 10,980,675                     |
| Intangible assets  |          | 2,521,555                                   | 2,904,590                      |
| Tangible assets  |          | 139,538,363                                 | 149,147,425                    |
| Investment property  |          | 25,555,122                                  | 25,951,708                     |
| Financial assets under the equity method                                   | 16       | 7,648,839                                   | 3,150,644                      |
| Available for sale investments   | 17       | 5,582,643                                   | 4,266,234                      |
| Other non-current receivables  | 18       | 33,971,721                                  | 36,662,933                     |
| Deferred tax assets  |          | 5,715,789                                   | 5,942,206                      |
|  |          | <b>231,514,708</b>                          | <b>239,006,415</b>             |
| Current assets   |          |   |                                |
| Inventories  |          | 10,720,450                                  | 8,657,442                      |
| Trade receivables  | 18       | 83,153,998                                  | 74,986,130                     |
| Other receivables  | 18       | 54,983,580                                  | 52,761,111                     |
| Income tax   |          | 531,217                                     | 1,029,684                      |
| Current tax assets   |          | 4,988,733                                   | 5,872,971                      |
| Other current assets   | 19       | 39,542,409                                  | 36,029,340                     |
| Cash and cash equivalents  |          | 47,052,564                                  | 40,549,549                     |
| Derivatives  |          | 3,221                                       | 31,114                         |
| Non-current Assets held for sale   | 20       | 121,907,975                                 | 147,707,342                    |
|  |          | <b>362,884,148</b>                          | <b>367,624,683</b>             |
| <b>Total assets</b>  | <b>3</b> | <b>594,398,856</b>                          | <b>606,631,099</b>             |
| <b>EQUITY</b>  |          |   |                                |
| Issued capital   | 21       | 50,000,000                                  | 50,000,000                     |
| Share premium  |          | 186,500,000                                 | 186,500,000                    |
| Treasury stock   |          | (2,868,519)                                 | (2,868,519)                    |
| Reserves   |          | (195,537,601)                               | (193,099,200)                  |
| Profit for the year  |          | (3,238,863)                                 | (482,490)                      |
| <b>Equity attributable to owners of Martifer</b>                           |          | <b>34,855,017</b>                           | <b>40,049,791</b>              |
| Non-controlling interests  | 21       | (28,614,359)                                | (26,500,022)                   |
| Non-controlling interests attributable to non-current assets held for sale | 20, 21   | (3,930,080)                                 | (1,877,184)                    |
| <b>Total equity</b>  |          | <b>2,310,578</b>                            | <b>11,672,584</b>              |
| <b>LIABILITIES</b>   |          |   |                                |
| Non-current liabilities  |          |   |                                |
| Borrowings   | 22       | 268,663,456                                 | 275,818,851                    |
| Obligations under finance leases   |          | 12,883,858                                  | 10,235,296                     |
| Other non-current liabilities  | 23       | 11,213,925                                  | 11,667,063                     |
| Provisions   | 24       | 17,937,400                                  | 19,973,592                     |
| Deferred tax liabilities   |          | 916,169                                     | 916,299                        |
|  |          | <b>311,614,808</b>                          | <b>318,611,101</b>             |
| Current liabilities  |          |   |                                |
| Borrowings   | 22       | 12,194,035                                  | 13,828,525                     |
| Obligation under finance leases  |          | 420,781                                     | 988,858                        |
| Trade payables   | 23       | 64,811,238                                  | 61,211,154                     |
| Other payables   | 23       | 33,314,436                                  | 16,550,243                     |
| Income tax   |          | 2,241,363                                   | 2,257,208                      |
| Current tax liabilities  |          | 3,281,007                                   | 2,972,076                      |
| Other current liabilities  | 25       | 51,349,241                                  | 41,559,999                     |
| Liabilities related to non-current assets held for sale                    | 20       | 112,861,370                                 | 136,979,351                    |
|  |          | <b>280,473,471</b>                          | <b>276,347,414</b>             |
| <b>Total liabilities</b>   | <b>3</b> | <b>592,088,279</b>                          | <b>594,958,514</b>             |
| <b>Total equity and liabilities</b>  |          | <b>594,398,856</b>                          | <b>606,631,099</b>             |

The accompanying notes are part of these financial statements

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE 6 MONTH PERIODS ENDED ON 30<sup>TH</sup> JUNE OF 2016 AND OF 2015**

(amounts expressed in Euro)

(The translation of the consolidated financial statements was originally issued in Portuguese - Note 31)

|  | ISSUED CAPITAL    | SHARE PREMIUM      | TREASURY STOCK     | FAIR VALUE RESERVES |                 | FOREIGN CURRENCY TRANSLATION RESERVES | OTHER RESERVES       | NET PROFIT         | EQUITY ATTRIBUTABLE TO OWNERS OF THE PARENT | NON-CONTROLLING INTERESTS | TOTAL EQUITY        |
|--|-------------------|--------------------|--------------------|---------------------|-----------------|---------------------------------------|----------------------|--------------------|---|---------------------------|---------------------|
|  |                   |                    |                    | CASH FLOW HEDGE     | DERIVATIVES     |                                       |                      |                    |   |                           |                     |
| Balance on 1 <sup>st</sup> January 2015  | 50,000,000        | 186,500,000        | (2,868,519)        |                     | 4,004           | (19,282,953)                          | (80,526,421)         | (93,535,824)       | 40,290,287                                  | (24,942,297)              | 15,347,990          |
| Appropriation of the profit of 2014  | -                 | -                  | -                  |                     |                 |                                       | (93,535,824)         | 93,535,824         | -   | -                         | -                   |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD:</b>  |                   |                    |                    |                     |                 |                                       |                      |                    |   |                           |                     |
| Profit for the period  | -                 | -                  | -                  |                     | -               | -                                     | -                    | (8,515,714)        | (8,515,714)                                 | (1,379,889)               | (9,895,603)         |
| Exchange differences arising from (i) translating foreign operations and (ii) net investment in subsidiaries | -                 | -                  | -                  |                     | -               | (1,232,833)                           | -                    | -                  | (1,232,833)                                 | (849,267)                 | (2,082,100)         |
| Goodwill in foreign currency   | -                 | -                  | -                  |                     | -               | 10,334                                | -                    | -                  | 10,334                                      | 8,455                     | 18,789              |
| Other changes in equity of subsidiaries  | -                 | -                  | -                  |                     | 102,042         | -                                     | -                    | -                  | 102,042                                     | 33,903                    | 135,945             |
| <b>Total comprehensive income for the period</b>   | <b>-</b>          | <b>-</b>           | <b>-</b>           |                     | <b>102,042</b>  | <b>(1,222,499)</b>                    | <b>-</b>             | <b>(8,515,714)</b> | <b>(9,636,171)</b>                          | <b>(2,186,798)</b>        | <b>(11,822,969)</b> |
| Capital increase in subsidiaries   | -                 | -                  | -                  |                     | -               | -                                     | -                    | -                  | -   | 957,988                   | 957,988             |
| Other changes in equity of subsidiaries  | -                 | -                  | -                  |                     | -               | -                                     | 1,183,816            | -                  | 1,183,816                                   | 9,090                     | 1,192,906           |
| Changes in the Consolidation perimeter   | -                 | -                  | -                  |                     | -               | -                                     | 164,637              | -                  | 164,637                                     | (39,477)                  | 125,160             |
| Non-controlling interests transactions   | -                 | -                  | -                  |                     | -               | -                                     | (17,117)             | -                  | (17,117)                                    | 17,062                    | (55)                |
| <b>Balance on 30<sup>th</sup> June 2015</b>  | <b>50,000,000</b> | <b>186,500,000</b> | <b>(2,868,519)</b> |                     | <b>106,046</b>  | <b>(20,505,452)</b>                   | <b>(172,730,909)</b> | <b>(8,515,714)</b> | <b>31,985,451</b>                           | <b>(26,184,432)</b>       | <b>5,801,019</b>    |
| Balance on 1 <sup>st</sup> January 2016  | 50,000,000        | 186,500,000        | (2,868,519)        |                     | 21,038          | (21,860,588)                          | (171,259,650)        | (482,490)          | 40,049,791                                  | (28,377,206)              | 11,672,585          |
| Appropriation of the profit of 2015  | -                 | -                  | -                  |                     | -               | -                                     | (482,490)            | 482,490            | -   | -                         | -                   |
| <b>COMPREHENSIVE INCOME FOR THE PERIOD:</b>  |                   |                    |                    |                     |                 |                                       |                      |                    |   |                           |                     |
| Profit for the period  | -                 | -                  | -                  |                     | -               | -                                     | -                    | (3,238,863)        | (3,238,863)                                 | (3,406,016)               | (6,644,879)         |
| Exchange differences arising from (i) translating foreign operations and (ii) net investment in subsidiaries | -                 | -                  | -                  |                     | -               | (905,549)                             | -                    | -                  | (905,549)                                   | (698,633)                 | (1,604,183)         |
| Goodwill in foreign currency   | -                 | -                  | -                  |                     | -               | 28,481                                | -                    | -                  | 28,481                                      | 23,303                    | 51,784              |
| Other changes in equity of subsidiaries  | -                 | -                  | -                  |                     | (25,514)        | -                                     | -                    | -                  | (25,514)                                    | (10,732)                  | (36,245)            |
| <b>Total comprehensive income for the period</b>   | <b>-</b>          | <b>-</b>           | <b>-</b>           |                     | <b>(25,514)</b> | <b>(877,068)</b>                      | <b>-</b>             | <b>(3,238,863)</b> | <b>(4,141,445)</b>                          | <b>(4,092,079)</b>        | <b>(8,233,524)</b>  |
| Other changes in equity of subsidiaries  | -                 | -                  | -                  |                     | -               | -                                     | (475,353)            | -                  | (475,353)                                   | (11,725)                  | (487,077)           |
| Changes in the Consolidation perimeter   | -                 | -                  | -                  |                     | -               | -                                     | (577,977)            | -                  | (577,977)                                   | (63,430)                  | (641,407)           |
| <b>Balance on 30<sup>th</sup> June 2016</b>  | <b>50,000,000</b> | <b>186,500,000</b> | <b>(2,868,519)</b> |                     | <b>(4,476)</b>  | <b>(22,737,656)</b>                   | <b>(172,312,980)</b> | <b>(3,721,353)</b> | <b>34,855,017</b>                           | <b>(32,544,439)</b>       | <b>2,310,578</b>    |

The accompanying notes are part of these financial statements

## CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE 1<sup>ST</sup> HALF OF 2016 AND 2015 AND FOR THE 2<sup>ND</sup> QUARTERS OF 2016 AND OF 2015

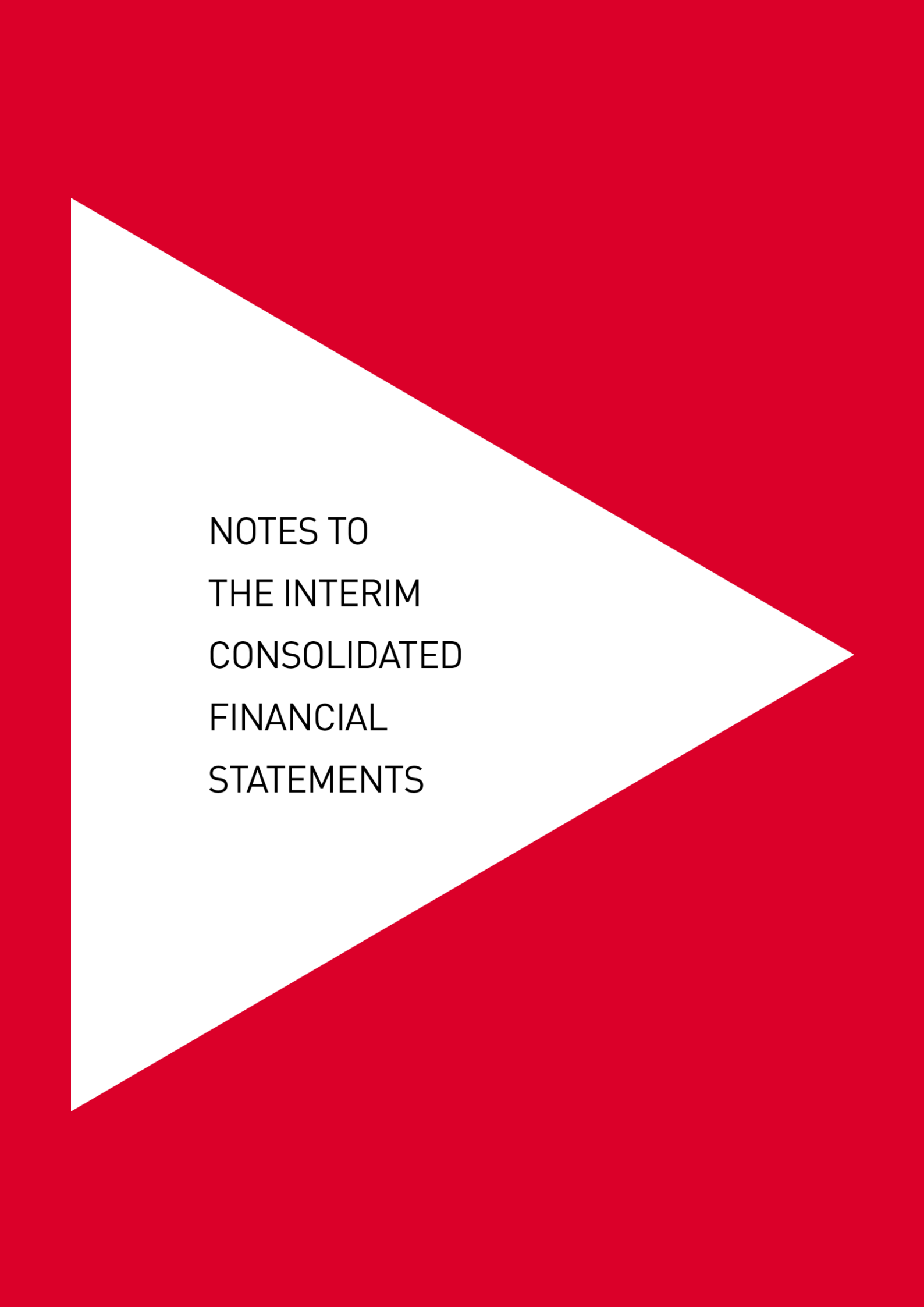
(amounts expressed in Euro)

(The translation of the consolidated financial statements was originally issued in Portuguese - Note 31)

|   | NOTES | 1 <sup>ST</sup> HALF 2016<br>(NON-AUDITED) | 1 <sup>ST</sup> HALF 2015<br>(NON-AUDITED) | 2 <sup>ND</sup> QUARTER<br>2016<br>(NON-AUDITED) | 2 <sup>ND</sup> QUARTER<br>2015<br>(NON-AUDITED) |
|---|-------|--|--|--|--|
| <b>OPERATING ACTIVITIES</b>   |       |  |  |  |  |
| Receipts from customers   |       | 144,002,660                                | 149,954,293                                | 82,806,224                                       | 82,265,433                                       |
| Payments to suppliers   |       | (96,626,626)                               | (110,599,394)                              | (70,302,328)                                     | (67,427,972)                                     |
| Payments to employees   |       | (19,353,534)                               | (27,286,988)                               | (10,144,469)                                     | (14,154,164)                                     |
| <b>Cash generated from operations</b>                                   |       | <b>28,022,500</b>                          | <b>12,067,911</b>                          | <b>2,359,427</b>                                 | <b>683,298</b>                                   |
| Income tax paid   |       | (465,409)                                  | (831,393)                                  | (307,265)  | (671,481)  |
| Other receipts/(payments) relating to operating activities              |       | (2,241,817)                                | 2,630,222                                  | (951,811)  | 534,518  |
| <b>Cash generated from other operating activities</b>                   |       | <b>(2,707,226)</b>                         | <b>1,798,829</b>                           | <b>(1,259,076)</b>                               | <b>(136,963)</b>                                 |
| Net cash generated by operating activities from discontinued operations |       | (5,924,460)                                | (6,521,944)                                | 408,034  | (1,980,553)                                      |
| <b>Net cash generated by operating activities (1)</b>                   |       | <b>19,390,815</b>                          | <b>7,344,797</b>                           | <b>1,508,385</b>                                 | <b>(1,434,218)</b>                               |
| <b>INVESTING ACTIVITIES</b>   |       |  |  |  |  |
| Receipts arising from:  |       |  |  |  |  |
| Financial assets  |       | 2,988,795                                  | 1,120,926                                  | 2,988,795  | 1,120,926  |
| Tangible assets   |       | 3,329,579                                  | 1,486,801                                  | 2,979,340  | 1,221,255  |
| Interest and similar income   |       | 2,028,207                                  | 669,032                                    | 609,351  | 486,812  |
| Other   |       | 785,245                                    | 529,005                                    | 699,397  | 379,224  |
|   |       | <b>9,131,826</b>                           | <b>3,805,764</b>                           | <b>7,276,883</b>                                 | <b>3,208,217</b>                                 |
| Payments arising from:  |       |  |  |  |  |
| Financial assets  |       | (607,847)                                  | -  | (607,847)  | -  |
| Tangible assets   |       | (2,177,730)                                | (3,606,362)                                | (1,344,586)                                      | (1,866,069)                                      |
| Intangible assets   |       | (63,044)                                   | (48,220)                                   | (48,773)   | (46)   |
| Other   |       | (202,849)                                  | (347,126)                                  | (173,342)  | 3,059  |
|   |       | <b>(3,051,470)</b>                         | <b>(4,001,708)</b>                         | <b>(2,174,548)</b>                               | <b>(1,863,056)</b>                               |
| Net cash generated by investing activities from discontinued operations |       | 359,246                                    | 527,178                                    | 848,381  | 260,283  |
| <b>Net cash generated by investing activities (2)</b>                   |       | <b>6,439,602</b>                           | <b>331,234</b>                             | <b>5,950,716</b>                                 | <b>1,605,443</b>                                 |
| <b>FINANCING ACTIVITIES</b>   |       |  |  |  |  |
| Receipts arising from:  |       |  |  |  |  |
| Borrowings  |       | 3,768,950                                  | 106,505,609                                | 2,471,149  | 56,349,447                                       |
| Other   |       | 2,995,965                                  | 42,593                                     | 2,991,777  | 17,795   |
|   |       | <b>6,764,915</b>                           | <b>106,548,202</b>                         | <b>5,462,926</b>                                 | <b>56,367,242</b>                                |
| Payments arising from:  |       |  |  |  |  |
| Borrowings  |       | (12,558,835)                               | (111,661,309)                              | (8,135,040)                                      | (55,702,435)                                     |
| Leasings  |       | (568,077)                                  | (335,451)                                  | (271,102)  | (64,798)   |
| Interest and similar costs  |       | (4,564,080)                                | (5,458,586)                                | (1,449,444)                                      | (3,232,506)                                      |
| Other   |       | (40,298)                                   | (11,410)                                   | (10,791)   | (4,977)  |
|   |       | <b>(17,731,290)</b>                        | <b>(117,466,756)</b>                       | <b>(9,866,377)</b>                               | <b>(59,004,716)</b>                              |
| Net cash generated by financing activities from discontinued operations |       | (5,233,415)                                | 8,542,139                                  | (1,903,607)                                      | 6,861,329  |
| <b>Net cash generated by financing activities (3)</b>                   |       | <b>(16,199,790)</b>                        | <b>(2,376,415)</b>                         | <b>(6,307,058)</b>                               | <b>4,223,855</b>                                 |
| Net increase in cash and cash equivalents (4)=(1)+(2)+(3)               |       | 9,630,627                                  | 5,299,616                                  | 1,455,644  | 4,395,081  |
| Changes in the consolidation perimeter and others                       |       | (12,254,218)                               | 30,345                                     | (12,112,147)                                     | (5,160)  |
| Effect of foreign exchange currencies                                   |       | (1,956,993)                                | (586,012)                                  | (154,502)  | (1,382,874)                                      |
| Cash and cash equivalents at the beginning of the period                |       | 52,640,152                                 | 28,456,245                                 | 58,870,573                                       | 30,193,147                                       |
| Cash and cash equivalents at the end of the period                      |       |  |  |  |  |
| from continuing operations  |       | 47,052,564                                 | 25,284,961                                 | 47,052,564                                       | 25,284,961                                       |
| from discontinued operations  | 20    | 1,007,004                                  | 7,915,232                                  | 1,007,004  | 7,915,232  |

**Note:** In September 2014, the Group started to classify the solar business unit (composed of Martifer Solar, SA and its subsidiaries) as a non-current asset held for sale. Since the requirements of IFRS 5 were fulfilled, the contribution to Martifer's consolidated results coming from this segment are presented in an autonomous line in the Consolidated Income statement and the values YoY were adjusted to allow comparison. The breakdown of these contributions is included in the Notes to Consolidated Financial Statements (Note 20).

The accompanying notes are part of these financial statements



NOTES TO  
THE INTERIM  
CONSOLIDATED  
FINANCIAL  
STATEMENTS

# 06 | NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

## INTRODUCTORY NOTE

Martifer SGPS, S.A., headquartered in Zona Industrial, Oliveira de Frades – Portugal ('Martifer SGPS' or 'the Company'), and its group of companies ('Group'), have as their main activity the construction of steel infrastructures (Steel Structures, Aluminium and Glass Façades, Oil & Gas Infrastructures and the Shipbuilding Industry) and the promotion and development of renewable energy projects (Note 3).

Martifer SGPS was founded on 29<sup>th</sup> October 2004, its share capital having been realized through the delivery of shares (valued at its market value) that the shareholders held in Martifer - Construções, S.A., a company that was founded in 1990 and which, at that time, was the holding company of the current Martifer Group.

As of June 2007, after the initial public offering, Martifer SGPS, S.A. shares have been listed on Euronext Lisbon.

On 30<sup>th</sup> June 2016, the Group develops its activity mainly in Western Europe (in Portugal, in Spain, in France and in the United Kingdom), in Eastern Europe (in Slovakia and in Romania), in the Middle East (in Saudi Arabia), in Latin America (in Brazil), in the Sub-Saharan Africa (in Angola and in Mozambique) and in Algeria.

The accompanying notes were selected to help the understanding of the most significant changes in the financial position and the financial performance of the Group since the last annual reporting, dated 31<sup>st</sup> December 2015.

All the amounts presented in these notes are expressed in Euros (rounded to the unit), unless otherwise stated.

These consolidated financial statements haven't been audited.

## 1. ACCOUNTING POLICIES

### BASIS OF PREPARATION

These accompanying consolidated financial statements relate to the consolidated financial statements of Martifer Group and were prepared in accordance with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, in force at the beginning of the economic period started 1<sup>st</sup> January 2016. These are the International Financial Reporting Standards issued by the International Accounting Standards Board ("IASB"), and the interpretations were issued by the International Financial Reporting Interpretations Committee ("IFRIC") or by the previous Standing Interpretations Committee ("SIC"), that have been endorsed by the European Union.

The interim consolidated financial report for the period ended on 30<sup>th</sup> June 2016 has been prepared in accordance with IAS 34 - 'Interim Financial Reporting' as adopted by the European Union.

These consolidated financial statements have been prepared on a going concern basis from the books and accounting records of the companies included in the consolidation (Note 2) and have been prepared under the historical cost convention, except for the revaluation of certain financial instruments, which are stated at fair value.

The accounting policies adopted are consistent with those considered in the financial statements for the year ended on 31<sup>st</sup> December 2015 and disclosed in the corresponding notes.

The accounting standards that entered into force on 1<sup>st</sup> January 2016 did not cause major changes in the financial information hereby presented.

The consolidated financial statements are presented in Euros since this is the main currency of the Group's operations.

In the preparation of the consolidated financial statements, in accordance with the IAS/IFRS, the Group's Board of Directors adopted certain assumptions and estimations that affect the assets and liabilities reported, as well as the profits and losses incurred related to the reported periods. All the estimations and assumptions of the Board of Directors were carried out taking into consideration the best knowledge available of the events and the negotiations in progress on the day of the approval of the financial statements.

## 2. GROUP COMPANIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS

Group companies included in the consolidated financial statements, their consolidation methods, head offices and percentage of share capital held by the Group, on 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015 are as follows:

### COMPANIES CONSOLIDATED USING THE FULL CONSOLIDATION METHOD

| COMPANY   | HEAD OFFICE               | COUNTRY         | DESIGNATION                              | SHARE CAPITAL HELD PERCENTAGE |            |               | FY 2015       |
|---|---------------------------|-----------------|--|-------------------------------|------------|---------------|---------------|
|   |                           |                 |  | DIRECTLY                      | INDIRECTLY | TOTAL         | TOTAL         |
| <b>Martifer SGPS, S.A.</b>                                    | <b>Oliveira de Frades</b> | <b>Portugal</b> | <b>Martifer SGPS</b>                     | <b>Holding</b>                |            |               |               |
| <b>Martifer Metallic Constructions SGPS, S.A.</b>             | <b>Oliveira de Frades</b> |                 | <b>Martifer Metallic Constructions</b>   | <b>75,00%</b>                 | <b>-</b>   | <b>75,00%</b> | <b>75,00%</b> |
| Martifer - Construções Metalomecânicas, S.A.                  | Oliveira de Frades        | Portugal        | Martifer Construções                     | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Mota-Engil Coffey Construction Joint Venture Limited | Dublin                    | Ireland         | MMECC <sup>1)</sup>                      | -                             | 45,00%     | 45,00%        | 45,00%        |
| Martifer Alumínios Angola, S.A.                               | Luanda                    | Angola          | Martifer Alumínios Angola                | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Aluminium Limited                                    | Dublin                    | Ireland         | Martifer Aluminium Irlanda               | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Aluminium UK Limited                                 | London                    | United Kingdom  | Martifer Aluminium Reino Unido           | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Aluminium SAS  | Rungis                    | France          | Martifer Aluminium França                | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer – Construcciones Metálicas España, S.A.              | Madrid                    | Spain           | Martifer Espanha                         | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer – Construções Metálicas Angola, S.A.                 | Luanda                    | Angola          | Martifer Angola                          | -                             | 59,06%     | 59,06%        | 59,06%        |
| Martifer Construction Limited                                 | Dublin                    | Ireland         | Martifer Irlanda                         | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Polska Sp. Zo.o.                                     | Gliwice                   | Poland          | Martifer Polska                          | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Constructions, SAS                                   | Rungis                    | France          | Martifer França                          | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Inovação e Gestão, S.A.                              | Oliveira de Frades        | Portugal        | Martifer Inovação <sup>2)</sup>          | -                             | -          | -             | 75,00%        |
| Martifer Romania SRL  | Bucharest                 | Romania         | Martifer Romania                         | 2%                            | 73,50%     | 75,50%        | 75,50%        |
| Park Logistyczny Biskupice                                    | Gliwice                   | Poland          | Biskupice                                | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Konstrukcje Sp. Z o.o.                               | Gliwice                   | Poland          | Martifer Konstrukcje                     | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Slovakia S.R.O.                                      | Bratislava                | Slovakia        | Martifer Slovakia                        | -                             | 75,00%     | 75,00%        | 75,00%        |
| Sociedade de Madeiras do Vouga, S.A.                          | Albergaria-a-Velha        | Portugal        | Madeiras do Vouga                        | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer - Gestão de Investimentos, S.A.                      | Oliveira de Frades        | Portugal        | MGI <sup>2)</sup>                        | -                             | -          | -             | 75,00%        |
| Nagatel Viseu, Promoção Imobiliária, S.A.                     | Oliveira de Frades        | Portugal        | Nagatel Viseu <sup>2)</sup>              | -                             | -          | -             | 75,00%        |
| Martifer Retail & Warehousing Angola, S.A.                    | Luanda                    | Angola          | Martifer Retail Angola                   | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Aluminium Pty, Ltd                                   | Sidney                    | Australia       | Sassall                                  | -                             | -          | -             | 75,00%        |
| Martifer UK Limited   | London                    | United Kingdom  | Martifer UK                              | -                             | 75,00%     | 75,00%        | 75,00%        |
| MT Construction Maroc, S.A.R.L.                               | Tangier                   | Morocco         | Martifer Marrocos                        | -                             | 75,00%     | 75,00%        | 75,00%        |
| Saudi Martifer Constructions LLC                              | Riyadh                    | Saudi Arabia    | Martifer Arábia Saudita                  | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Beteiligungsverwaltungs GmbH                         | Vienna                    | Austria         | Martifer GmbH                            | 100,00%                       | -          | 100,00%       | 100,00%       |
| M City Gliwice Sp. Zo.o                                       | Gliwice                   | Poland          | M City Gliwice                           | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Energy Systems II, SGPS, S.A.                        | Oliveira de Frades        | Portugal        | Martifer Energy Systems II <sup>3)</sup> | -                             | -          | -             | 75,00%        |
| Martifer Energia S.R.L.                                       | Bucharest                 | Romania         | Martifer Energia Roménia                 | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Energia LLC  | Kiev                      | Ukraine         | Martifer Energia Ucrânia                 | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Wind Energy Systems LLC                              | San Angelo TX             | USA             | Martifer Wind USA                        | -                             | 75,00%     | 75,00%        | 75,00%        |
| Martifer Energy Systems PTY                                   | Cape Town                 | South Africa    | Martifer Energia África do Sul           | -                             | 63,75%     | 63,75%        | 63,75%        |
| Navalria – Docas, Construções e Reparações Navais, S.A.       | Aveiro                    | Portugal        | Navalria                                 | -                             | 75,00%     | 75,00%        | 75,00%        |

| COMPANY   | HEAD OFFICE               | COUNTRY         | DESIGNATION                                   | SHARE CAPITAL HELD PERCENTAGE |            |                | FY 2015        |
|---|---------------------------|-----------------|---|-------------------------------|------------|----------------|----------------|
|   |                           |                 |   | DIRECTLY                      | INDIRECTLY | TOTAL          | TOTAL          |
| Gebox, S.A.   | Ílhavo                    | Portugal        | Gebox <sup>2)</sup>                           | -                             | -          | -              | 75.00%         |
| West Sea - Estaleiros Navais, Lda.                  | Oliveira de Frades        | Portugal        | West Sea                                      | -                             | 75.00%     | 75.00%         | 75.00%         |
| Martifer Global SGPS, S.A.                          | Oliveira de Frades        | Portugal        | Martifer Global <sup>3)</sup>                 | -                             | -          | -              | 75.00%         |
| Martifer Construcciones Peru, S.A.                  | Lima                      | Peru            | Martifer Peru                                 | -                             | 75.00%     | 75.00%         | 75.00%         |
| Martifer Amal, S.A.                                 | Oliveira de Frades        | Portugal        | Martifer Amal <sup>1)</sup>                   | -                             | 45.00%     | 45.00%         | 45.00%         |
| Global Holding Limited                              | Zebbug                    | Malta           | Global Holding Limited                        | -                             | 75.00%     | 75.00%         | 75.00%         |
| Global Engineering & Construction Limited           | Zebbug                    | Malta           | Global Engineering                            | -                             | 75.00%     | 75.00%         | 75.00%         |
| <b>Martifer Solar SGPS, S.A.</b>                    | <b>Oliveira de Frades</b> | <b>Portugal</b> | <b>Martifer Solar SGPS</b>                    | <b>100.00%</b>                | <b>-</b>   | <b>100.00%</b> | <b>100.00%</b> |
| Martifer Solar, S.A.                                | Oliveira de Frades        | Portugal        | Martifer Solar <sup>4)</sup>                  | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Sistemas Solares, S.A.               | Madrid                    | Spain           | Martifer Solar Sistemas Solares <sup>4)</sup> | -                             | 55.00%     | 55.00%         | 55.00%         |
| Solar Parks Construcción Parques Solares ETVE, S.A. | Madrid                    | Spain           | Solar Parks <sup>4)</sup>                     | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS Solar Sistemas Solares, S.A.                    | Mexico City               | Mexico          | Martifer Solar México <sup>4)</sup>           | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Chile Holding, Lda                   | Santiago                  | Chile           | Martifer Solar Chile <sup>4)</sup>            | -                             | 55.00%     | 55.00%         | 55.00%         |
| Mencey Solar SpA                                    | Santiago                  | Chile           | Mencey Solar <sup>4)</sup>                    | -                             | 55.00%     | 55.00%         | 55.00%         |
| Dehesa Solar SpA                                    | Santiago                  | Chile           | Dehesa Solar <sup>4)</sup>                    | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Servicios México                     | Mexico City               | Mexico          | Martifer Solar Servicios México <sup>4)</sup> | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar S.R.L.                               | Milan                     | Italy           | Martifer Solar Itália <sup>4)</sup>           | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS1 S.R.L.   | Siracusa                  | Italy           | MTS1 <sup>4)</sup>                            | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS2 S.R.L.   | Siracusa                  | Italy           | MTS2 <sup>4)</sup>                            | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar RO S.R.L.                            | Bucharest                 | Romania         | Martifer Solar Roménia <sup>4)</sup>          | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Inc.                                 | S. Francisco CA           | USA             | Martifer Inc. <sup>4)</sup>                   | -                             | 55.00%     | 55.00%         | 55.00%         |
| MT Silverado Fund I LLC                             | S. Francisco CA           | USA             | Silverado <sup>1) 4)</sup>                    | -                             | 31.42%     | 31.42%         | 31.42%         |
| Martifer Solar Hellas, A.T.E.                       | Athens                    | Greece          | PVI <sup>1) 4)</sup>                          | -                             | 39.13%     | 39.13%         | 39.13%         |
| Martifer Solar Angola                               | Luanda                    | Angola          | Martifer Solar Angola <sup>1) 4)</sup>        | -                             | 41.25%     | 41.25%         | 41.25%         |
| Martifer Solar N.V.                                 | Deerlijk                  | Belgium         | Martifer Solar Bélgica <sup>4)</sup>          | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar UK Limited                           | London                    | United Kingdom  | Martifer Solar UK <sup>4)</sup>               | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS Exbury Solar Limited                            | London                    | United Kingdom  | MTS Exbury Solar Limited <sup>4)</sup>        | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS Manton Manor Solar Limited                      | London                    | United Kingdom  | MTS Manton Manor Solar Limited <sup>4)</sup>  | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS Stud Farm Solar Limited                         | London                    | United Kingdom  | MTS Stud Farm Solar Limited <sup>4)</sup>     | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS Penderi Solar Limited                           | London                    | United Kingdom  | MTS Penderi Solar Limited <sup>4)</sup>       | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar S.A.S.                               | Lyon                      | France          | Martifer Solar França <sup>4)</sup>           | -                             | 55.00%     | 55.00%         | 55.00%         |
| Home Energy France SAS                              | Lyon                      | France          | Home Energy França <sup>4)</sup>              | -                             | 55.00%     | 55.00%         | 55.00%         |
| PVGlass S.r.l                                       | Milan                     | Italy           | PVGlass Itália <sup>4)</sup>                  | -                             | 55.00%     | 55.00%         | 55.00%         |
| MPrime Solar Solutions, S.A.                        | Oliveira de Frades        | Portugal        | Mprime <sup>4)</sup>                          | -                             | 55.00%     | 55.00%         | 55.00%         |
| Sol Cativante, Lda.                                 | Sever do Vouga            | Portugal        | Sol Cativante <sup>4)</sup>                   | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Investments, B.V.                    | Amsterdam                 | Netherlands     | Martifer Solar Holanda <sup>4)</sup>          | -                             | 55.00%     | 55.00%         | 55.00%         |
| MTS6 S.R.L.   | Siracusa                  | Italy           | MTS6 <sup>4)</sup>                            | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar SK s.r.o.                            | Dolny Kubin               | Slovakia        | Martifer Solar Eslováquia <sup>4)</sup>       | -                             | 55.00%     | 55.00%         | 55.00%         |
| Ginosa Solar Farm, S.R.L.                           | Rome                      | Italy           | Ginosa Solar Farm <sup>4)</sup>               | -                             | 55.00%     | 55.00%         | 55.00%         |
| Solar Spritehood S.R.L.                             | Rome                      | Italy           | Solar Spritehood <sup>4)</sup>                | -                             | 55.00%     | 55.00%         | 55.00%         |

| COMPANY                               | HEAD OFFICE               | COUNTRY              | DESIGNATION                                | SHARE CAPITAL HELD PERCENTAGE |            |                | FY 2015        |
|---------------------------------------|---------------------------|----------------------|--|-------------------------------|------------|----------------|----------------|
|                                       |                           |                      |  | DIRECTLY                      | INDIRECTLY | TOTAL          | TOTAL          |
| Steadfast Fairview Solar, Ltd         | Andover                   | United Kingdom       | Steadfast Fairview Solar <sup>4)</sup>     | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar UA, LLC                | Kiev                      | Ukraine              | Martifer Solar Ucrânia <sup>4)</sup>       | -                             | 55.00%     | 55.00%         | 55.00%         |
| Inspira Martifer Solar Limited        | Mumbai                    | India                | Inspira Martifer Solar <sup>1) 4)</sup>    | -                             | 28.05%     | 28.05%         | 28.05%         |
| Société Developpement Local SA        | Dakar                     | Senegal              | Martifer Solar Senegal <sup>1) 4)</sup>    | -                             | 28.05%     | 28.05%         | 28.05%         |
| Martimak Solar                        | Besiktas                  | Turkey               | Martimak <sup>1) 4)</sup>                  | -                             | 44.00%     | 44.00%         | 44.00%         |
| Martiper Solar                        | Besiktas                  | Turkey               | Martiper <sup>1) 4)</sup>                  | -                             | 44.00%     | 44.00%         | 44.00%         |
| Martifer Solar Lasout                 | Lyon                      | France               | MTSFR-Lasout <sup>4)</sup>                 | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Parrou                 | Lyon                      | France               | MTSFR-Parrou <sup>4)</sup>                 | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Parroc                 | Lyon                      | France               | MTSFR-Parroc <sup>4)</sup>                 | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Singapura PTE. LTD.    | Singapore                 | Singapore            | Martifer Solar Singapura <sup>4)</sup>     | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Japan KK               | Tokyo                     | Japan                | Martifer Solar Japan <sup>4)</sup>         | -                             | 55.00%     | 55.00%         | 55.00%         |
| Solariant Portfolio GK One            | Tokyo                     | Japan                | Solariant Portfolio GK One <sup>4)</sup>   | -                             | 55.00%     | 55.00%         | 55.00%         |
| EVIVA SOLAR 1 LTD                     | Athens                    | Greece               | Eviva Solar 1 <sup>4)</sup>                | -                             | 54.90%     | 54.90%         | 54.90%         |
| EVIVA SOLAR 2 LTD                     | Athens                    | Greece               | Eviva Solar 2 <sup>4)</sup>                | -                             | 54.90%     | 54.90%         | 54.90%         |
| Khepri Solar B.V._NL                  | Amsterdam                 | Netherlands          | Khepri Solar <sup>4)</sup>                 | -                             | 55.00%     | 55.00%         | 55.00%         |
| RA Solar S.A.E                        | Cairo                     | Egypt                | RA Solar <sup>4)</sup>                     | -                             | 49.50%     | 49.50%         | -              |
| Martifer Solar MZ, S.A.               | Maputo                    | Mozambique           | Martifer Solar Moçambique <sup>1) 4)</sup> | -                             | 28.05%     | 28.05%         | 28.05%         |
| Greencoverage Unipessoal, Lda.        | Oliveira de Frades        | Portugal             | Greencoverage <sup>4)</sup>                | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar, Ltda                  | Pindamonhangaba           | Brazil               | Martifer Solar Brasil <sup>4)</sup>        | -                             | 54.45%     | 54.45%         | 54.45%         |
| Visiontera Unipessoal, Lda            | Oliveira de Frades        | Portugal             | Visiontera <sup>4)</sup>                   | -                             | 55.00%     | 55.00%         | 55.00%         |
| Martifer Solar Middle East            | Dubai                     | United Arab Emirates | Martifer Solar Middle East <sup>4)</sup>   | -                             | 55.00%     | 55.00%         | 55.00%         |
| Belive in Bright Unipessoal, LDA.     | Oliveira de Frades        | Portugal             | Belive in Bright <sup>4)</sup>             | -                             | 55.00%     | 55.00%         | 55.00%         |
| <b>Martifer Renewables SGPS, S.A.</b> | <b>Oliveira de Frades</b> | <b>Portugal</b>      | <b>Martifer Renewables SGPS</b>            | <b>100,00%</b>                | <b>-</b>   | <b>100.00%</b> | <b>100.00%</b> |
| Martifer Renewables, S.A.             | Oliveira de Frades        | Portugal             | Martifer Renewables SA                     | -                             | 100.00%    | 100.00%        | 100.00%        |
| Martifer Renewables ETVE, S.A.U.      | Madrid                    | Spain                | Martifer Renovables                        | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 1 S.L.                     | Madrid                    | Spain                | Eurocab 1                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 2 S.L.                     | Madrid                    | Spain                | Eurocab 2                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 3 S.L.                     | Madrid                    | Spain                | Eurocab 3                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 4 S.L.                     | Madrid                    | Spain                | Eurocab 4                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 5 S.L.                     | Madrid                    | Spain                | Eurocab 5                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 6 S.L.                     | Madrid                    | Spain                | Eurocab 6                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 7 S.L.                     | Madrid                    | Spain                | Eurocab 7                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 8 S.L.                     | Madrid                    | Spain                | Eurocab 8                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 9 S.L.                     | Madrid                    | Spain                | Eurocab 9                                  | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 10 S.L.                    | Madrid                    | Spain                | Eurocab 10                                 | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 11 S.L.                    | Madrid                    | Spain                | Eurocab 11                                 | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 12 S.L.                    | Madrid                    | Spain                | Eurocab 12                                 | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 13 S.L.                    | Madrid                    | Spain                | Eurocab 13                                 | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 14 S.L.                    | Madrid                    | Spain                | Eurocab 14                                 | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 15 S.L.                    | Madrid                    | Spain                | Eurocab 15                                 | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 16 S.L.                    | Madrid                    | Spain                | Eurocab 16                                 | -                             | 100.00%    | 100.00%        | 100.00%        |
| Eurocab FV 17 S.L.                    | Madrid                    | Spain                | Eurocab 17                                 | -                             | 100.00%    | 100.00%        | 100.00%        |

| COMPANY   | HEAD OFFICE  | COUNTRY     | DESIGNATION                | SHARE CAPITAL HELD PERCENTAGE |            |         | FY 2015 |
|---|--------------|-------------|----------------------------|-------------------------------|------------|---------|---------|
|   |              |             |                            | DIRECTLY                      | INDIRECTLY | TOTAL   | TOTAL   |
| Eurocab FV 18 S.L.  | Madrid       | Spain       | Eurocab 18                 | -                             | 100.00%    | 100.00% | 100.00% |
| Eurocab FV 19 S.L.  | Madrid       | Spain       | Eurocab 19                 | -                             | 100.00%    | 100.00% | 100.00% |
| Eviva Energy S.R.L.   | Bucharest    | Romania     | Eviva Roménia              | -                             | 100.00%    | 100.00% | 100.00% |
| Eviva Nalbant S.R.L.  | Bucharest    | Romania     | Eviva Nalbant              | -                             | 100.00%    | 100.00% | 100.00% |
| Eviva Agighiol S.R.L.   | Bucharest    | Romania     | Eviva Agighiol             | -                             | 100.00%    | 100.00% | 100.00% |
| Eviva Casimcea S.R.L.   | Bucharest    | Romania     | Eviva Casimcea             | -                             | 100.00%    | 100.00% | 100.00% |
| Premium Management Consulting, S.R.L.                         | Bucharest    | Romania     | Premium Management         | -                             | 85.00%     | 85.00%  | 85.00%  |
| Martifer Renewables, S.A.                                     | Gliwice      | Poland      | Eviva Polónia              | -                             | 100.00%    | 100.00% | 100.00% |
| Martifer Renewables Pty, Ltd.                                 | Sidney       | Australia   | Eviva Austrália            | -                             | -          | -       | 100.00% |
| Eviva Beteiligungsverwaltungs GmbH                            | Vienna       | Austria     | Eviva GmbH                 | -                             | 100.00%    | 100.00% | 100.00% |
| Eviva Hidro S.R.L.  | Bucharest    | Romania     | Eviva Hidro                | 1,00%                         | 99.00%     | 100.00% | 100.00% |
| Martifer Deutschland GmbH                                     | Berlin       | Germany     | Martifer Deutschland       | -                             | 100.00%    | 100.00% | 100.00% |
| Wind Farm Odrzechowa Sp. Zo.o                                 | Gliwice      | Poland      | Wind Odrzechowa            | -                             | 100.00%    | 100.00% | 100.00% |
| Wind Farm Bukowsko Sp. Zo.o                                   | Gliwice      | Poland      | Wind Farm Bukowsko         | -                             | 100.00%    | 100.00% | 100.00% |
| Wind Farm Markowa Sp. Zo.o                                    | Gliwice      | Poland      | Wind Farm Markowa          | -                             | 100.00%    | 100.00% | 100.00% |
| Wind Farm Lada Sp. Zo.o                                       | Gliwice      | Poland      | Wind Farm Lada             | -                             | 100.00%    | 100.00% | 100.00% |
| Wind Farm Jawornik Sp. Zo.o                                   | Gliwice      | Poland      | Wind Farm Jawornik         | -                             | 100.00%    | 100.00% | 100.00% |
| Wind Farm Piersno Sp. Zo.o                                    | Gliwice      | Poland      | Wind Farm Piersno          | -                             | 100.00%    | 100.00% | 100.00% |
| Wind Farm Oborniki Sp. Zo.o                                   | Gliwice      | Poland      | Wind Farm Oborniki         | -                             | 100.00%    | 100.00% | 100.00% |
| Martifer Renewables Brazil B.V.                               | Amsterdam    | Netherlands | Renewables Holanda         | -                             | 100.00%    | 100.00% | 100.00% |
| Martifer Renewables Investments ETVE, S.A.                    | Madrid       | Spain       | Eurocab 21                 | -                             | 100.00%    | 100.00% | 100.00% |
| Martifer Renewables Italy BV                                  | Amsterdam    | Netherlands | Renewables Italy Holanda   | -                             | 100.00%    | 100.00% | 100.00% |
| Martifer Renewables Brasil LTDA                               | Fortaleza    | Brazil      | Martifer Renewables Brasil | -                             | 100.00%    | 100.00% | 100.00% |
| Martifer Renováveis - Geração de Energia e Participações S.A. | Fortaleza    | Brazil      | Ventania                   | -                             | 55.00%     | 55.00%  | 55.00%  |
| Eólica Cajueiro da Praia, Ltda .                              | Fortaleza    | Brazil      | Cajueiro                   | -                             | 55.00%     | 55.00%  | 55.00%  |
| SBER – Sociedade Brasileira de Energias Renováveis, Ltda.     | Fortaleza    | Brazil      | SBER <sup>1)</sup>         | -                             | 46.88%     | 46.88%  | 46.88%  |
| MSPAR Energia e Participações, SA                             | Barueri      | Brazil      | MSPAR                      | -                             | 100.00%    | 100.00% | 100.00% |
| Floresta I, Geração de Energia S.A.                           | Areia Branca | Brazil      | Floresta I                 | -                             | 99.00%     | 99.00%  | 99.00%  |
| Floresta II, Geração de Energia S.A.                          | Areia Branca | Brazil      | Floresta II                | -                             | 99.00%     | 99.00%  | 99.00%  |
| Floresta III, Geração de Energia S.A.                         | Areia Branca | Brazil      | Floresta III               | -                             | 99.00%     | 99.00%  | 99.00%  |
| Floresta IV, Geração de Energia S.A.                          | Areia Branca | Brazil      | Floresta IV                | -                             | 99.00%     | 99.00%  | 99.00%  |
| Martifer Renewables O&M Sp. z o.o.                            | Gliwice      | Poland      | Martifer Renewables O&M    | -                             | 52.00%     | 52.00%  | 52.00%  |

1) The consolidation of these companies using the full consolidation method is a consequence of the Group having stepped shareholdings, but exercising control at each level.

2) The companies Martifer Inovação e Gestão, S.A., Martifer Gestão de Investimentos, S.A., Nagatel Viseu – Promoção Imobiliária, S.A. and Gebox, S.A. were merged into Martifer Construções Metalomecânicas, S.A., leading to the extinction of these companies.

3) The companies Martifer Energy Systems SGPS and Martifer Global SGPS were merged into Martifer Metallic Constructions, leading to the extinction of the two companies.

4) This company is classified on 30<sup>th</sup> June 2016 as a non-current asset held for sale (Note 20).

## COMPANIES CONSOLIDATED USING THE EQUITY METHOD

The companies consolidated using the equity method, their registered offices and the percentage of share capital held by the Group are as follows:

| COMPANY   | HEAD OFFICE        | COUNTRY    | DESIGNATION                    | SHARE CAPITAL HELD PERCENTAGE |            |        | FY 2015 |
|---|--------------------|------------|--------------------------------|-------------------------------|------------|--------|---------|
|   |                    |            |                                | DIRECTLY                      | INDIRECTLY | TOTAL  | TOTAL   |
| <b>Metallic Constructions</b>                         |                    |            |                                |                               |            |        |         |
| <i>Associate companies:</i>                           |                    |            |                                |                               |            |        |         |
| Liszki Green Park, Sp. Zo.o                           | Gliwice            | Poland     | Liszki Green Park              | -                             | 33.75%     | 33.75% | 33.75%  |
| Martifer Amal, S.A.                                   | Nacala             | Mozambique | Martifer Amal                  | -                             | 26.25%     | 26.25% | 26.25%  |
| Martimetal Spa  | Algiers            | Algeria    | Martimetal                     | -                             | 36.75%     | 36.75% | 36.75%  |
| <i>Joint control companies:</i>                       |                    |            |                                |                               |            |        |         |
| Promoquatro – Investimentos Imobiliários, Lda.        | Oliveira de Frades | Portugal   | Promoquatro                    | -                             | 37.50%     | 37.50% | 37.50%  |
| M City Bialystok Sp. Zo.o                             | Gliwice            | Poland     | M City Bialystok               | -                             | 37.50%     | 37.50% | 37.50%  |
| M City Radom Sp. Zo.o                                 | Gliwice            | Poland     | M City Radom                   | -                             | 37.50%     | 37.50% | 37.50%  |
| M. City Szczecin Sp. Z o.o.                           | Gliwice            | Poland     | M City Szczecin                | -                             | 37.50%     | 37.50% | 37.50%  |
| CNA Chantier Naval d'Arzew , SPA                      | Arzew              | Algeria    | CNA Chantier Naval d'Arzew     | -                             | 36.75%     | 36.75% | -       |
| <b>Solar</b>  |                    |            |                                |                               |            |        |         |
| <i>Associate companies:</i>                           |                    |            |                                |                               |            |        |         |
| Parque Solar Seseña I, S.L.                           | Madrid             | Spain      | Seseña I <sup>1)</sup>         | -                             | 20.61%     | 20.61% | 20.61%  |
| Empresa de Energia Renovable Maria del Sol Norte S.A. | Santiago           | Chile      | Maria del Sol <sup>1)</sup>    | -                             | 26.95%     | 26.95% | 26.95%  |
| MSN Solar Uno SpA                                     | Santiago           | Chile      | MSN Solar Uno <sup>1)</sup>    | -                             | 26.95%     | 26.95% | 26.95%  |
| MSN Solar Dos SpA                                     | Santiago           | Chile      | MSN Solar Dos <sup>1)</sup>    | -                             | 26.95%     | 26.95% | 26.95%  |
| MSN Solar Tres SpA                                    | Santiago           | Chile      | MSN Solar Tres <sup>1)</sup>   | -                             | 26.95%     | 26.95% | 26.95%  |
| MSN Solar Cuatro SpA                                  | Santiago           | Chile      | MSN Solar Cuatro <sup>1)</sup> | -                             | 26.95%     | 26.95% | 26.95%  |
| MSN Solar Cinco SpA                                   | Santiago           | Chile      | MSN Solar Cinco <sup>1)</sup>  | -                             | 26.95%     | 26.95% | 26.95%  |
| Martifer Solar Canadá, Ltd.                           | Toronto            | Canada     | Martifer Solar Canadá          | -                             | -          | -      | 27.50%  |
| Mire Solar SA de CV                                   | Mexico City        | Mexico     | Mire Solar <sup>1)2)</sup>     | -                             | 19.25%     | 19.25% | -       |
| <b>Renewables</b>                                     |                    |            |                                |                               |            |        |         |
| <i>Joint control companies:</i>                       |                    |            |                                |                               |            |        |         |
| Ventinveste, S.A.                                     | Lisbon             | Portugal   | Ventinveste SA                 | 6%                            | 42.5%      | 48.50% | 48.50%  |
| Âncora Wind – Energia Eólica, S.A                     | Lisbon             | Portugal   | Âncora                         | -                             | 24.25%     | 24.25% | 24.25%  |
| Parque Eólico do Douro Sul, S.A.                      | Lisbon             | Portugal   | PE Douro Sul                   | -                             | 24.25%     | 24.25% | 24.25%  |
| Parque Eólico de Vale do Chão, S.A.                   | Lisbon             | Portugal   | PE Vale do Chão                | -                             | 24.25%     | 24.25% | 24.25%  |
| Parque Eólico de Torrinheiras, S.A.                   | Lisbon             | Portugal   | PE Torrinheiras                | -                             | -          | -      | 48.50%  |
| Parque Eólico do Pinhal do Oeste, S.A.                | Lisbon             | Portugal   | PE Pinhal do Oeste             | -                             | -          | -      | 48.50%  |
| Parque Eólico de Vale Grande. S.A.                    | Lisbon             | Portugal   | PE Vale Grande                 | -                             | 48.50%     | 48.50% | 48.50%  |
| Parque Eólico do Cabeço Norte, S.A.                   | Lisbon             | Portugal   | PE Cabeço Norte                | -                             | -          | -      | 48.50%  |
| Parque Eólico da Serra do Oeste, S.A.                 | Lisbon             | Portugal   | PE Serra do Oeste              | -                             | -          | -      | 48.50%  |
| Parque Eólico do Planalto, S.A.                       | Lisbon             | Portugal   | PE Planalto                    | -                             | -          | -      | 48.50%  |
| SPEE 3 – Parque Eólico do Baião, S.A.                 | Lisbon             | Portugal   | SPEE 3                         | -                             | 50.00%     | 50.00% | 50.00%  |
| SPEE 2 – Parque Eólico de Vila Franca de Xira, S.A.   | Oliveira de Frades | Portugal   | SPEE 2                         | -                             | 50.00%     | 50.00% | 50.00%  |
| Parque Eólico da Penha da Gardunha, Lda.              | Oliveira de Frades | Portugal   | PE Penha da Gardunha           | -                             | 50.00%     | 50.00% | 50.00%  |
| <i>Associate companies:</i>                           |                    |            |                                |                               |            |        |         |
| FW Warta Sp. z.o.o                                    | Kraków             | Poland     | Warta                          | -                             | 50.00%     | 50.00% | -       |

1) This company is classified on 30<sup>th</sup> June 2016 as a non-current asset held for sale (Note 20).

2) The consolidation of these companies using the equity method is a consequence of the Group having stepped shareholdings, with significant influence at each level.

During the 1<sup>st</sup> Half 2016 and the FY2015 the changes occurred in the consolidation perimeter were the following:

### Incorporated companies:

*In the 1<sup>st</sup> Half 2016:*

| IN THE 1 <sup>ST</sup> HALF 2016 | HEAD OFFICE | COUNTRY |
|----------------------------------|-------------|---------|
| <b>Solar</b>                     |             |         |
| <i>Subsidiary companies:</i>     |             |         |
| RA Solar S.A.E.                  | Cairo       | Egypt   |
| Mire Solar SA de CV              | Mexico City | Mexico  |

*In 2015:*

| FY 2015                               | HEAD OFFICE  | COUNTRY     |
|---------------------------------------|--------------|-------------|
| <b>Renewables</b>                     |              |             |
| <i>Subsidiary companies:</i>          |              |             |
| Floresta I, Geração de Energia S.A.   | Areia Branca | Brazil      |
| Floresta II, Geração de Energia S.A.  | Areia Branca | Brazil      |
| Floresta III, Geração de Energia S.A. | Areia Branca | Brazil      |
| Floresta IV, Geração de Energia S.A.  | Areia Branca | Brazil      |
| <b>Solar</b>                          |              |             |
| <i>Subsidiary companies:</i>          |              |             |
| Martifer Solar Lasout                 | Lyon         | France      |
| Martifer Solar Parrou                 | Lyon         | France      |
| Martifer Solar Parroc                 | Lyon         | France      |
| Martifer Solar S.A (Jordan branch)    | Amman        | Jordan      |
| Khepri Solar B.V.                     | Amsterdam    | Netherlands |
| Mencey Solar SpA                      | Santiago     | Chile       |
| Dehesa Solar SpA                      | Santiago     | Chile       |

### Acquired companies:

*In the 1<sup>st</sup> Half 2016:*

| IN THE 1 <sup>ST</sup> HALF 2016 | HEAD OFFICE | COUNTRY |
|----------------------------------|-------------|---------|
| <b>Renewables</b>                |             |         |
| <i>Associate companies:</i>      |             |         |
| FW Warta Sp. Z.o.o               | Kraków      | Poland  |

*In 2015:*

| FY 2015                      | HEAD OFFICE | COUNTRY  |
|------------------------------|-------------|----------|
| <b>Other:</b>                |             |          |
| Moléculaviva-Unipessoal, Lda | Lisbon      | Portugal |

**Sold / liquidated companies:**
*In the 1<sup>st</sup> Half 2016:*

| IN THE 1 <sup>ST</sup> HALF 2016       | HEAD OFFICE | COUNTRY   |
|--|-------------|-----------|
| <b>Metallic Constructions</b>          |             |           |
| <i>Subsidiary companies:</i>           |             |           |
| Martifer Aluminium Pty, Ltd            | Sidney      | Australia |
| <b>Solar</b>                           |             |           |
| <i>Associate companies:</i>            |             |           |
| Martifer Solar Canadá, Ltd.            | Toronto     | Canada    |
| <b>Renewables</b>                      |             |           |
| <i>Subsidiary companies:</i>           |             |           |
| Martifer Renewables Pty, Ltd.          | Sidney      | Australia |
| <i>Associate companies:</i>            |             |           |
| Parque Eólico do Cabeço Norte, S.A.    | Lisbon      | Portugal  |
| Parque Eólico do Pinhal do Oeste, S.A. | Lisbon      | Portugal  |
| Parque Eólico do Planalto, S.A.        | Lisbon      | Portugal  |
| Parque Eólico da Serra do Oeste, S.A.  | Lisbon      | Portugal  |
| Parque Eólico de Torrinhelas, S.A.     | Lisbon      | Portugal  |

*In 2015:*

| FY 2015   | HEAD OFFICE     | COUNTRY        |
|---|-----------------|----------------|
| <b>Metallic Constructions</b>                     |                 |                |
| <i>Associate companies:</i>                       |                 |                |
| Martifer - Construções Metálicas, Ltda.           | Fortaleza       | Brazil         |
| Martifer Alumínios Ltda                           | São Paulo       | Brazil         |
| <b>Solar</b>                                      |                 |                |
| Canopy Naos                                       | Paris           | France         |
| Martifer Solar Finance LLC                        | S. Francisco CA | USA            |
| Cañaverosa Renovables                             | Madrid          | Spain          |
| MTS7, S.R.L.                                      | Rome            | Italy          |
| MTS3 S.R.L.                                       | Siracusa        | Italy          |
| Martifer Solar CZ                                 | Prague          | Czech Republic |
| Parque Solar Seseña III, S.L.                     | Madrid          | Spain          |
| MPrime GMBH                                       | Munich          | Germany        |
| MTS Tonge Solar Limited                           | London          | United Kingdom |
| <b>Renewables</b>                                 |                 |                |
| Melosa- Geração de Energia e Participações, Ltda. | Fortaleza       | Brazil         |
| Eviva Dunowo, Sp. Z o.o.                          | Gliwice         | Poland         |
| Eviva Gizalki Sp. Zo.o                            | Miastko         | Poland         |
| MW Topolog, S.R.L.                                | Bucharest       | Romania        |

**Changes in the consolidation method:***In the 1<sup>st</sup> Half 2016:*

No changes occurred in the consolidation perimeter.

*In 2015:*

Martifer Amal, S.A. (Portugal) – from equity to full consolidation method due to the increase in participation by Martifer Global to 60 %, with the Group owning only 45 % (due to the sale of Martifer SGPS, S.A.'s share in Martifer Global SGPS, S.A. to Martifer Metallic Constructions SGPS, S.A., but with control over it).

Cañaverosa Renovables, SL – from equity to full consolidation method due to the increase in participation by the Group to 54.98 %. This participation was meanwhile sold during the second quarter of 2015.

Prio Group – in 2015 it stopped being consolidated through the equity method, since the Group does not have any significant influence, due to the residual value of the Group's share and with the share reduction prospect confirmed.

**Other changes in the consolidation perimeter:***In the 1<sup>st</sup> Half 2016:*

Martifer Energy Systems SGPS, S.A. and Martifer Global SGPS, S.A. were merged in Martifer Metallic Constructions SGPS, S.A. and therefore the first two were extinguished.

FW Warta Sp. Z.o.o – increase in the shareholding, from 25 % to 50 %

The companies Martifer Inovação e Gestão, S.A., Martifer Gestão de Investimentos, S.A., Nagatel Viseu – Promoção Imobiliária, S.A. and Gebox, S.A were merged in Martifer Construções Metalomecânicas, S.A. and therefore the first four were extinguished.

*In 2015:*

Eviva Nalbant, srl – increase in the shareholding held from 99.99997 % to 100 %.

Eviva Casimcea, srl – increase in the shareholding held from 99 % to 100 %.

Eviva Agighiol, srl – increase in the shareholding held from 99 % to 100 %.

SBER- Sociedade Brasileira de Energias Renováveis- increase in the shareholding held from 41.25 % to 46.88 %.

Martifer - Construções Metalomecânicas, S.A. – decrease in the shareholding held from 79.18 % to 75 % due to the Group's corporate reorganization

Martifer Inovação e Gestão, S.A. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization

Martifer Mota-Engil Coffey Construction Joint Venture Limited - decrease in the shareholding held from 47.51 % to 45 % due to the Group's corporate reorganization

Martifer Energy Systems II, SGPS, S.A. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Martifer Energia S.R.L. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Martifer Energia LLC - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Martifer Wind Energy Systems LLC - decrease in the shareholding held from 100 % to 75% due to the Group's corporate reorganization.

Martifer Energy Systems PTY - decrease in the shareholding held from 85 % to 63.75 % due to the Group's corporate reorganization

Navalria – Docas, Construções e Reparações Navais, S.A. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Gebox, S.A. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

West Sea - Estaleiros Navais, Lda. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Martifer Global SGPS, S.A. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Martifer Construcciones Peru, S.A. - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Global Holding Limited - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization.

Global Engineering & Construction Limited - decrease in the shareholding held from 100 % to 75 % due to the Group's corporate reorganization

Martifer Amal, S.A. (Moçambique) - decrease in the shareholding held from 35 % to 26.25 % due to the Group's corporate reorganization.

In the third quarter, the Group carried out a corporate reorganization, having Martifer Metallic Constructions SGPS, S.A. acquired several shareholdings from Martifer SGPS, S.A., included in the Metallic Constructions sector, as reported above.

Martifer Gestione Si Servicii, S.R.L. merged with Martifer Constructii S.R.L., creating Martifer Romania S.R.L., which is participated 2 % directly and a 73.5 % indirectly by the Holding.

Martifer Solar Chile Operaciones Limitada merged with Martifer Solar Chile Holding, Lda, and the later was maintained.

MTS Solar Sistemas Solares, S.A. – increase in the indirect participation from 54.45 % to 55 %.

Martifer Alumínios, S.A. merged with Martifer Construções Metalomecânicas, S.A..

### 3. INFORMATION BY BUSINESS SEGMENTS

The Group bases its disclosure of information for primary segments on its internal organisation for management purposes.

The Group is organised in two business areas: 'Metallic Constructions' and 'Renewables' that are coordinated and supported by Martifer SGPS.

The business area 'Metallic Constructions' includes all the construction of steel infrastructures (Steel Structures, Aluminium and Glass Façades, Oil & Gas Infrastructures and the Shipbuilding Industry) and the promotion and development of renewable energy projects. The Renewables segment includes the promotion and development of renewable energy projects, with particular focus on the wind sector.

Amounts reported as 'Others' include services rendered by Martifer SGPS and Martifer Solar, SGPS, S.A.. In the 1<sup>st</sup> half 2015, it also included Martifer Inovação e Gestão (MIG) and Martifer Gestione Si Servicii S.R.L. (MIG RO); however, after the corporate reorganization that occurred in September 2015, these started to be included in the Metallic Constructions segment.

In September 2014, the Group decided to classify the 'Solar' segment (composed of Martifer Solar, SA and its subsidiaries) as a non-current asset held for sale. Since the requirements of IFRS 5 were fulfilled, the contribution to Martifer's consolidated results, coming from this segment, is presented in an autonomous line in the Consolidated P&L. The detail of this contribution is presented in the Notes to Interim Consolidated Financial Statements (Note 20).

The accounting policies used in the preparation of the information by business segments is the same used in the preparation of the attached financial statements (Note 1).

On 30<sup>th</sup> June of 2016 and of 2015, the breakdown of sales and services rendered by primary segments is as follows:

|                               | SALES TO EXTERNAL CUSTOMERS |                    | INTERSEGMENT SALES |                  | TOTAL              |                    |
|-------------------------------|-----------------------------|--------------------|--------------------|------------------|--------------------|--------------------|
|                               | 6M' 2016                    | 6M' 2015           | 6M' 2016           | 6M' 2015         | 6M' 2016           | 6M' 2015           |
| Metallic Constructions        | 92,465,630                  | 116,941,207        | 7,355,397          | 8,372,432        | 99,821,027         | 125,313,639        |
| Renewables                    | 5,368,167                   | 6,521,374          | 325,744            | 253,109          | 5,693,911          | 6,774,483          |
| Others                        | -                           | 346,344            | 541,564            | 917,563          | 541,564            | 1,263,907          |
|                               | <b>97,833,797</b>           | <b>123,808,925</b> | <b>8,222,705</b>   | <b>9,543,103</b> | <b>106,056,503</b> | <b>133,352,029</b> |
| Intersegment Eliminations     |                             |                    |                    |                  | (8,222,706)        | (8,835,953)        |
| Own work capitalized (Note 5) |                             |                    |                    |                  | -                  | (707,150)          |
|                               |                             |                    |                    |                  | <b>97,833,797</b>  | <b>123,808,925</b> |

Sales and services rendered to external customers, by geographical origin and by segment were as follows on 30<sup>th</sup> June of 2016 and of 2015:

|                        | 6M' 2016          | 6M' 2015           |
|------------------------|-------------------|--------------------|
| Iberian Peninsula      |                   |                    |
| Metallic Constructions | 49,356,271        | 35,819,709         |
| Renewables             | 2,122,021         | 2,615,141          |
| Others                 | -                 | 303,662            |
| Central Europe         |                   |                    |
| Metallic Constructions | 24,154,288        | 30,027,063         |
| Renewables             | 2,935,124         | 3,817,899          |
| Others                 | -                 | 42,682             |
| Other Markets          |                   |                    |
| Metallic Constructions | 18,955,071        | 51,094,435         |
| Renewables             | 311,023           | 88,334             |
|                        | <b>97,833,797</b> | <b>123,808,925</b> |

In the 1<sup>st</sup> Half 2016 the sales and services rendered decreased approximately 26 million euros YoY. This reduction mainly results from the sale of companies from the Metallic Constructions segment in Brazil, which contributed approximately with 24 million euros in the 1<sup>st</sup> half 2015. Additionally, a decrease in activity in the United Kingdom and in France was registered; however, it was compensated by the large growth in the naval industry in Portugal and with the increase in sales and services rendered in Romania and in Morocco in the Metallic Constructions segment.

On 30<sup>th</sup> June of 2016 and of 2015 the earnings before interest, taxes, amortizations, provisions and impairment losses (EBITDA), earnings before interest and taxes (EBIT) and profit after tax by primary segments were as follows:

|  | EBITDA           |                  | EBIT               |                  | PROFIT AFTER TAX   |                    |
|--|------------------|------------------|--------------------|------------------|--------------------|--------------------|
|  | 6M' 2016         | 6M' 2015         | 6M' 2016           | 6M' 2015         | 6M' 2016           | 6M' 2015           |
| Metallic Constructions                                     | 1,585,258        | 4,945,297        | (794,774)          | 1,916,152        | (5,982,312)        | (4,944,257)        |
| Renewables   | 2,410,461        | 3,825,215        | (960,479)          | 16,325           | 4,089,533          | (8,464)            |
| Others   | 407,556          | 13,807           | (141,843)          | (503,699)        | (1,095,815)        | (5,007,611)        |
|  | <b>4,403,275</b> | <b>8,784,319</b> | <b>(1,897,095)</b> | <b>1,428,778</b> | <b>(2,988,593)</b> | <b>(9,960,332)</b> |
| Earnings of the disposal group classified as held for sale | n.a.             | n.a.             | n.a.               | n.a.             | (3,656,285)        | 64,729             |
|  | <b>4,403,275</b> | <b>8,784,319</b> | <b>(1,897,095)</b> | <b>1,428,778</b> | <b>(6,644,879)</b> | <b>(9,895,603)</b> |

In the 1<sup>st</sup> Half 2016 the EBITDA reached 4.4 million euros, with a contribution of 1.6 million euros from the Metallic Constructions segment and 2.4 million euros from the Renewables segment.

The Group's net assets and liabilities by operating segments on 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015 were as follows:

|                          | ASSETS                     |                                | LIABILITIES                |                                |
|--------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
|                          | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
| Metallic Constructions   | 298,757,845                | 287,696,541                    | 295,144,049                | 276,515,809                    |
| Solar (*)                | 121,177,695                | 146,991,407                    | 121,680,598                | 142,930,364                    |
| Renewables               | 157,460,884                | 155,495,991                    | 59,266,999                 | 60,704,009                     |
| Holding and MIGs         | 471,196,844                | 472,517,464                    | 164,217,070                | 164,916,271                    |
| Intra-group eliminations | (454,194,413)              | (456,070,303)                  | (48,220,437)               | (50,107,938)                   |
|                          | <b>594,398,856</b>         | <b>606,631,099</b>             | <b>592,088,279</b>         | <b>594,958,514</b>             |

(\*) Discontinued activity (Note 20)

The Group's capital expenditures (acquisition of tangible and intangible assets) and depreciation/amortizations, by operating segments, until 30<sup>th</sup> June of 2016 and 2015 were as follows:

|                        | CAPITAL EXPENDITURES |                  | AMORTIZATIONS    |                  |
|------------------------|----------------------|------------------|------------------|------------------|
|                        | 6M' 2016             | 6M' 2015         | 6M' 2016         | 6M' 2015         |
| Metallic Constructions | 321,877              | 2,575,475        | 2,614,668        | 3,236,976        |
| Renewables             | 1,339,757            | 568,700          | 3,033,419        | 3,032,081        |
| Other                  | -                    | 1,358            | 1,290            | 517,504          |
|                        | <b>1,661,634</b>     | <b>3,145,533</b> | <b>5,649,377</b> | <b>6,786,562</b> |

## 4. SALES AND SERVICES RENDERED

On 30<sup>th</sup> June 2016 and 2015, the breakdown of sales and services rendered was as follows:

|                                       | 6M' 2016          | 6M' 2015           |
|---------------------------------------|-------------------|--------------------|
| Revenues from the sale of merchandise | 1,645,774         | 4,026,631          |
| Revenues from the sale of goods       | 56,511,722        | 46,891,351         |
| Services rendered                     | 39,676,301        | 72,890,943         |
|                                       | <b>97,833,797</b> | <b>123,808,925</b> |

## 5. OTHER INCOME

On 30<sup>th</sup> June 2016 and 2015 the breakdown of the caption 'Other income' is as follows:

|                                       | 6M' 2016         | 6M' 2015          |
|---------------------------------------|------------------|-------------------|
| Change in production                  | (710)            | (920,797)         |
| Own work capitalized                  | -                | 707,150           |
| Taxes                                 | 13,409           | 542               |
| Reversals of impairment losses:       |                  |                   |
| Trade debtors                         | 61,991           | 686,871           |
| Other impairment losses               | -                | 2,822,385         |
| Supplementary income                  | 2,106,616        | 942,680           |
| Gains in inventories                  | -                | 2,021             |
| Capital gains in non-financial assets | 801,983          | 706,285           |
| Operating subsidies                   | 4,972            | 87,234            |
| Investments subsidies                 | 181,428          | 23,958            |
| Foreign exchange gains                | 5,122,696        | 3,382,139         |
| Other operational gains               | 630,968          | 2,177,241         |
| <b>Total</b>                          | <b>8,923,353</b> | <b>10,617,708</b> |

The amount included under the caption 'Own work capitalized', during the period ended on 30<sup>th</sup> June 2015 is essentially related to the strengthening operational reinforcement capacity of West Sea, in the Naval sector.

During the 1<sup>st</sup> half 2016 there were favourable foreign exchange gains resulting from the devaluation of several currencies against the Euro.

## 6. COST OF GOODS SOLD

On 30<sup>th</sup> June 2016 and of 2015 the cost of goods sold was as follows:

| 6M' 2016  | MERCHANDISE      | RAW MATERIALS, SUBSIDIARIES AND OTHER CONSUMABLES | TOTAL             |
|---|------------------|---|-------------------|
| Opening balance   | 3,114,973        | 2,597,933   | 5,712,906         |
| Purchases   | 3,945,561        | 28,806,002  | 32,751,563        |
| Changes in the consolidation perimeter, currency exchange differences, transfers and others | (653,030)        | (2,966,357)                                       | (3,619,387)       |
| Closing balance   | 3,028,154        | 4,194,530   | 7,222,684         |
|   | <b>3,379,350</b> | <b>24,243,048</b>                                 | <b>27,622,399</b> |

| 6M' 2015  | MERCHANDISE      | RAW MATERIALS, SUBSIDIARIES AND OTHER CONSUMABLES | TOTAL             |
|---|------------------|---|-------------------|
| Opening balance   | 3,931,928        | 7,906,490   | 11,838,418        |
| Purchases   | 5,319,037        | 35,101,029  | 40,420,066        |
| Changes in the consolidation perimeter, currency exchange differences, transfers and others | (779,849)        | (6,074,389)                                       | (6,854,238)       |
| Closing balance   | 3,198,704        | 5,377,196   | 8,575,900         |
|   | <b>5,272,412</b> | <b>31,555,934</b>                                 | <b>36,828,346</b> |

## 7. SUBCONTRACTORS

On 30<sup>th</sup> June 2016 and 2015 the caption 'subcontractors' was as follows:

|                | 6M' 2016          | 6M' 2015          |
|----------------|-------------------|-------------------|
| Subcontractors | 28,609,206        | 29,924,328        |
|                | <b>28,609,206</b> | <b>29,924,328</b> |

The subcontracts are essentially related to construction works carried out in the 'Metallic Constructions' segment.

## 8. EXTERNAL SUPPLIES AND SERVICES

On 30<sup>th</sup> June 2016 and 2015 the external supplies and services are as follows:

|                             | 6M' 2016          | 6M' 2015          |
|-----------------------------|-------------------|-------------------|
| Transportation of goods     | 1,712,220         | 3,266,688         |
| Specialized works           | 6,816,798         | 5,369,409         |
| Leases and rents            | 3,753,041         | 10,167,925        |
| Service Fees                | 1,015,447         | 786,952           |
| Travelling expenses         | 777,904           | 1,417,412         |
| Electricity and Fuel        | 1,306,765         | 1,500,651         |
| Insurance                   | 827,740           | 1,032,695         |
| Maintenance and repairs     | 775,535           | 812,812           |
| Communications              | 250,454           | 388,789           |
| Security                    | 423,064           | 451,041           |
| Legal and notarial fees     | 79,565            | 190,721           |
| Commissions                 | 145,173           | 288,525           |
| Advertising                 | 52,749            | 101,952           |
| Cleaning, health and safety | 178,133           | 240,439           |
| Tools and devices           | 219,820           | 204,217           |
| Other                       | 587,325           | 1,157,522         |
|                             | <b>18,921,733</b> | <b>27,377,750</b> |

## 9. STAFF COSTS

On 30<sup>th</sup> June 2016 and of 2015, staff costs were as follows:

|                      | 6M' 2016          | 6M' 2015          |
|----------------------|-------------------|-------------------|
| Salaries             | 15,463,565        | 22,373,113        |
| Social contributions | 4,070,628         | 6,328,241         |
|                      | <b>19,534,193</b> | <b>28,701,354</b> |

The caption 'social contributions' includes mainly social security contributions, food and health subsidies, insurance costs and dismissal compensations.

## 10. OTHER EXPENSES

On 30<sup>th</sup> June 2016 and 2015, the caption 'Other expenses' was as follows:

|                                | 6M' 2016         | 6M' 2015         |
|--------------------------------|------------------|------------------|
| Taxes                          | 721,749          | 909,494          |
| Impairment losses:             |                  |                  |
| Trade debtors                  | 8,405            | -                |
| Other impairment losses        | (548,109)        | -                |
| Losses in inventories          | -                | 992              |
| Losses in non-financial assets | 132,942          | 42,805           |
| Foreign exchange losses        | 6,895,889        | 1,051,675        |
| Trade debtors write-off        | -                | (1,827)          |
| Fines and penalties            | 24,094           | 140,548          |
| Other operational losses       | 431,375          | 666,848          |
| <b>Total</b>                   | <b>7,666,344</b> | <b>2,810,536</b> |

The caption 'Foreign exchange losses' is related with the occurrence of foreign exchange variations in non-financial transactions, primarily in the non-Euro Zone Group affiliates

## 11. PROVISIONS AND IMPAIRMENT LOSSES

The provisions and impairment losses during the six-month periods ended on 30<sup>th</sup> June 2016 and 2015 were as follows:

|   | 6M' 2016           | 6M' 2015       |
|---|--------------------|----------------|
| Impairment losses                         |                    |                |
| In financial investments                  | 285,122            | -              |
| In intangible assets                      | -                  | -              |
| In tangible assets                        | 2,899,567          | 91,516         |
|   | <b>3,184,689</b>   | <b>91,516</b>  |
| Provisions (Note 24)                      |                    |                |
| Arising from the use of the equity method | (1,465,053)        | 394,127        |
| Quality guarantees                        | -                  | (37,038)       |
| Onerous contracts                         | 131,529            | -              |
| Legal claims in progress                  | -                  | (143,283)      |
| Other                                     | (1,200,171)        | 263,656        |
|   | <b>(2,533,696)</b> | <b>477,463</b> |

## 12. NET FINANCIAL RESULTS

The net financial results for the periods ended on 30<sup>th</sup> June 2016 and 2015 can be analysed as follows:

| FINANCIAL INCOME   | 6M' 2016         | 6M' 2015         |
|--|------------------|------------------|
| Loans and accounts receivable (including bank deposits)  |                  |                  |
| - Interest income  | 1,224,126        | 922,813          |
| Other financial income related to other financial assets |                  |                  |
| - Foreign exchange gains                                 | 675,342          | 2,240,921        |
| - Gains on the sale of financial assets                  | 4,827,637        | -                |
| - Other financial income                                 | 21,693           | 40,740           |
|  | <b>6,748,798</b> | <b>3,204,473</b> |

| FINANCIAL EXPENSES  | 6M' 2016         | 6M' 2015          |
|---|------------------|-------------------|
| Loans and accounts payable                                      |                  |                   |
| - Interest expenses in bank loans and in finance leases         | 2,829,862        | 9,521,820         |
| Other financial expenses related to other financial liabilities |                  |                   |
| - Foreign exchange losses                                       | 2,555,344        | 2,913,310         |
| - Other financial expenses                                      | 1,019,179        | 1,470,406         |
|   | <b>6,404,384</b> | <b>13,905,535</b> |

The captions 'Foreign exchange gains' and 'Foreign exchange losses' are related to the occurrence of currency fluctuations, particularly in affiliated companies outside the Euro zone.

The caption 'Interest expenses' registered a sharp reduction due to the Group's financial restructuring at the end of 2015.

The caption 'Gains on the sale of financial assets' in the 1<sup>st</sup> half 2016 is mainly related with the sale of the share in the company Greenvouga and with the additional receipt from the sale of Eviva Gizalki Sp. Zo.o., which was sold in 2015.

## 13. GAINS/ (LOSSES) IN ASSOCIATE COMPANIES AND JOINT ARRANGEMENTS

On 30<sup>th</sup> June 2016 and 2015, the gains and losses on associated companies and joint-ventures were as follows:

|   | 6M' 2016         | 6M' 2015        |
|---|------------------|-----------------|
| Prio Energy Group                                   | -                | (105,158)       |
| SPEE 2 – Parque Eólico de Vila Franca de Xira, S.A. | 466,131          | 509,428         |
| SPEE 3 – Parque Eólico do Baião, S.A.               | 147,410          | 211,215         |
| Eviva Gizalki Sp. Zo.o                              | -                | (680,845)       |
| Martifer Amal                                       | -                | 269,648         |
| Martimetal  | (868,907)        | (217,141)       |
| Warta   | (6,985)          | -               |
|   | <b>(262,351)</b> | <b>(12,854)</b> |

## 14. INCOME TAX

On 30<sup>th</sup> June 2016 and 2015, the reconciliation between current tax and income tax of each of the period is summarized as follows:

|   | 6M' 2016         | 6M' 2015       |
|---|------------------|----------------|
| <b>Current tax</b>                                | <b>948,031</b>   | <b>622,945</b> |
| Deferred tax - generated by temporary differences | -                | (18,319)       |
| Deferred tax - reversal of temporary differences  | -                | 67,888         |
| Deferred tax - tax loss recognition               | 225,530          | 2,681          |
| <b>Deferred tax</b>                               | <b>225,530</b>   | <b>52,250</b>  |
| <b>Income tax</b>                                 | <b>1,173,561</b> | <b>675,194</b> |

## 15. EARNINGS PER SHARE

Martifer SGPS only issued ordinary shares, and as such, no shares have special voting or dividend rights.

Martifer has just one type of potential ordinary dilutive shares: stock options. In order to calculate diluted earnings per share it is necessary to determine whether these stock options, independently of being or not exercisable, are diluted, which happens when the exercise price of the opting is lower than the average market price of the shares.

Since the average market price of Martifer's shares, during the period between 1<sup>st</sup> January 2016 and 30<sup>th</sup> June 2016 was 0.20 euros, below that of the exercise price of the stock options (3.84 euros), these stock options are non-diluting because, if the options were to be exercised, the number of outstanding shares would be reduced.

Therefore, on 30<sup>th</sup> June 2016 there is no difference between the basic and diluted earnings per share. The share capital of Martifer SGPS, SA is represented by 100,000,000 ordinary shares, fully paid, representing a share capital of 50,000,000 euros.

The weighted average number of shares outstanding is deducted of 2,215,910 treasury stocks acquired by Martifer SGPS.

On 30<sup>th</sup> June of 2016 and of 2015, the basic and diluted earnings per share can be summarised as follows:

|  | 6M' 2016    | 6M' 2015    |
|--|-------------|-------------|
| Profit for the year (I)                            | (3,238,863) | (8,515,714) |
| Weighted average number of shares outstanding (II) | 97,784,090  | 97,784,090  |
| Basic and diluted earnings per share (I) / (II)    | (0,0331)    | (0,0871)    |
| from continuing operations                         | (0,0134)    | (0,0894)    |
| from Assets held for sale                          | (0,0198)    | 0,0023      |

## 16. FINANCIAL ASSETS UNDER THE EQUITY METHOD

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, the financial assets under the equity method were as follows:

|   | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|---|----------------------------|--------------------------------|
| Martimetal  | 692,342                    | 1,343,533                      |
| SPEE 3 - Parque eólico de Baião, SA               | 693,031                    | 545,621                        |
| SPEE 2 - Parque eólico de Vila Franca de Xira, SA | 1,718,962                  | 1,252,831                      |
| Warta   | 601,456                    | -                              |
| CNA Chantier Naval d'Arzew                        | 3,943,048                  | -                              |
| Other subsidiaries                                | -                          | 8,659                          |
|   | <b>7,648,839</b>           | <b>3,150,644</b>               |

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, the movements occurring in this caption were as follows:

|   | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|---|----------------------------|--------------------------------|
| Opening balance                                 | 3,150,644                  | 7,798,516                      |
| Share Increase on Martimetal                    | -                          | 1,267,975                      |
| Acquisition of Warta                            | 607,847                    | -                              |
| Incorporation of CNA Chantier Naval d'Arzew     | 3,943,048                  | -                              |
| Application of the equity method:               |                            |                                |
| - from performance in results                   | (262,351)                  | (35,768)                       |
| - other equity changes                          | 217,089                    | (489,442)                      |
| Sales   | -                          | (4,010,167)                    |
| Effect of foreign currency exchange differences | -                          | 133,607                        |
| Other changes                                   | (7,437)                    | 1,360                          |
| Impairments movements                           | -                          | (1,515,437)                    |
| <b>Closing balance</b>                          | <b>7,648,839</b>           | <b>3,150,644</b>               |

## 17. INVESTMENTS AVAILABLE FOR SALE

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, the investments available for sale were as follows:

|                                   | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|-----------------------------------|----------------------------|--------------------------------|
| Non-current financial investments | 5,384,213                  | 4,040,920                      |
| Other                             | 198,430                    | 225,314                        |
|                                   | <b>5,582,643</b>           | <b>4,266,234</b>               |

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, the movement occurred in the caption 'Available for sale investments' was as follows:

|                        | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|------------------------|----------------------------|--------------------------------|
| Opening balance        | 4,266,234                  | 2,191,512                      |
| Additions              | 1,298,672                  | 2,084,175                      |
| Reductions             | (26,700)                   | (1,003)                        |
| Other                  | 44,437                     | (8,451)                        |
| <b>Closing balance</b> | <b>5,582,643</b>           | <b>4,266,234</b>               |

## 18. TRADE RECEIVABLES AND OTHER RECEIVABLES

The detail of the caption 'trade and other receivables', for the periods ended on 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015 was as follows:

|                            | NON-CURRENT                |                                | CURRENT                    |                                |
|----------------------------|----------------------------|--------------------------------|----------------------------|--------------------------------|
|                            | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
| <b>Cost:</b>               |                            |                                |                            |                                |
| <b>Trade receivables:</b>  |                            |                                |                            |                                |
| Trade receivables          | 219,051                    | 910,432                        | 83,845,800                 | 75,714,449                     |
| Doubtful trade receivables | -                          | -                              | 9,789,126                  | 10,027,163                     |
|                            | <b>219,051</b>             | <b>910,432</b>                 | <b>93,664,584</b>          | <b>85,741,612</b>              |
| <b>Other receivables:</b>  |                            |                                |                            |                                |
| Related companies          | 33,996,490                 | 35,765,018                     | 12,453,345                 | 12,472,065                     |
| Advances to suppliers      | -                          | -                              | 8,475,609                  | 6,898,890                      |
| Other                      | 3,881,925                  | 3,255,257                      | 38,332,941                 | 38,562,766                     |
|                            | <b>37,878,415</b>          | <b>39,020,275</b>              | <b>59,261,895</b>          | <b>57,933,721</b>              |
|                            | <b>38,097,466</b>          | <b>39,930,707</b>              | <b>152,926,479</b>         | <b>143,675,333</b>             |

Impairment losses in accounts receivables were as follows:

|  | NON-CURRENT                |                                | CURRENT                    |                                |
|--|----------------------------|--------------------------------|----------------------------|--------------------------------|
|  | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
| Accumulated impairment losses:             |                            |                                |                            |                                |
| Doubtful trade receivables                 | -                          | -                              | 10,510,585                 | 10,755,481                     |
| Other receivables                          | 4,125,745                  | 3,267,774                      | 4,278,315                  | 5,172,610                      |
|  | 4,125,745                  | 3,267,774                      | 14,788,900                 | 15,928,091                     |
| <b>Carrying amount – trade receivables</b> | <b>219,051</b>             | <b>910,432</b>                 | <b>83,153,998</b>          | <b>74,986,130</b>              |
| <b>Carrying amount – other receivables</b> | <b>33,752,670</b>          | <b>35,752,501</b>              | <b>54,983,580</b>          | <b>52,761,111</b>              |
| <b>Total</b>                               | <b>33,971,721</b>          | <b>36,662,933</b>              | <b>138,137,578</b>         | <b>127,747,242</b>             |

## 19. OTHER CURRENT ASSETS

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, the breakdown of the caption 'Other current assets' was as follows:

|   | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|---|----------------------------|--------------------------------|
| <b>Accrued income:</b>                  |                            |                                |
| Construction contracts                  |                            |                                |
| Cost                                    | 30,568,005                 | 29,389,956                     |
| Impairment losses                       | (2,282,731)                | (2,374,973)                    |
| Carrying amount                         | 28,285,274                 | 27,014,983                     |
| Interest to be received                 | 670,247                    | 1,474,328                      |
| Other accrued income                    | 8,311,415                  | 5,601,831                      |
|   | <b>37,266,936</b>          | <b>34,091,142</b>              |
| <b>Prepayments:</b>                     |                            |                                |
| Insurance                               | 904,042                    | 492,128                        |
| Financial expenses                      | 3,606                      | -                              |
| Rents                                   | 111,404                    | 164,708                        |
| Other prepayments                       | 1,012,318                  | 848,789                        |
|   | <b>2,031,370</b>           | <b>1,505,625</b>               |
| <b>Other (current) financial assets</b> | 244,104                    | 432,574                        |
|   | <b>39,542,409</b>          | <b>36,029,340</b>              |

## 20. NON-CURRENT ASSETS HELD FOR SALE

Martifer SGPS, SA decided in September 2014, to focus the Group's activity in the Metallic Constructions (Steel Structures, Aluminium and Glass Façades, Oil & Gas Infrastructures and the Shipbuilding Industry) and fulfil the active sale plan of its 55 % share of Martifer Solar. As the sale is highly likely, Martifer Solar's assets and liabilities were classified as "non-current assets held for sale" and "liabilities associated to non-current assets held for sale" respectively, being Martifer Solar's Net Profit presented as "discontinued operations' result".

The breakdown of the assets and the liabilities associated with the assets held for sale on 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015 was as follows:

|  | 30 <sup>th</sup> JUNE 2016<br>(NON-AUDITED) | 31 <sup>st</sup> DECEMBER 2015<br>(NON-AUDITED) |
|--|---|---|
| <b>Non-current assets</b>  | <b>60,872,718</b>                           | <b>63,432,611</b>                               |
| Goodwill   | 1,989,512                                   | 1,937,729                                       |
| Intangible assets  | 534,064                                     | 986,905   |
| Tangible Assets  | 10,624,618                                  | 12,157,142                                      |
| Equity investments in associates   | 25,111,952                                  | 164,419   |
| Available for sale investments   | 1,326,917                                   | 27,008,189                                      |
| Trade receivables and other receivables  | 19,740,777                                  | 20,066,270                                      |
| Deferred tax assets  | 1,544,878                                   | 1,111,957                                       |
| <b>Current Assets</b>  | <b>61,035,258</b>                           | <b>84,274,731</b>                               |
| Inventories  | 2,214,322                                   | 5,406,698                                       |
| Trade receivables  | 19,194,536                                  | 13,331,291                                      |
| Other receivables  | 14,300,828                                  | 16,776,236                                      |
| Current tax assets   | 4,245,338                                   | 4,370,790                                       |
| Other current assets   | 20,073,230                                  | 32,298,836                                      |
| Cash and cash equivalents  | 1,007,004                                   | 12,090,603                                      |
| Derivatives  | -   | 277   |
| <b>Total assets held for sale</b>  | <b>121,907,975</b>                          | <b>147,707,342</b>                              |
| <b>Non-controlling interests attributable to assets held for sale</b>                          | <b>(3,930,080)</b>                          | <b>(1,877,184)</b>                              |
| <b>Non-current liabilities</b>   | <b>25,528,923</b>                           | <b>27,325,377</b>                               |
| Borrowings   | 17,150,363                                  | 20,244,415                                      |
| Leasing Creditors  | 359,572                                     | 444,931   |
| Other creditors  | 3,777,555                                   | 1,384,069                                       |
| Provisions   | 3,959,543                                   | 4,980,395                                       |
| Deferred tax liabilities   | 281,890                                     | 271,567   |
| <b>Current liabilities</b>   | <b>87,332,446</b>                           | <b>109,653,974</b>                              |
| Borrowings   | 41,846,842                                  | 40,300,209                                      |
| Leasing Creditors  | 167,782                                     | 162,463   |
| Trade payables   | 23,750,798                                  | 40,540,357                                      |
| Other payables   | 5,674,444                                   | 18,047,134                                      |
| Current tax liabilities  | 1,611,225                                   | 2,638,853                                       |
| Other current liabilities  | 14,270,855                                  | 7,964,958                                       |
| Derivatives  | 10,500                                      | -   |
| <b>Liabilities related to Assets held for sale</b>   | <b>112,861,370</b>                          | <b>136,979,351</b>                              |
| <b>Assets net of liabilities and non-controlling interests related to assets held for sale</b> | <b>12,976,685</b>                           | <b>12,605,175</b>                               |

The detail of the results of the assets held for sale in the 1<sup>st</sup> half 2016 and of 2015 was as follows:

|  | 6 M 2016<br>(NON-AUDITED) | 6 M 2015<br>(NON-AUDITED) |
|--|---------------------------|---------------------------|
| Sales and services rendered                                    | 42,980,875                | 26,450,406                |
| Other income   | 2,028,889                 | 11,982,348                |
| Cost of goods sold   | (23,419,821)              | (3,133,458)               |
| Subcontractors   | (4,880,888)               | (12,041,149)              |
| External supplies and services                                 | (11,810,654)              | (9,292,811)               |
| Staff costs  | (5,610,727)               | (6,488,409)               |
| Other expenses   | (985,194)                 | (2,950,508)               |
|  | <b>(1,697,520)</b>        | <b>4,526,419</b>          |
| Amortizations  | (1,068,730)               | (1,360,098)               |
| Provisions and Impairment losses                               | 584,603                   | 788,423                   |
| <b>Operating income</b>  | <b>(2,181,647)</b>        | <b>3,954,744</b>          |
| Financial income   | 1,110,926                 | 1,366,866                 |
| Financial expenses   | (3,016,065)               | (5,231,021)               |
| Gains / (losses) on associate companies and joint arrangements | 24,127                    | 75,131                    |
| <b>Profit before tax</b>                                       | <b>(4,062,659)</b>        | <b>165,720</b>            |
| Income tax   | 406,373                   | (100,990)                 |
| <b>Profit for the period</b>                                   | <b>(3,656,285)</b>        | <b>64,729</b>             |
| Attributable to:   |                           |                           |
| non-controlling interests                                      | (1,723,133)               | (157,165)                 |
| owners of Martifer   | (1,933,152)               | 221,894                   |

## 21. SHARE CAPITAL, TREASURY SHARES AND NON-CONTROLLING INTERESTS

### Share capital

Martifer SGPS, SA's share capital, fully subscribed and paid on 30<sup>th</sup> June 2016, amounts to Euro 50,000,000 and is represented by 100,000,000 bearer shares with a nominal value of 50 cents each. All shares have the same rights, one vote per share. During the 1<sup>st</sup> half 2016 and of 2015, no movements occurred in the number of shares of the Group.

During the 1<sup>st</sup> half 2016 and of 2015, Martifer SGPS, S.A. did not acquire any shares. The Group held 2,215,910 treasury shares, corresponding to 2.22 % of its capital.

On 30<sup>th</sup> June 2016, the share capital of Martifer SGPS, S.A. was held in 42.41 % by I'M SGPS, S.A., 0.65 % by two board members related with I'M SGPS, S.A., 37.5 % by Mota-Engil SGPS, S.A. and 2.22 % are treasury shares. The remaining 17.22 % represents free-float listed in Euronext Lisbon.

### Non-controlling interests

Movements in the non-controlling interests are as follows:

|  | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|--|----------------------------|--------------------------------|
| Opening balance                                  | (28,377,206)               | (24,942,297)                   |
| Net profit of the year                           | (3,406,016)                | 1,654,786                      |
| Other changes in equity                          | (698,633)                  | (1,510,281)                    |
| Changes in the consolidation perimeter           | (63,430)                   | (4,072,288)                    |
| Transactions with non-controlling interests      | -                          | (2)                            |
| Other  | 846                        | 492,877                        |
|  | <b>(32,544,439)</b>        | <b>(28,377,206)</b>            |
| From continued operations                        | (28,614,359)               | (26,500,022)                   |
| Attributable to non-current assets held for sale | (3,930,080)                | (1,877,184)                    |

The detail of the main non-controlling interests can be analysed as follows:

|  | % NON-CONTROLLING INTERESTS |                                | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|--|-----------------------------|--------------------------------|----------------------------|--------------------------------|
|  | 30 <sup>th</sup> JUNE 2016  | 31 <sup>st</sup> DECEMBER 2015 |                            |                                |
| <b>Metallic Constructions</b>  |                             |                                |                            |                                |
| Martifer – Construções Metálicas Angola, S.A.                              | 40.94%                      | 40.94%                         | 1,569,690                  | 1,896,945                      |
| Martifer Alumínios Angola, S.A.  | 25.00%                      | 25.00%                         | 487,163                    | 679,350                        |
| Martifer Aluminium Pty, Ltd  | 0.00%                       | 25.00%                         | -                          | (2,377,785)                    |
| Martifer Constructions, SAS  | 25.00%                      | 25.00%                         | (1,102,562)                | (740,897)                      |
| Martifer UK Limited  | 25.00%                      | 25.00%                         | (1,096,636)                | (1,129,597)                    |
| Martifer Polska Sp. Zo.o.  | 25.00%                      | 25.00%                         | (2,402,392)                | (2,425,379)                    |
| Martifer Konstrukcje Sp. z o.o.  | 25.00%                      | 25.00%                         | (860,807)                  | (703,071)                      |
| Martifer - Construções Metalomecânicas, S.A.                               | 25.00%                      | 25.00%                         | (13,221,096)               | (13,511,006)                   |
| Martifer - Gestão de Investimentos, S.A.                                   | 25.00%                      | 25.00%                         | (2,218,296)                | (2,246,586)                    |
| Gebox, S.A.  | 25.00%                      | 25.00%                         | (636,645)                  | (631,599)                      |
| Navalria – Docas, Construções e Reparações Navais, S.A.                    | 25.00%                      | 25.00%                         | (2,011,741)                | (1,986,184)                    |
| Martifer Metallic Constructions SGPS, S.A.                                 | 25.00%                      | 25.00%                         | (141,936)                  | (6,066,752)                    |
| Martifer Energy Systems SGPS, S.A.   | 0.00%                       | 25.00%                         | -                          | 9,105,814                      |
| Martifer Constructii S.R.L.  | 24.50%                      | 24.50%                         | (3,403,059)                | (3,330,460)                    |
| Martifer Energia S.R.L.  | 25.00%                      | 25.00%                         | (766,459)                  | (765,987)                      |
| Martifer Wind Energy Systems LLC   | 25.00%                      | 25.00%                         | (2,812,560)                | (2,812,541)                    |
| West Sea-Estaleiros Navais, Lda  | 25.00%                      | 25.00%                         | 610,640                    | 394,080                        |
| Martifer Inovação e Gestão, S.A.   | 25.00%                      | 25.00%                         | (517,612)                  | (391,918)                      |
| <b>Renewables</b>  |                             |                                |                            |                                |
| Martifer Renováveis - Geração de Energia e Participações S.A.              | 45.00%                      | 45.00%                         | 455,120                    | 435,801                        |
| <b>Other</b>   |                             |                                |                            |                                |
| Non-controlling interests attributable to non-current assets held for sale |                             |                                | (3,930,080)                | (1,877,184)                    |
| Other non-controlling interests  |                             |                                | (545,172)                  | 107,749                        |
|  |                             |                                | <b>(32,544,439)</b>        | <b>(28,377,206)</b>            |

## 22. BORROWINGS

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015 the borrowings can be analysed as follows:

| 30 <sup>th</sup> JUNE 2016              | UNTIL 1 YEAR      | BETWEEN 1 AND 3 YEARS | BETWEEN 3 AND 5 YEARS | MORE THAN 5 YEARS | TOTAL              |
|---|-------------------|-----------------------|-----------------------|-------------------|--------------------|
| Borrowings from financial institutions: |                   |                       |                       |                   |                    |
| Bank loans                              | 7,215,611         | 15,700,575            | 164,754,695           | 86,521,128        | 274,192,009        |
| Bank overdrafts                         | 793,963           | -                     | -                     | -                 | 793,963            |
| Authorized overdrafts                   | 3,396,082         | -                     | -                     | -                 | 3,396,082          |
| Other borrowings:                       |                   |                       |                       |                   |                    |
| Other borrowings                        | 788,380           | 525,078               | 255,636               | 906,345           | 2,475,439          |
|   | <b>12,194,035</b> | <b>16,225,653</b>     | <b>165,010,331</b>    | <b>87,427,473</b> | <b>280,857,491</b> |
| 31 <sup>st</sup> DECEMBER 2015          | UNTIL 1 YEAR      | BETWEEN 1 AND 3 YEARS | BETWEEN 3 AND 5 YEARS | MORE THAN 5 YEARS | TOTAL              |
| Borrowings from financial institutions: |                   |                       |                       |                   |                    |
| Bank loans                              | 7,451,983         | 9,356,708             | 168,303,524           | 93,389,981        | 278,502,196        |
| Bank overdrafts                         | 1,036,155         | -                     | -                     | -                 | 1,036,155          |
| Authorized overdrafts                   | 4,763,520         | -                     | -                     | -                 | 4,763,520          |
| Other borrowings:                       |                   |                       |                       |                   |                    |
| Other borrowings                        | 576,867           | 800,119               | 568,394               | 3,400,124         | 5,345,504          |
|   | <b>13,828,525</b> | <b>10,156,827</b>     | <b>168,871,918</b>    | <b>96,790,105</b> | <b>289,647,376</b> |

The Group continues focused on reducing its net debt, as such it continues committed to the process of selling non-core assets. As a note, the net debt on 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015 does not include the companies of the 'Solar' segment, classified in 2014 as a 'non-current asset held for sale'.

## 23. TRADE PAYABLES AND OTHER PAYABLES

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, trade payables and other payables can be analysed as follows:

|   | NON-CURRENT                |                                | CURRENT                    |                                |
|---|----------------------------|--------------------------------|----------------------------|--------------------------------|
|   | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
| <b>Trade Payables</b>                     | <b>11,206,945</b>          | <b>11,578,310</b>              | <b>64,811,238</b>          | <b>61,211,154</b>              |
| Other Payables:                           |                            |                                |                            |                                |
| Fixed assets suppliers                    | -                          | -                              | 768,807                    | 1,284,903                      |
| Related companies and other shareholders  | 6,980                      | 7,263                          | 977,287                    | 989,946                        |
| Advanced payments received from customers | -                          | 81,490                         | 20,158,083                 | 7,495,466                      |
| Other creditors                           | -                          | -                              | 11,410,260                 | 6,779,928                      |
| <b>Subtotal</b>                           | <b>6,980</b>               | <b>88,753</b>                  | <b>33,314,436</b>          | <b>16,550,243</b>              |
| <b>Total</b>                              | <b>11,213,925</b>          | <b>11,667,063</b>              | <b>98,125,673</b>          | <b>77,761,397</b>              |

The balance of non-current 'Trade payables' is mainly related with retentions in works performed by external parties, which will be released after the guarantee period.

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, the non-current balances due to related companies and other shareholders refer mainly to balances payable to suppliers resulting from the Group's operating activities, as well as from tangible and intangible asset acquisitions. The Board of Directors believes that the carrying amount of these balances is very similar to their fair value and that the effect of the financial discounting of these amounts is not material. The increase of 'advanced payments received from customers', as well as 'other creditors', justifies the significant increase in the 1<sup>st</sup> half 2016.

## 24. PROVISIONS

The information related with 'Provisions' on 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015 can be detailed as follows:

|  | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|--|----------------------------|--------------------------------|
| Quality guarantees                                   | 2,147,936                  | 2,452,973                      |
| Legal claims in progress                             | 784,846                    | 803,708                        |
| Provisions arising from the use of the equity method | 6,295,522                  | 7,049,726                      |
| Onerous contracts                                    | 864,268                    | 436,536                        |
| Contractual obligations                              | 7,844,828                  | 9,230,649                      |
|  | <b>17,937,400</b>          | <b>19,973,592</b>              |

The changes in the 'Provisions' during the first half of 2016 were as follows:

|  | OPENING<br>BALANCE | ADDITIONS      | DEDUCTIONS         | APPLICATIONS    | CHANGE OF<br>CONSOLIDATION<br>PERIMETER,<br>EXCHANGE RATE<br>DIFFERENCES,<br>TRANSFERS | CLOSING<br>BALANCE |
|--|--------------------|----------------|--------------------|-----------------|--|--------------------|
| Quality guarantees                                   | 2,452,973          | -              | -                  | -               | (305,038)  | 2,147,936          |
| Legal claims in progress                             | 803,708            | -              | -                  | -               | (18,861)   | 784,846            |
| Provisions arising from the use of the equity method | 7,049,726          | 36,364         | (1,501,417)        | -               | 710,850  | 6,295,522          |
| Onerous contracts                                    | 436,536            | 131,529        | -                  | -               | 296,203  | 864,268            |
| Other  | 9,230,649          | 621,882        | (1,822,053)        | (48,445)        | (137,205)  | 7,844,828          |
|  | <b>19,973,592</b>  | <b>789,775</b> | <b>(3,323,471)</b> | <b>(48,445)</b> | <b>545,949</b>   | <b>17,937,400</b>  |

## 25. OTHER CURRENT LIABILITIES

On 30<sup>th</sup> June 2016 and on 31<sup>st</sup> December 2015, other current liabilities are as follows:

|  | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|--|----------------------------|--------------------------------|
| <b>Accrued expenses</b>                                |                            |                                |
| Holiday pay and bonuses                                | 4,309,599                  | 4,128,940                      |
| Interest borne but not yet overdue                     | 1,267,919                  | 2,998,531                      |
| Production performed by third parties not yet invoiced | 15,691                     | 11,359                         |
| Other accrued expenses                                 | 1,891,143                  | 3,266,105                      |
|  | <b>7,484,352</b>           | <b>10,404,935</b>              |
| <b>Deferred income</b>                                 |                            |                                |
| Production invoiced and not yet performed              | 38,194,569                 | 25,902,289                     |
| Subsidies / Government grants                          | 454,634                    | 636,062                        |
| Other deferred income                                  | 5,215,686                  | 4,616,714                      |
|  | <b>43,864,889</b>          | <b>31,155,065</b>              |
|  | <b>51,349,241</b>          | <b>41,559,999</b>              |

The caption "Other accrued expenses" includes supplies and services rendered up to 30<sup>th</sup> June 2016 whose invoices were received after this date.

## 26. CONTINGENT LIABILITIES

There are no significant changes to the ones disclosed in the notes to the financial statements for the period ended on 31<sup>st</sup> December 2015.

## 27. COMMITMENTS

### Financial Guarantees

On 30<sup>th</sup> June 2016 and 31<sup>st</sup> December 2015, the financial guarantees provided by the Group to third parties related to bank guarantees and guarantee insurance to project owners whose projects are undertaken by several Group companies, detailed by currency were as follows:

|                             | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|-----------------------------|----------------------------|--------------------------------|
| Euro                        | 54,758,274                 | 64,418,579                     |
| Zloty                       | 22,542                     | 23,453                         |
| New Leu                     | 329,064                    | 74,432                         |
| American Dollar             | 26,129,177                 | 29,277,189                     |
| Moroccan Dirham             | 83,012                     | 83,733                         |
| Sterling Pound              | 13,222,572                 | 16,778,366                     |
| Jordan Dinar                | 764                        | 65,045                         |
| United Arab Emirates Dirham | 12,336                     | 12,514                         |
|                             | <b>94,557,741</b>          | <b>110,733,311</b>             |

The breakdown, by Group company, was as follows:

|  | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|--|----------------------------|--------------------------------|
| Martifer Construções Metalomecânicas SA    | 17,987,482                 | 34,573,154                     |
| Martifer Metallic Constructions SGPS       | 4,405,658                  | 10,511,752                     |
| Navalria                                   | -                          | 13,382                         |
| West Sea Lda                               | 21,640,471                 | 7,505,494                      |
| Martifer Construcciones Metálicas Espanha  | 612,049                    | 762,061                        |
| Martifer Constructii                       | 837,511                    | 582,879                        |
| Martifer Construções SK                    | 1,046,849                  | 1,134,195                      |
| Martifer Konstrukcje                       | 22,542                     | 23,453                         |
| EUROCAB FV 1 SL                            | 29,770                     | 29,770                         |
| EUROCAB FV 8 SL                            | 11,227                     | 11,227                         |
| EUROCAB FV 9 SL                            | 11,227                     | 11,227                         |
| EUROCAB FV 10 SL                           | 11,227                     | 11,227                         |
| EUROCAB FV 11 SL                           | 11,227                     | 11,227                         |
| EUROCAB FV 12 SL                           | 11,227                     | 11,227                         |
| EUROCAB FV 17 SL                           | 11,227                     | 11,227                         |
| EUROCAB FV 18 SL                           | 11,227                     | 11,227                         |
| Martifer Construções SAS                   | 15,000                     | 70,000                         |
| Martifer SGPS                              | -                          | 2,549,740                      |
| Martifer Construções Metálicas Angola S.A. | 10,243,475                 | 10,445,767                     |
| Martifer solar ME - Dubai                  | 12,336                     | 12,514                         |
| Martifer Solar Srl                         | 1,968,587                  | 2,278,537                      |
| Martifer Solar                             | 10,196,893                 | 12,634,205                     |
| Martifer Solar NV                          | -                          | 90,957                         |
| Martifer Silverado Fund, LLC               | 13,935,957                 | 14,211,169                     |
| Martifer Solar JO                          | 764                        | 65,045                         |
| MARTIFER SOLAR CHILE OPERACIONES [CH]      | -                          | 183,705                        |
| MARTIFER SOLAR UK [UK]                     | 11,523,806                 | 12,976,941                     |
|  | <b>94,557,741</b>          | <b>110,733,311</b>             |

Additionally, the most significant operating guarantees in force are as follows:

|                                      | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|--------------------------------------|----------------------------|--------------------------------|
| Martifer Construções SA              | 2,053,221                  | 2,053,221                      |
| West Sea                             | 3,322,720                  | 1,836,026                      |
| Martifer Metallic Constructions SGPS | 135,111                    | 924,904                        |
| Martifer Solar SA                    | 4,503,693                  | -                              |
| Martifer Solar Sistemas Solares      | 17,789,587                 | 36,511,436                     |
| Martifer SGPS                        | 109,381,441                | 111,642,567                    |
|                                      | <b>137,185,774</b>         | <b>152,968,155</b>             |

The amount of operating guarantees registered in Martifer Construções and in West Sea corresponds mainly to guarantees to third parties for contracting plateaux for the supply of raw materials.

During 2015, guarantees were issued by Martifer Metallic Constructions to its subsidiaries outside Portugal for the emission of local bank guarantees.

Since the EPC contracts for the construction of solar farms oblige Martifer Solar and/or its subsidiaries to undertake some guarantees, such as the quality guarantee of the materials and design, the PV installations, the maintenance of some performance and power ratios of the PV modules, Martifer SGPS committed to endow Martifer Solar and/or its subsidiaries with the necessary means to guarantee the full compliance of the contractual obligations. It is currently considered that Martifer Solar has already the ability to carry these commitments without recurring to the holding.

The presented amount for responsibilities carried by Martifer Solar, S.A. is mainly due to guarantees within the commitments in the development and construction of solar farms.

Lastly, we present also the credit insurances on 30<sup>th</sup> June 2016 and 31<sup>st</sup> December 2015:

| CREDIT INSURANCES                                    | 30 <sup>th</sup> JUNE 2016 | 31 <sup>st</sup> DECEMBER 2015 |
|--|----------------------------|--------------------------------|
| Martifer Solar S.A.                                  | -                          | 26,638,192                     |
| Empresa de Energia Renovable María Sol del Norte S.A | 113,894                    | 149,589                        |
|  | <b>113,894</b>             | <b>26,787,782</b>              |

### Pledges or Mortgages

On 30<sup>th</sup> June 2016 the assets pledged or mortgaged to financial institutions were as follows:

| COMPANY                              | GUARANTEE   | ASSET VALUE | DEBT AMOUNT |
|--------------------------------------|---|-------------|-------------|
| Martifer Metallic Constructions SGPS | Share pledge of Martifer Construções SA 20% (No.shares 1,500,000)                           | 3,714,139   | 16,310,458  |
| Martifer Construções S.A.            | 5 M€ generic mortgage of building in Vale Tripeiro, batch 10 - I/J/K/L/M/N/O (Benavente)    | 2,998,229   | 5,008,967   |
| Martifer Construções S.A.            |   | 1,247,356   | 3,299,468   |
| Martifer Construções S.A.            | 1 <sup>st</sup> degree mortgage of Cutting unit industrial building (Monoblocos)            | 5,593,013   | 3,299,532   |
| Navalria S.A.                        | 1 <sup>st</sup> degree mortgage of Head Office  |             | 1,624,246   |
| Martifer SGPS                        | 2 <sup>nd</sup> degree mortgage of wind towers industrial building (article 1914).          |             | 1,933,234   |
| Martifer Construções S.A.            | Mortgage of MT Construções SA's Industrial Building (article 2079)                          | 1,081,176   | 3,123,996   |
| Martifer Construções S.A.            |   |             | 3,048,645   |
| Martifer Construções S.A.            | 1 <sup>st</sup> degree share pledge of Martifer Renewables SGPS 25% (no. shares 25,000,000) | 24,072,943  | 1,016,126   |
| Promoquatro Lda.                     |   |             | 2,035,204   |
| Martifer Energy Systems SGPS         |   |             | 3,048,379   |
| Martifer Construções S.A.            | Pledge Loan Note Class A n. 6   | 4,500,000   | 2,510,610   |
| Martifer Construções S.A.            | Mortgage Pilot Building   | 81,964      | 2,601,527   |
| Martifer Construções S.A.            | Mortgage land and storehouses in Albergaria   | 1,415,300   | 13,650,935  |

| COMPANY                          | GUARANTEE   | ASSET VALUE            | DEBT AMOUNT        |
|----------------------------------|---|------------------------|--------------------|
| Martifer SGPS                    | Share pledge of Martifer Solar SA 55% (no. shares 27,500,000)   | 6,086,296              |                    |
| Martifer SGPS                    | Mortgage of building in Oliveira de Frades (article 1943) – Components factory<br>Assets pledge MT Construções  | 6,967,366              |                    |
| Martifer SGPS                    | Generic mortgage (7.5M€) of the industrial building Wind Towers (article 1914)  | 8,019,940              |                    |
| Martifer SGPS                    | 2 <sup>nd</sup> degree share pledge of Martifer Solar SA 55% (no. shares 27,500,000)<br>1 <sup>st</sup> degree share pledge of Martifer Renewables SGPS 65% (no. shares 65,000,000)   | 68,675,947             |                    |
| Martifer SGPS                    | Mortgage of building in Oliveira de Frades (article P-2003) OIF MTC Factory   | 522,043                |                    |
| Martifer SGPS                    | Pledge Loan Note Class A n. 5   | 4,500,000              | 129,025,424        |
|                                  | Warehouse Martifer OF   | 84,744                 |                    |
|                                  | Multipark Paços de Ferreira   | 361,646                |                    |
|                                  | Other Lands MGI   | 326,097                |                    |
| Martifer SGPS                    | 1 <sup>st</sup> degree share pledge of Martifer Renewables SGPS 10% (no. shares 10,000,000)   | 9,629,177              |                    |
|                                  | Commercial pledge on several equipment  | 292,772                |                    |
|                                  | Commercial pledge on equipment  | 92,083                 |                    |
| Martifer Renovables ETVE, S.A.U. | 1 <sup>st</sup> degree share pledge of 100% of shares of the following companies: Eurocab FV 1, S.L., Eurocab FV 2, S.L., Eurocab FV 3, S.L., Eurocab FV 4, S.L., Eurocab FV 5, S.L., Eurocab FV 6, S.L., Eurocab FV 7, S.L., Eurocab FV 8, S.L., Eurocab FV 9, S.L., Eurocab FV 10, S.L., Eurocab FV 11, S.L., Eurocab FV 12, S.L., Eurocab FV 13, S.L., Eurocab FV 14, S.L., Eurocab FV 15, S.L., Eurocab FV 16, S.L., Eurocab FV 17, S.L., Eurocab FV 18, S.L., Eurocab FV 19, S.L.,<br>Share pledge of 50 % of shares of Martifer Renovables ETVE | 1,006,515<br>4,982,684 | 29,360,250         |
| MARTIFER Roménia SRL             | Factory mortgage  | 4,285,424              | 702,421            |
|                                  | Mortgage of lands of farms and all equipment/construction included in the project / farms   | 44,001,194             |                    |
| EVIVA NALBANT                    | Share pledge of 100% of Eviva Nalbant   | 4,921,132              | 11,585,539         |
|                                  | Pledge of all movable assets (insurances, bank accounts, trade receivables, intellectual property, etc.)  | 1,620,848              |                    |
| Martifer Solar S.A.              | Mortgage of building and promise pledge of equipment/inventories  | 8,846,980              | 3,964,928          |
|                                  |   | <b>219,927,010</b>     | <b>237,149,888</b> |

## 28. RELATED PARTIES

Group companies have commercial relations with each other that qualify them as related party transactions. All of these transactions are performed on an arm's length basis.

Consequently, all these transactions are eliminated, since the consolidated financial statements disclose information regarding the holding company and its subsidiaries as if they were a single entity.

The balances resulting from the transactions performed with associate and jointly controlled companies, accounted through the equity method, are not eliminated. The amount of the balances not eliminated is approximately 48 million euros, with special regard to the accounts receivable from Ventinveste and some companies in Poland in the Metallic Constructions segment.

Besides current transactions, some relating to civil construction works done with the Mota-Engil Group and others associated with real estate management projects under way done by the Estia Group, there are not any other significant balances and transactions performed with related parties during the period ended on 30<sup>th</sup> June 2016 that significantly affected the financial position or performance of the Group.

## 29. SUBSEQUENT EVENTS

In August, after the reference date of these financial statements, Martifer concluded negotiations with Voltalia, signing of an agreement for the sale of the 55 % share owned in Martifer Solar, S.A.. Through this agreement, Voltalia acquired 100 % of Martifer Solar, S.A. shares, excluding its subsidiaries in the USA, which will continue to be owned by the Martifer Group. The acquisition price, Equity Value, of 100 % of the shares is 9 million euros.

## 30. APPROVAL OF THE FINANCIAL STATEMENTS

The accompanying consolidated financial statements were approved by the Board of Directors on 25<sup>th</sup> August 2016.

## 31. EXPLANATION ADDED FOR TRANSLATION OF THE FINANCIAL STATEMENTS

These financial statements are a translation of the consolidated financial statements originally issued in Portuguese in accordance with the International Financial Reporting Standards as adopted by the European Union. In the event of discrepancies, the Portuguese version prevails.

Oliveira de Frades, 25<sup>th</sup> August 2016

### The Chief Accountant

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João Alexandre Queiroz Oliveira

### The Board of Directors

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Carlos Manuel Marques Martins  
(Chairman)

---

Jorge Alberto Marques Martins  
(Vice-Chairman)

---

Pedro Nuno Cardoso Abreu Moreira  
(Member of the Board of Directors)

---

Arnaldo José Nunes da Costa Figueiredo  
(Member of the Board of Directors)

---

Jorge Bento Ribeiro Barbosa Farinha  
(Member of the Board of Directors)

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Luís Valadares Tavares  
(Member of the Board of Directors)