2011

CONSOLIDATED ANNUAL REPORT AND FINANCIALS

ASCENDUM GROUP

2011

CONSOLIDATED ANNUAL REPORT AND FINANCIALS

THE NEW NAME AND IDENTITY IS THE OUTCOME OF OUR TENACITY AND DRIVE TO GO FURTHER AND BEYOND. CREATED IN 2012, THE NEW BRAND ASCENDUM, NEW NAME OF THE GROUP HOLDING, REFLECTS OUR ALL-TIME AMBITION, THE CURRENT DIMENSION OF OUR COMPANIES IN PORTUGAL, SPAIN, U.S, TURKEY AND MEXICO AND THE DAILY DETERMINATION OF OUR EMPLOYEES.

WE HAVE GROWN, IMPROVED, OVERCOME ALL CHALLENGES AND BROKEN THROUGH ALL BARRIERS ALWAYS REMAINING TRUE TO OUR HISTORY OF OVER 50 YEARS, TO OUR VALUES AND TO THE EXCELLENCE OF OUR SERVICES.

THIS CHANGE DEMONSTRATES OUR AMBITION, RAISING STANDARDS IN ORDER TO IMPROVE AND BETTER SATISFY THE NEEDS OF OUR CLIENTS AND STAKEHOLDERS.

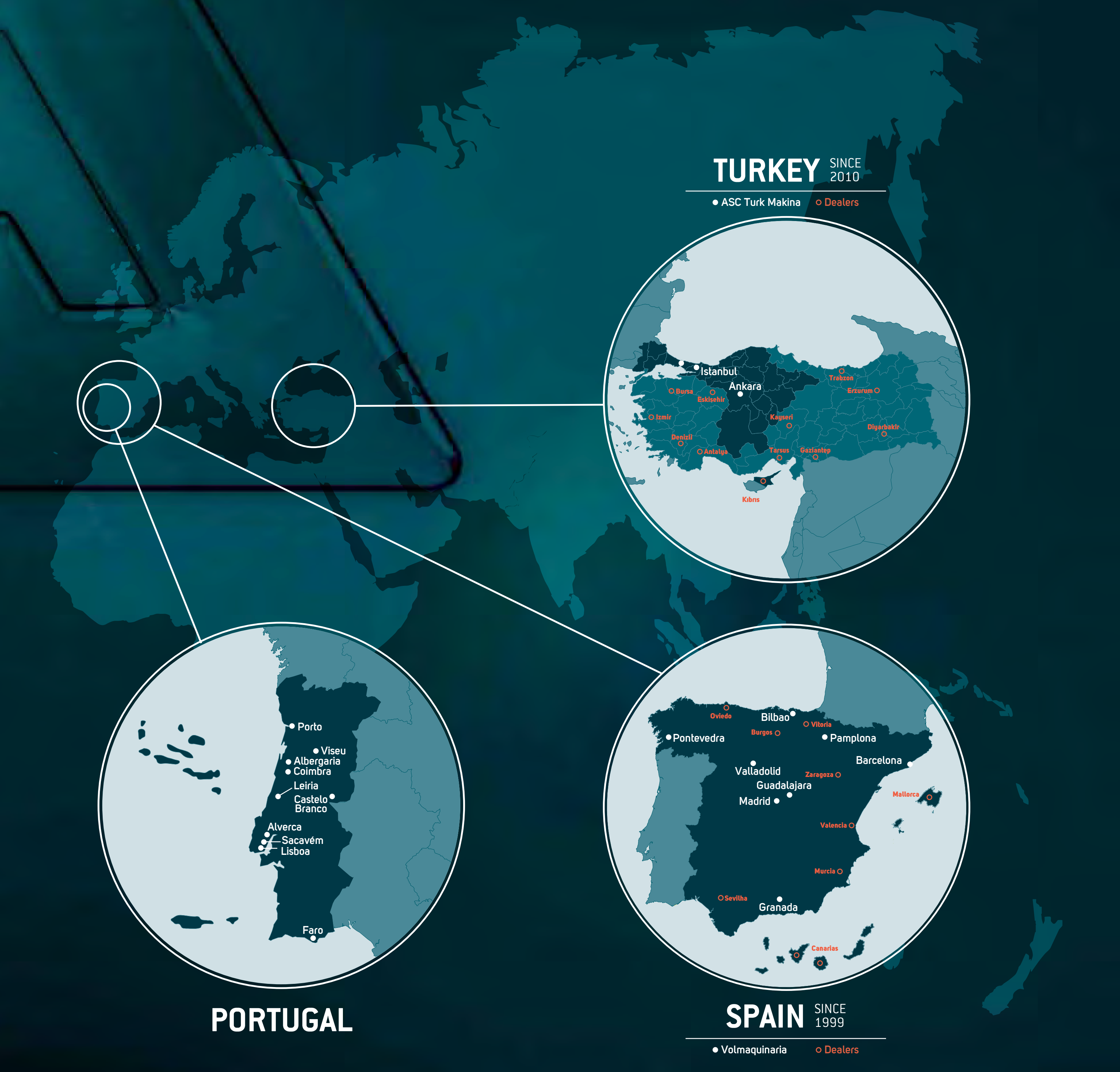
A NEW BRAND,
A NEW FUTURE

ASCENDUM
GROUP

ASCENDUM GROUP AROUND THE GLOBE

WITH AROUND 1000 EMPLOYEES, THE ASCEDNUM GROUP OPERATES DIRECTLY IN PORTUGAL, SPAIN, U.S. TURKEY AND MEXICO.

ASCENDUM
GROUP



PORTUGAL

ASC MÁQUINAS E EQUIP. INDUSTRIAIS
ASC VEÍCULOS
VOLRENT
TRACTORRASTOS
AIR-RAIL PORTUGAL

Business areas:
Construction and Infrastructure equipment, cars and trucks
Employees: **407**
Branches: **10**

SPAIN

VOLMAQUINARIA DE CONSTRUCCIÓN
DE ESPANA, S.A
AIR-RAIL

Business areas: **Construction and Infrastructure equipment**
Employees: **123**
Branches: **17**

Volmaquinaria
Dealers

USA

ASC CONSTRUCTION EQUIPMENT USA, INC.

Business areas: **Construction and Infrastructure equipment**
Employees: **231**
Branches: **16**

TURKEY

ASC TURK MAKINA
TRP
AIR-RAIL TURK

Business areas: **Construction and Infrastructure equipment**
Employees: **156**
Branches: **15**

ASC Turk Makina
Dealers

MEXICO

ASCENDUM MAQUINARIA MEXICO

Business areas: **Construction and Infrastructure equipment**
Employees: **60**
Branches: **3** (**14** until 2014)

CONTENTS

MESSAGE FROM THE EXECUTIVE COMMITTEE

WITHOUT EXCEPTION, ALL OF YOU HAVE HELPED TO MAKE ASC GROUP A STRONGER FORCE THAT IS BETTER EQUIPPED FOR THE FUTURE.

Dear Shareholders,

The Executive Committee is very pleased with the results achieved for the 2011 year of business –results which, in our opinion, have been extremely gratifying.

Today's Executive Committee is the result of a process of corporate transformation that required a strong motivation and great effort to bring about; it proudly and dutifully acknowledges the trust that has been placed in it by the shareholders.

Not surprisingly, the year 2011 was a difficult year, although standing up to the vicissitudes in the various markets in which we maintain a presence is the reality of the situation with which we have been and continue to be faced.

We are still far away from meeting the goal we have set for ourselves of achieving one billion Euros in sales in 2015.
In order to attain this goal, we are going to need (i) to grow into new markets, with the assistance of Volvo, our major partner, (ii) and the unconditional support of our financial partners, (iii) all for the purpose of locating further human resources at the same level as those who are presently contributing to the Group in such an exceptional manner, allowing us to grasp these new opportunities; and (iv) we require the steadfast willingness shareholders to support the progress of our company.

Another equally important factor that will enable us to carry out our project lies in our ongoing process of diversifying the company through the procurement of new areas of business and new partners.

In closing, we would like to give one last word of thanks to our shareholders for their wise and constructive contributions to the strategies of the Group, as well as our thanks to the Board of Directors for the unconditional solidarity they have shown over the course of the past year.

Without exception, all of you have helped to make ASC Group a stronger force that is better equipped for the future.

Although we are indeed satisfied with the performance that was shown in 2011, we will not rest until the objectives that we have outlined have been achieved.

May 11, 2012
The Executive Committee of the ASC Group

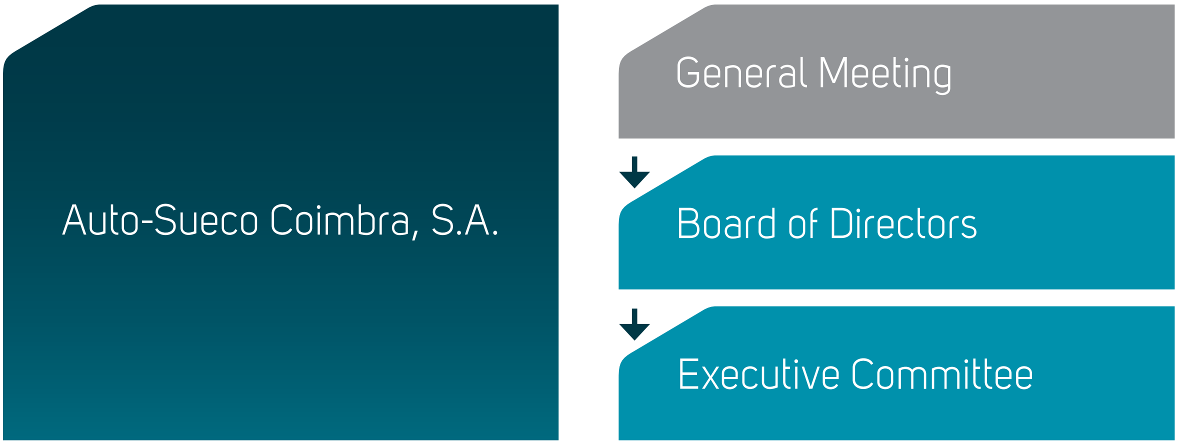
Ricardo José Pinho Mieiro (CEO)
Angela Maria Silva Vieira Lança de Morais
João Manuel de Pinho Mieiro
Paulo Vieira do Nascimento Mieiro
Rui António Faustino

CORPORATE BODIES AND CORPORATE GOVERNANCE STRUCTURE

02

CORPORATE BODIES AND CORPORATE GOVERNANCE STRUCTURE

CURRENTLY, THE MANAGEMENT ACTIVITIES FOR ASC GROUP ARE DIVIDED INTO EXECUTIVE AND NON-EXECUTIVE DUTIES, WITH THESE DUTIES BEING CARRIED OUT BY THE FOLLOWING CORPORATE BODIES:



BOARD OF DIRECTORS:

- Ernesto Gomes Vieira **- Chairman**
- Ricardo José de Pinho Mieiro
- Angela Maria Silva Vieira Lança de Morais
- Carlos José Gomes Vieira
- João Manuel de Pinho Mieiro
- José Manuel Bessa Leite de Faria
- Paulo Jervell
- Paulo Vieira do Nascimento Mieiro
- Rui António Faustino
- Tomás Jervell

EXECUTIVE COMMITTEE:

- Ricardo José de Pinho Mieiro **- CEO**
- Angela Maria Silva Vieira Lança de Morais
- João Manuel de Pinho Mieiro
- Paulo Vieira do Nascimento Mieiro
- Rui António Faustino

GENERAL MEETING ATTENDEES:

- Francisco Manuel Coelho do Sameiro Espregueira Mendes **- President**
- Vítor Sérgio de Castro Nunes **- Vice-President**

STATUTORY AUDITOR:

PriceWaterHouseCoopers & Associados – Sociedade de Revisores Oficiais de Contas, Limitada

Palácio Sottomayor, Rua Sousa Martins, n.º 1, 3.º andar
1069-316 Lisboa

Representada por José Pereira Alves (R.O.C.) ou por Hermínio António Paulo Afonso (R.O.C.)

Fiscal Suplente: António Joaquim Brochado Correia (R.O.C.)


Ernesto G. Vieira


Ricardo Mieiro


Angela Vieira Lança de Morais


Carlos Vieira


João Mieiro


José Leite de Faria


Paulo Jervell


Paulo Mieiro


Rui Faustino

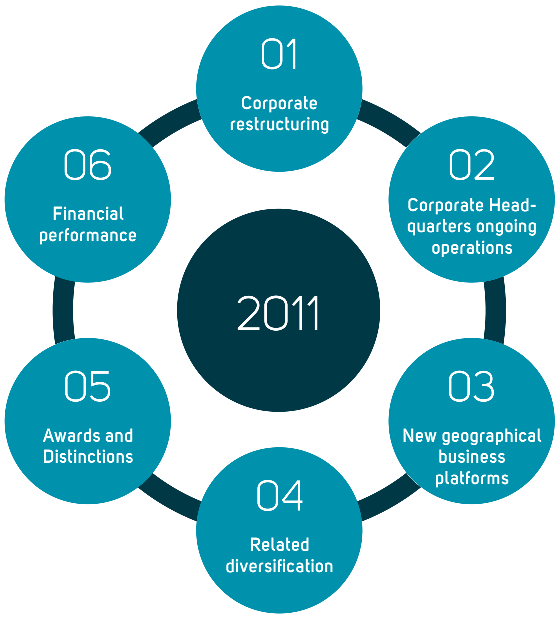

Tomás Jervell

HIGHLIGHTS

03

2011 WAS A HISTORIC YEAR FULL OF MAJOR EVENTS FOR THE ASC GROUP, CERTAINLY FROM THE VIEWPOINT OF OPERATIONS AND FROM AN ECONOMIC AND MONETARY PERSPECTIVE, RESULTING IN CLOSE TO THE BEST YEAR OF THE ASC GROUP'S HISTORY. ALL OF THIS OCCURRED IN A MACROECONOMIC AND ORGANIZATIONAL CONTEXT THAT WAS CLEARLY VERY CHALLENGING.

AS SUCH, WOULD LIKE TO PAY SPECIAL ATTENTION TO 6 PARTICULAR ELEMENTS FROM AMONG THE GROUP'S MOST SIGNIFICANT UNDERTAKINGS FOR 2011:



03.1.1 - CORPORATE RESTRUCTURING

Our corporate restructuring efforts included two areas of focus:

- The restructuring of ASC Group's corporate holdings, and,
- The adoption of a new model of governance that (i) matches up with the culture of the ASC Group, (ii) may be universally implemented across all of the companies that make up the ASC Group, and (iii) is compatible with the Group's increasingly complex management strategies.

Corporate restructuring

Insofar as the first component of corporate restructuring is concerned, the most complex part of the process is taking place in Portugal itself, through the process of separating out the various strategic management activities that are now concentrated in the company Auto-Sueco Coimbra S.A. from the various other businesses in the geographical area of Portugal dealing with industrial equipment, construction equipment and vehicles (cars and trucks).

As such, the restructuring of the corporate shareholdings in the Group was implemented by means of the following stages:

- **Portugal:**
  - Change in the corporate status of ASC Group's parent company (ASC SA) into that of a publicly traded company;
  - Merger of all corporate shareholdings across the various geographical regions into ASC SA (an undertaking which will be concluded in 2012);
  - Rearrangement of corporate shareholdings in Portugal so that each business unit (construction equipment, industrial equipment and vehicles) corresponds to a single company;
  - Merger of all companies / business units in Portugal that were previously held by ASC SA in the geographical region of Portugal

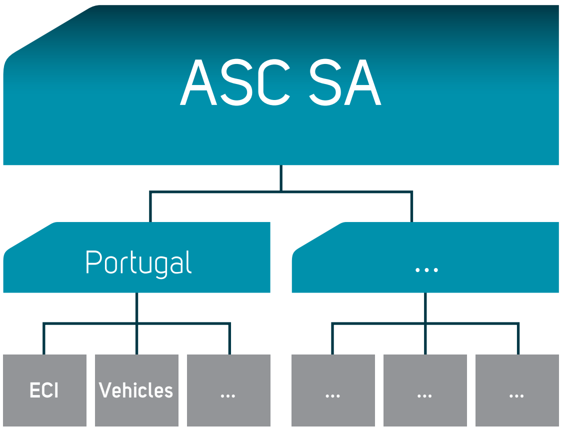
- **Spain:**
  - Merger of all companies / business units in Spain that were previously held by VMCE in the geographical region of Spain (an undertaking to be concluded in 2012).

- **Turkey:**
  - Placement of all companies / business units in Turkey that were formerly held by ASC SA in the geographical region of Turkey under a holding company.

New model of governance

The growth of the ASC Group, with its presence in 5 geographical areas, has increased the level of complexity in its management. This generates a need to create a company to bring together all strategic coordination for the Group in a way that makes it possible to draw a distinction between executive and non-executive duties, thereby instilling a greater sense of hierarchical accountability that will simultaneously increase the specificity of focus and the accountability of its managers, as indicated in the figure 03.1.

03.1 - RELEVANT FACTS



- Strategic coordination;
- Synergies - Group;
- Limited involvement in operations;
- Group-wide managerial support ;
- Strategy development.

Level 1

- Geographical platforms;
- Coordinating companies for a group of businesses;
- Support structure for expansion of business activities.

Level 2

- Operational logistics;
- Business focus;
- Professional training for management.

Level 3

In this way, ASC Group has successfully adopted a new model of governance - a two-part model - which will make it possible to keep the managerial and supervisory activities for the ASC Group separate from one another in a way that best accommodates the interests of all of its stakeholders. This separation of duties (management and supervision) is embodied in the creation of an Executive Committee entrusted with the task of carrying out strategic management duties in an integrated manner across all of the various geographical regions, in tandem with a Board of Directors that is ultimately responsible for this same function.

03.1.2 - THE ROLE PERFORMED BY THE ASC GROUP'S CORPORATE CENTER

In response to the growing complexity of ASC management activities, the creation of a Corporate Center was instated in order to meet these needs. The main tasks of Corporate Center are to foster the creation of value, the further development of business, and also the skills and aptitudes of the ASC Group in a fundamentally two-pronged fashion:

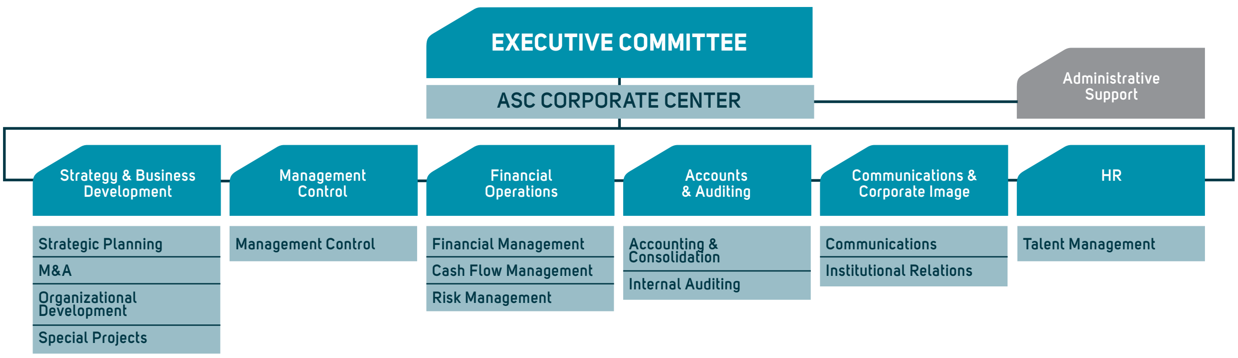
1. STRATEGY DEVELOPMENT

- Corporate vision and strategy
- Management of portfolio and allocation of resources
- Management of business units
- Performance management and control
- Culture and talent management
- Governance and risk management

2. MANAGERIAL SUPPORT

- Management of synergies and sharing of best practices
- Intra-group projects and initiatives
- Providing of shared services
- Promotion of the brand
- Operational support for strategic development of business

As such, the Corporate Center as a structure has successfully brought together a set of complementary activities to be carried out in an integrated manner in accordance with the specific realities of the ASC Group's situation:



03.1.3 - NEW GEOGRAPHICAL REGIONS

With regard to the ASC Group's internationalization process, 2011 proved itself to be a significant year, insofar as preparations were made for yet another wave of corporate internationalization, with a special focus on the American continent through the negotiation of distribution deals for machinery and industrial equipment with Volvo Construction Equipment for the entire territory of Mexico (operations that began in March of 2012).
Indeed, awarding this distribution deal for the territory of Mexico to VCE represents an excellent opportunity:

- **Macroeconomic outlook:**
  - The second largest economy in Latin America (14th economy, worldwide) with an expectation for growth in its GDP over the next 5 years of somewhere on the order of 5.5%;
  - Its economy shows low levels of indebtedness (41.5% of the GDP in 2010), with the existence of an ambitious plan on the part of the Mexican government to invest in the development of its poorly developed network of infrastructures;
  - Stable and resilient financial market and low inflation rates;
- **Construction equipment market:**
  - A market of considerably vast size for new and used units;
  - Upside associated with the potential improvement of current market shares for Volvo products (on average 4%) and in the gap in units sold per million inhabitants in relation to other more developed markets in which the Group maintains a presence (3.9X versus 10X in the USA);
  - Synergies with the Group's operations in the USA.

All of these factors have led the Group to determine that, in the medium term, an investment in Mexico represents an important undertaking for the Group, in consolidated terms.
In tandem with this, ASC Group and VCENA (Volvo Construction Equipment North America) are on the point of developing a joint project seeking to enhance the structure of the ASC Group on the North American market (at present, ASC USA is the largest and most successful dealer of VCE products in the USA). This project, the first stage of which consisted of selling off a portion of the ASC Group's market territory in Alabama, will culminate in the expansion of the ASC Group's operations in the USA over the course of 2012 in order to enter into more significant states with greater strategic interest for both parties.

03.1.4 - CORRESPONDING DIVERSIFICATION

In spite of the focus on expanding the presence of the ASC Group into the North American market and on developing the Mexican market, ASC Group has continued to pursue its strategy to diversify its portfolio of products and services in all of the various geographical areas in which it is active. In consideration of this, it has proceeded to launch (i) a new set of operations for commercially distributing equipment for docks and harbors, and railway and airport infrastructures both in Portugal and in Turkey, and (ii) new efforts to expand the operations of Tractorrastos into the African market.

03.1.5 - AWARDS AND DISTINCTIONS

In 2010 and 2011, ASC received distinctions from Volvo International in two markets (i) USA - award received for best dealer in multiple categories (ii) Turkey - distinction received for best dealer of Volvo International.
Similarly, in 2011 the ASC Group was deemed by the news-paper Diário de Notícias to be one of the ten best companies in terms of Executive Management, while also receiving distinctions in the International Business and Export Awards organized by BES and by the economic newspaper Jornal de Negócios, in partnership with Coface and McKinsey & Company, when it was awarded with an honorable mention in the category of International Business Awards - Large Enterprises.

03.1.6 - FINANCIAL PERFORMANCE

Lastly, we cannot forget to point out the economic and financial results (Volume of Business close to 500 million Euros and Net Profit on the order of 27 million Euros) achieved by the Group in 2011 in a particularly difficult international context, all without any compromise to the financial stability of the Group (Financial Freedom of 34% and Net Debt/EBITDA of 2.0x).

03.2 - KEY ECONOMIC, FINANCIAL AND OPERATING INDICATORS

THE KEY CONSOLIDATED INDICATORS FOR THE GROUP ARE THE FOLLOWING:

KEY ECONOMIC, FINANCIAL AND OPERATING INDICATORS	2011	2010	Δ
VOLUME OF BUSINESS	487.826	350.942	39%
EBITDA (1)	60.391	30.733	97%
EBITDA MARGIN	12%	9%	3,0 pp
EBIT (2)	42.733	12.589	3,4 x
NET PROFIT WITH NON-CONTROLLING INTEREST	27.130	7.303	3,7 x
EQUITY WITH NON-CONTROLLING INTEREST	139.811	125.578	11%
NET DEBT / EBITDA (3)	2,0 x	3,7 x	-
NET DEBT / EQUITY (3)	0,9 x	0,9 x	-
FINANCIAL FREEDOM (4)	34%	40%	-6,0 pp
NUMBER OF WORKERS	1.096	1.051	4%

Values expressed in thousands of Euros

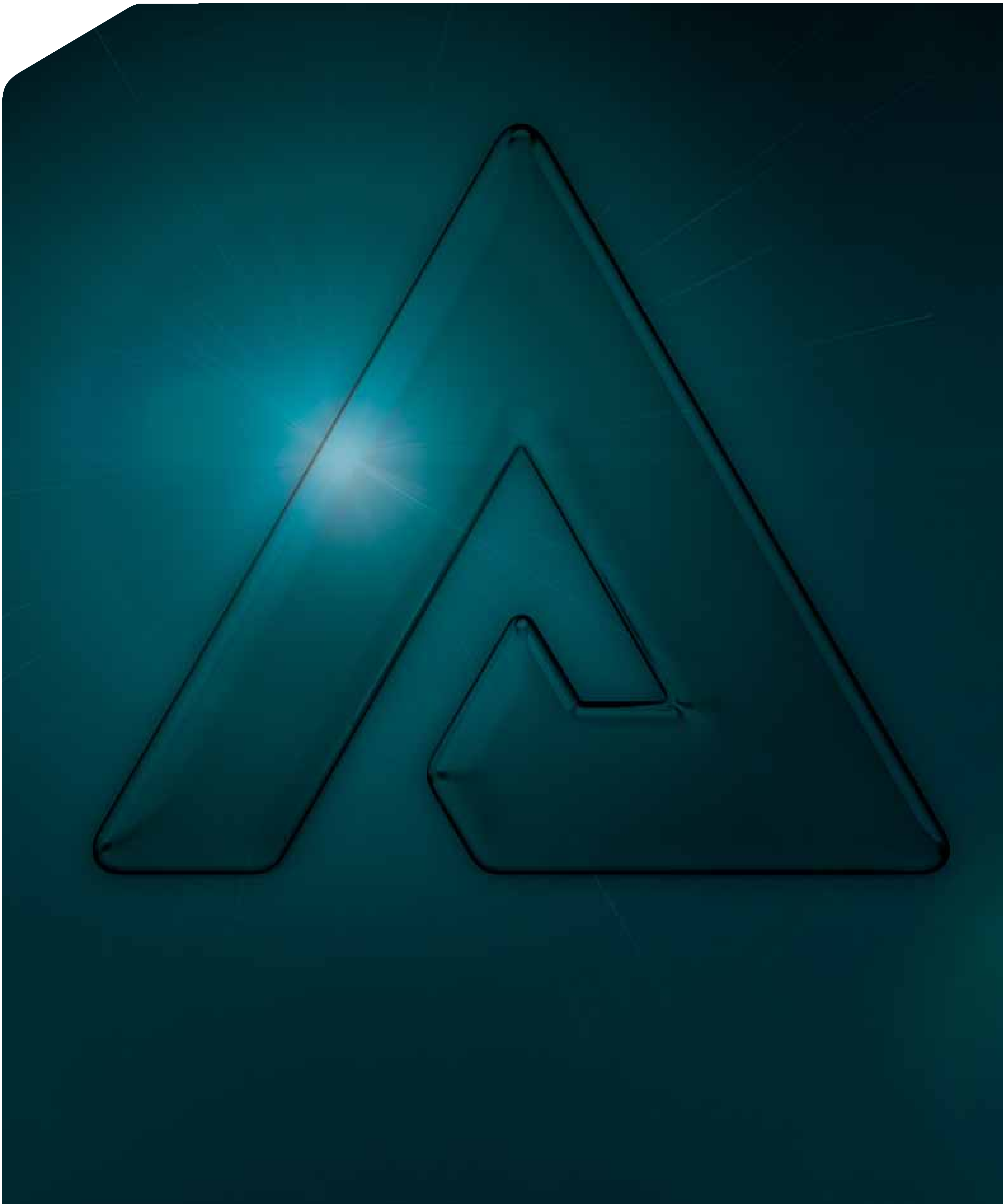
(1) Earnings before interest, taxes, depreciation and amortization
(2) Earnings before interest and taxes
(3) Net financial debt not including amount of unpaid financial liabilities
(4) Quotient between average equity with non-controlling interest and average net asset

From an economic and financial point of view, in an extremely difficult context the ASC Group achieved noteworthy performance levels, remaining extremely close to the earnings from 2007 (net income of 27.6 million Euros):

- Operating performance - in 2011, the ASC Group increased its volume of business by 39%, doubling its EBITDA to around 60 million Euros and increasing its Net Income 3.7X. Similarly, the implementation of measures for optimizing corporate structures made it possible to achieve improvements in terms of efficiency, a fact that was reflected with an EBITDA margin of 12%, up from 9%.
- Financial soundness - in tandem with the efforts made to achieve growth, the ASC Group has conducted business with a focus on protecting its financial situation, improving its Net-Debt-to-EBIDTA ratio from 3.7X to 2.0X, thereby maintaining its financial freedom ratio at a value on the order of 34%. It is worthwhile to point out the impact of these policies in terms of reducing equity, coming as the result of (i) the devaluation of the Turkish lira (-18% with respect to December 31, 2010), and (ii) the devaluation of shares in Banco BPI (-65% with respect to December 31, 2010). The overall impact of these devaluations, totaling close to 12 million Euros, has influenced equity values and, concomitantly, the extent of financial freedom.

THE ORGANIZATION OF THE ASC GROUP

04



04.1 - VISION

TO BE ONE OF THE BIGGEST WORLDWIDE GLOBAL SOLUTIONS PROVIDER OF INFRASTRUCTURES AND CONSTRUCTION EQUIPMENT.

04.2 - VALUES

ONGOING DEVELOPMENTS IN THE ASC GROUP OVER THE COURSE OF 2011 ALSO UNDERWENT A PROCESS TO SYSTEMATIZE A SET OF CORPORATE VALUES CAPABLE OF ACCURATELY EXPRESSING THE NATURE OF THE MISSION THAT GUIDES THE GROUP ON A DAY-TO-DAY BASIS. AS SUCH, THE GROUP HAS DEFINED THREE ESSENTIAL CORPORATE VALUES THAT MORE ACCURATELY REFLECT THE REALITY OF ITS SITUATION:

A
ACHIEVING RESULTS

- Capable of accomplishing goals and delivering excellence and high-quality results;
- A scrupulous attitude always striving for further improvement, displaying a sense of responsibility and professionalism in all of our undertakings;
- A spirit of entrepreneurship, looking ahead to new opportunities, innovating new solutions and taking action with proactive initiative;
- Determined decision-making and resilience in the face of adversity;
- Ambition and desire for growth, ever pursuing new challenges in order to continually build a better future

S
SUSTAINABILITY

- Long-term vision based on the ongoing pursuit of sustained growth;
- Generation of value for all stakeholders (shareholders, clients, partners, workers and society);
- Financially sound business ventures;
- Business conducted on the basis of extremely rigorous principles of ethics, transparency and civic duty ;
- Respect for our history and for the multicultural diversity that characterizes us .

C
COMMITMENT

- Commitment to our clients, taking action in order to provide them with maximum satisfaction;
- Commitment to our suppliers and partners, developing solid relationships built upon trust and mutual gain ;
- Commitment to our shareholders, generating value by continually improving business and delivering results;
- A common commitment among all parties, marked by trust-based relationships, mutual respect and a unifying spirit of teamwork;
- Commitment to the organization, shown through pride, devotion, and a sense of belonging to an ambitiously growing multinational group

04.3 - CORPORATE PROFILE AND STRATEGY OF THE ASC GROUP

04.3.1 - CORPORATE PROFILE

Founded in 1959, ASC Group serves as an international benchmark in the automotive sector, actively conducting business as a supplier of construction and industrial equipment, cars, trucks and machine parts, and also as a provider of all related technical assistance, supplementing its commercial offerings with rental services for equipment and logistics support. Additionally, the Group's lines of business also extend into supplying equipment for ports, airports and railways, as well as in the segment of multi-brand parts for industrial applications. Currently counting more than 1,000 workers among its ranks, today ASC Group serves as one of the largest worldwide distributors for Volvo Construction Equipment, maintaining a direct presence in markets such as Portugal, Spain, USA, Turkey, Africa and, most recently, Mexico.

Similarly, the Group has developed a follow the customer solution that has made it possible to move alongside its clients, enlarging its presence in this way in order to include the African continent and Eastern Europe. As a result of the great results of this approach, the Group is further developing its present strategies at into an even more direct approach that we are calling: to be with the customer. By maintaining a presence across all segments of the value chain for the Automotive sector, ASC is able to offer an extensive portfolio of high-quality products and brands with applications for industry in fields as diverse as construction and public works, mining and quarrying, logistics, etc.

The excellence of the ASC Group's performance in all of the markets in which it is active has led it to occupy a leading position among the pool of Volvo CE dealers, currently enjoying global renown as one of the largest and most successful international dealers. In tandem with this, ASC has consistently achieved performance levels as a dealer – outlined in terms of company recognition, sales and market shares – higher than those of Volvo CE itself in the markets in which it is established. These levels of performance have made it so that the international market currently represents around 97% of ASC's earnings.

04.3.2 - STRATEGY

In 2009 and 2010, the company conducted an exhaustive strategic reflection process resulting in the definition of two fundamental pillars of growth – on the one hand, to consolidate and expand the business segment of construction and industrial equipment, trucks and automobiles, in order to maintain a position of leadership in the markets in which it is present; and, on the other hand, by successfully diversifying its business activities by taking part in new lines of business and by broadening its portfolio of products:

1. CONSOLIDATE AND EXPAND BUSINESS (ICE, CARS AND TRUCKS)

- Optimize current business;
- Start up new business activities in other geographical areas / emerging markets, and
- Enlarge core product portfolio to include other brands.

2. DIVERSIFY BUSINESS THROUGH PARTICIPATING IN NEW TYPES OF BUSINESS / EXPANSION OF PRODUCT PORTFOLIO

- Broaden product portfolio by including infrastructure equipment and agricultural machinery ;
- Reinforce presence in the logistics equipment market segment;
- Foster parts business and multi-brand ASS, and
- Expand service to include "turnkey" clients.

In 2010, a number of important steps were already taken to achieve these objectives through the acquisition of ASC Türk and the companies Air-Rail and Zephir. Furthermore, in 2011, ASC Group also instituted significant new undertakings to globalize its business activities by expanding into Mexico, a market of considerable size and potential for growth.

In the future, the ASC Group will continue to pursue the internationalization process, while keeping in mind both of the above-mentioned pillars for growth, representing markets such as Latin America, Africa and other emerging target markets that are advantageous for the Group as a counterpart to the other more mature markets in which the Group is already present.

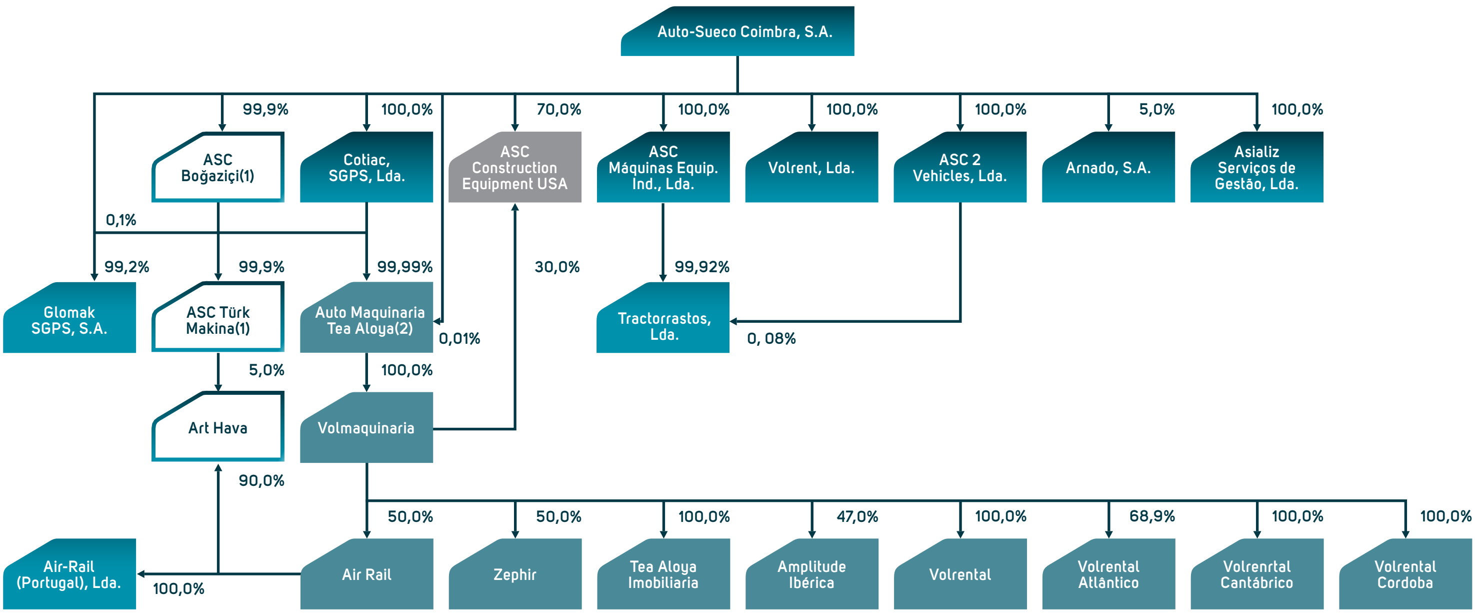
04.3.3 - PORTFOLIO OF PRODUCTS

The ASC Group is active with many brands in various areas of business (construction and infrastructure equipment, trucks and cars), according to the following table:

		IMPORTS	RETAIL	RENTING	AFTERMARKET	REMARKETING
PORTUGAL	Construction equipment	Volvo Thwaites Visa Gomaco Yale Tremix Ponsse Perlini Sennebogen Rubble Master	Volvo Thwaites Visa Gomaco Yale Tremix Ponsse Perlini Sennebogen Rubble Master ASC is directly present throughout the entire country (4 locations)	Volvo Volvo Rents Volvo rental agencies in Lisbon, Porto and Pombal	Tractorrastos	ASC Máquinas
	Trucks		Volvo Mitsubishi ASC is directly present in 6 locations			
	Cars		Volvo Land Rover Jaguar Mazda Mitsubishi ASC is directly present in 6 locations			
	Infrastructure equipment	Air-Rail	Air-Rail	Air-Rail		
SPAIN	Construction equipment	Volvo Sandvik Lännen	Volvo Sandvik Lännen Via VMCE, active both in 12 sub-dealerships and directly in Madrid, Catalonia, Galicia, Andalusia and Valladolid	Volvo Volmaquinaria Volvo rental agencies in Madrid, Barcelona and 6 other locations		VMCE Multi brand
	Infrastructure equipment	Air-Rail Zephir	Air-Rail Zephir	Air-Rail Zephir		
USA	Construction equipment		Volvo Sennebogen Champion Bomag Hypac Doosan Konecranes Blawknox by LeeBoy Sandvik **ASC USA** in 5 states, active through 15 of its own branch offices	**ASC USA** in 5 states, active through 14 rental agencies	**ASC USA** in 5 states, active through 15 of its own branch offices	ASC USA
TURKEY	Construction equipment	Volvo Sandvik	Volvo Sandvik	Volvo		Volvo
	Infrastructure equipment	Air-Rail	Air-Rail	Air-Rail		

04.4 - ASC GROUP ORGANIZATIONAL CHART

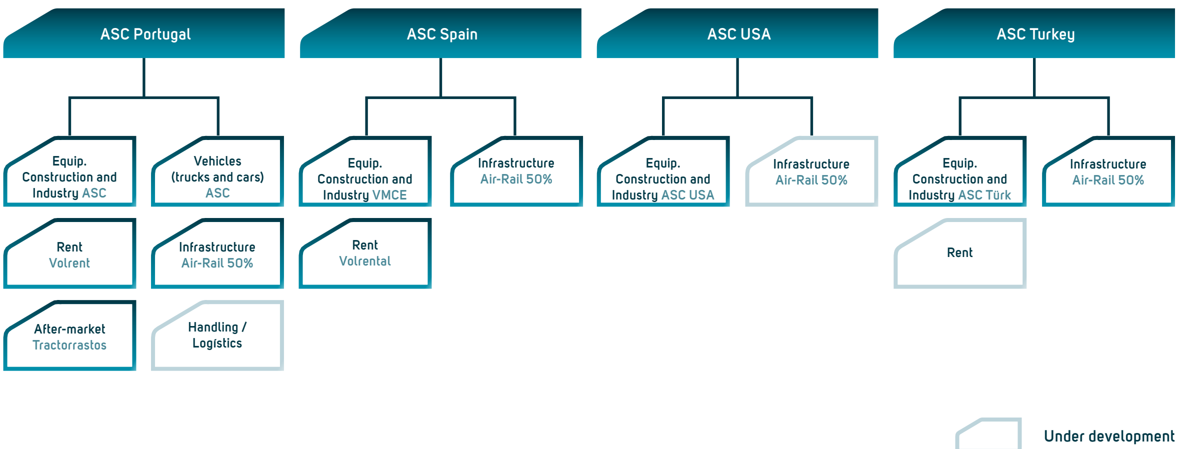
04.4.1 - ORGANIZATIONAL CHART OF THE COMPANY



(1) Companies with 5 associates The associates that are residual owners of shares are companies in the ASC Group (Cotiac, SGPS, S.A.; Asializ – Serviços de Gestão, Lda.; Volrent, Lda.; Tractorrastos, Lda.);
(2) They possess a shareholding of 0.8% in BPI.

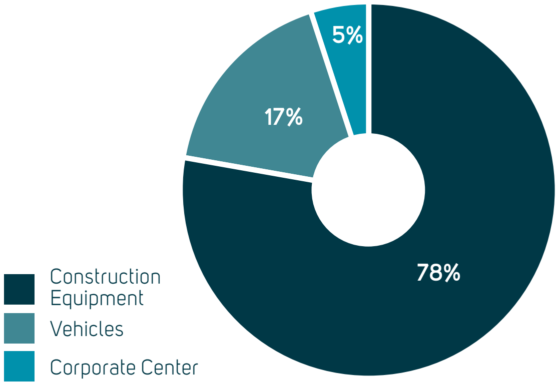
04.4.2 - ORGANIZATIONAL CHART OF BUSINESS

Similarly, from an organizational point of view, the Group has developed a model of management based on a concept of geographical platforms, designed to maximize the existing synergies between its various areas of business:

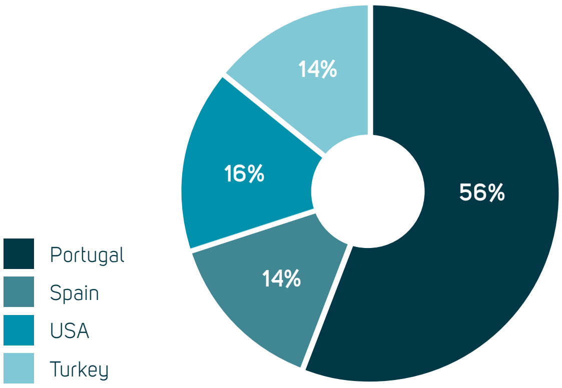


IN 2011, THE HUMAN RESOURCES STRUCTURE OF THE ASC GROUP WAS MADE UP OF 1,096 EMPLOYEES WITH A MEDIAN AGE OF APPROXIMATELY 41 YEARS OLD.

TOTAL WORKERS (2011) - 1.096



TOTAL WORKERS (2011) - 1.096

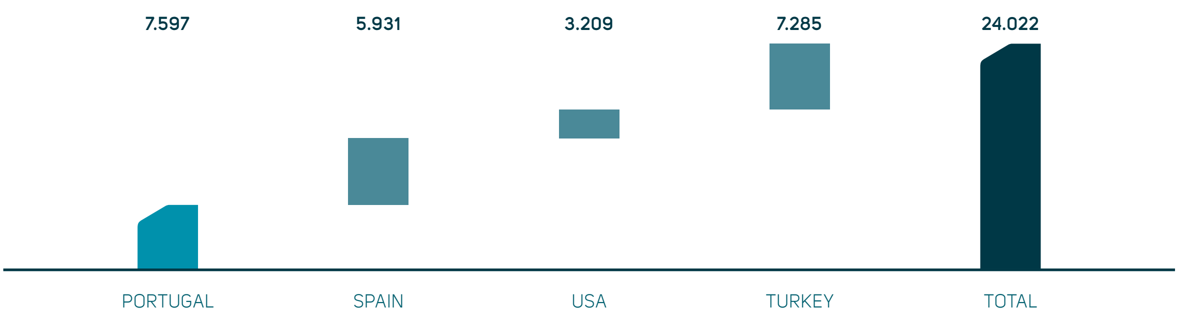


The business area of construction equipment maintained a dominant position among ASC's operations, covering close to 78% of the total of the Group's employees.
With respect to the company's retail presence in the 3 areas of business – cars, trucks and construction and industrial equipment – Portugal contains approximately 56% of ASC Group's business partners.

In terms of professional training, it is important to point out the training plan that has been put into practice in each of the geographical platforms, totaling, in consolidated terms, close to 24,000 hours of training, comprising an average of 22 hrs/year per worker. In its essence, this strong belief in training stems from the high level of qualifications demanded by the ASC Group of all of its workers when providing services to end clients; these job qualifications are systematically reflected in the recognition received by the company by means of countless awards given to the company's workers on an international scale, particularly in the category of best Volvo CE mechanics - "Volvo Masters Cup."

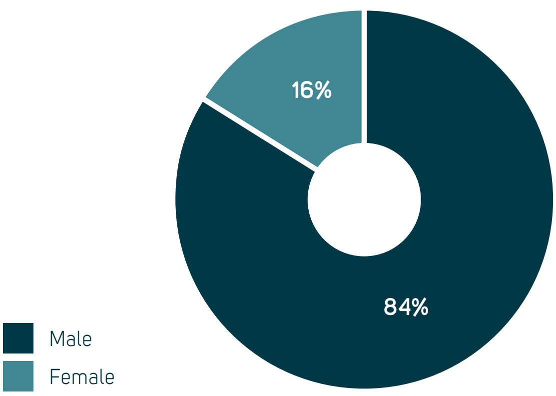
04.5 - HUMAN RESOURCES

Total hours of training for the ASC Group

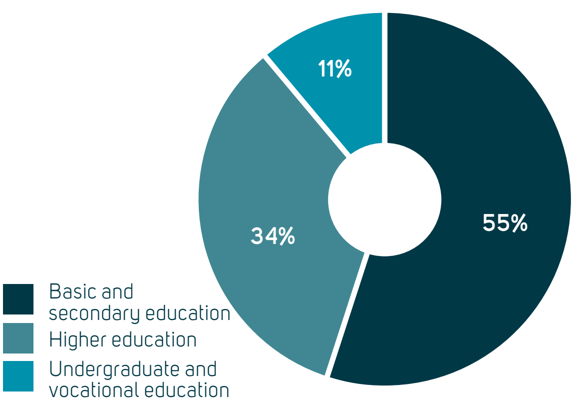


In terms of the distribution of gender among workers, as of December 31, 2011, the ASC Group's human resources structure was made up in its majority of male workers, who represented closed to 84% of the total for the structure.

TOTAL WORKERS 2011 (1.096) - BY GENDER



TOTAL WORKERS 2011 (1.096) - BY LEVEL OF EDUCATION



With regard to the education levels of the Group's workers, close to 55% have finished basic or secondary education, 34% have attended higher education and 11% have completed undergraduate or vocational programs.

SUMMARY OF INDICATORS	2011	2010	Δ
VOLUME OF BUSINESS	487.826	350.942	39%
EBITDA (1)	60.391	30.733	96,5%
EBIT (2)	42.733	12.589	3,4 x
NET PROFIT WITH NON-CONTROLLING INTEREST	27.130	7.303	3,7 x
NET PROFIT MARGIN	5,6%	2,1%	3,5 pp
CASH FLOW (3)	45.648	24.851	84%
CASH FLOW W/O SALES	9,4%	7,1%	2,3 pp
LIQUID ASSETS	410.091	362.827	13%
FINANCIAL LIABILITIES (4)	150.458	139.351	8%
INVESTED CAPITAL (5)	290.269	264.929	9,6%
EQUITY PLUS NON-CONTROLLING INTEREST	139.811	125.578	11,3%
NET PROFIT TO EQUITY (6)	19%	6%	14 pp
FINANCIAL FREEDOM (7)	34%	40%	-6 pp
RETURN ON CAPITAL (8)	15%	5%	10 pp
NUMBER OF WORKERS	1.096	1.051	4,3%

Values expressed in thousands of Euros

(1) Earnings before interest, taxes, depreciation and amortization
(2) Earnings before interest and taxes
(3) Net earnings with non-controlling interest, depreciation and amortization for the fiscal year and variation in provisions
(4) Total financial liabilities excluding unpaid financial liabilities. In the balance sheet appearing in the appendix, values for 2010 include the amount of unpaid liabilities (close to 20 million Euros)
(5) Equity with non-controlling interest, financial liabilities and all other obligations not in the balance sheet
(6) Quotient between net profit with non-controlling interest and equity with non-controlling interest
(7) Quotient between average equity with non-controlling interest and average net asset
(8) Quotient between the EBIT and average invested capital

In terms of performance, even in spite of adverse market conditions, the Group showed a positive performance that was reflected in a Volume of Business of 488 million Euros, an operating profit (EBITDA) of 60 million Euros (EBITDA margin of 12%, in contrast with the margin of 9% that was recorded in 2010) and a net income of 27 million Euros.

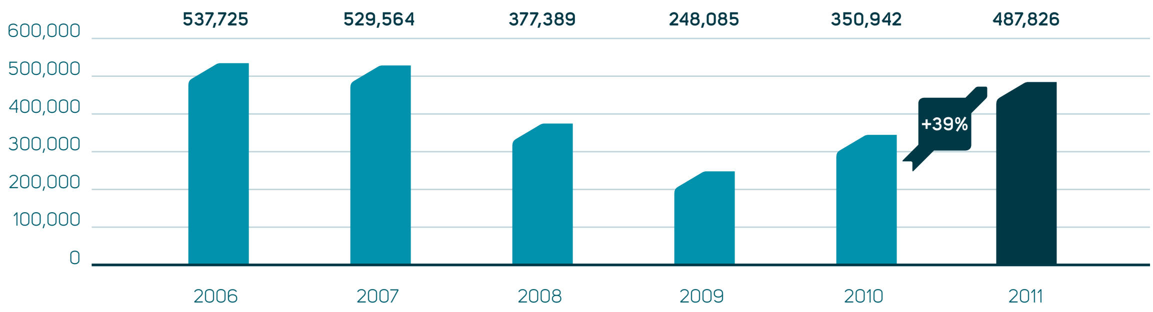
04.6.1 - VOLUME OF BUSINESS

In 2011, the Volume of Business for the ASC Group increased 39% from 2010, reaching close to 488 million Euros in earnings. These earnings are essentially due to the contribution of income drawn from international operations in Turkey and the USA.

The positive performance shown by the ASC Group over the course of 2011 comes as a result not only of all of its efforts to consolidate its position in the markets in which it is active, but also because 12 months of operations in Turkey have been taken into account for this year (in 2010, only 6 months of business were considered). This country, in conjunction with the USA, was a strong contributing factor for the earnings shown by the ASC Group.

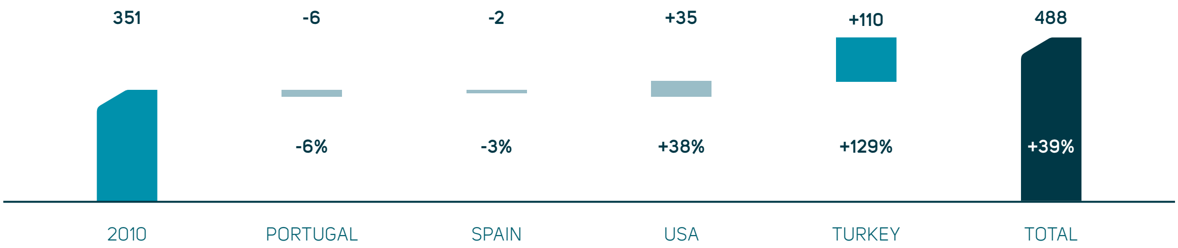
04.6 - KEY CONSOLIDATED INDICATORS

Evolution of Volume of Business — Thousands of Euros



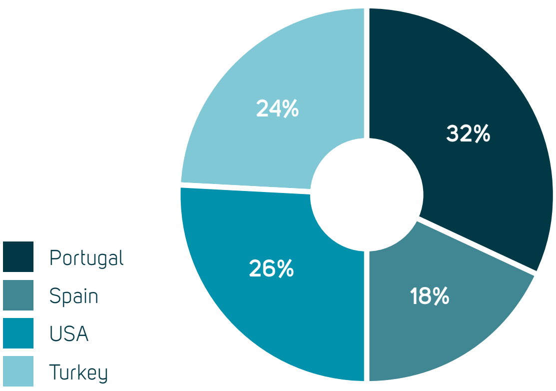
In individual terms, the positive contributions of Turkey and the USA have made up for the negative impact of the Iberian market, which resulted, in essence, from the adverse economic environment that was felt in the peninsula and which strongly influenced business in Portugal and Spain.

Allocation made for increasing Volume of Business — millions of Euros / % of growth compared with 2010

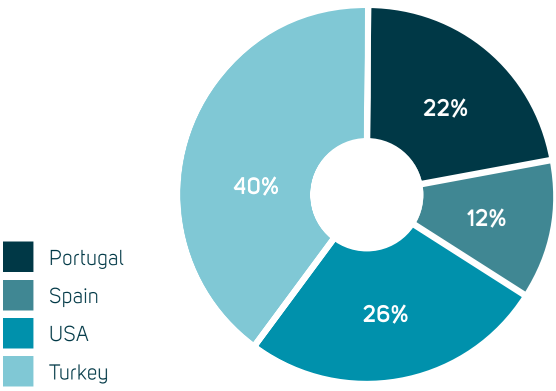


Given that operations in Turkey represent a full year of activity for 2011, the relative contribution of the non-domestic markets to the Group's Volume of Business (Spain, USA and Turkey) rose to 78%.

Volume of Business (2010) - 351 Millions of Euros

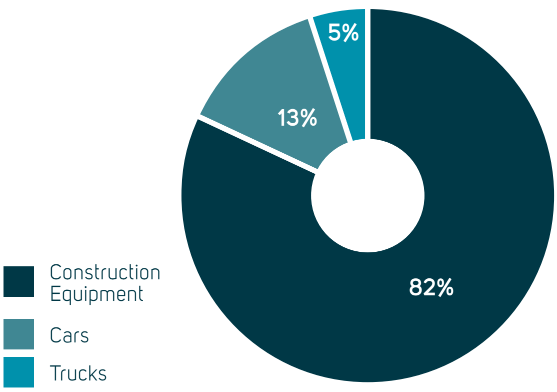


Volume of Businesss (2011) - 488 Millions of Euros

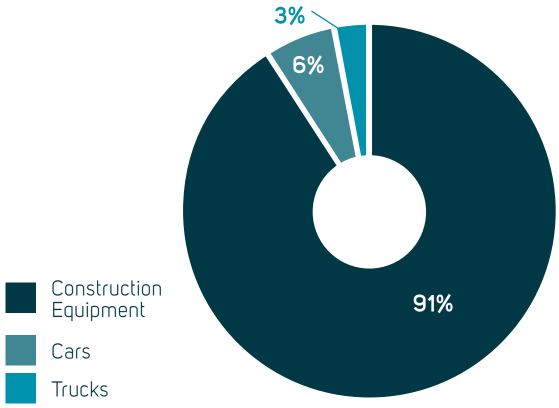


Insofar as the various business areas are concerned, the segment for Construction Equipment, which is the biggest area of ASC's operations, increased in relative size in comparison with 2010, coming to represent 91% of the ASC Group's Volume of Business at the end of 2011. The relative size of the Cars business area went down in significance in comparison with 2010, as a result of the marked decline in the market in response to the increased VAT rate and the ending of the tax incentive program for trading in older cars, thus placing it at 6%. The Trucks area also saw a drop in the proportion of the ASC Group's Volume of Business it occupies, representing 3% of this figure, in comparison with 5% in 2010.

Volume of Business (2010) - 351 Millions of Euros



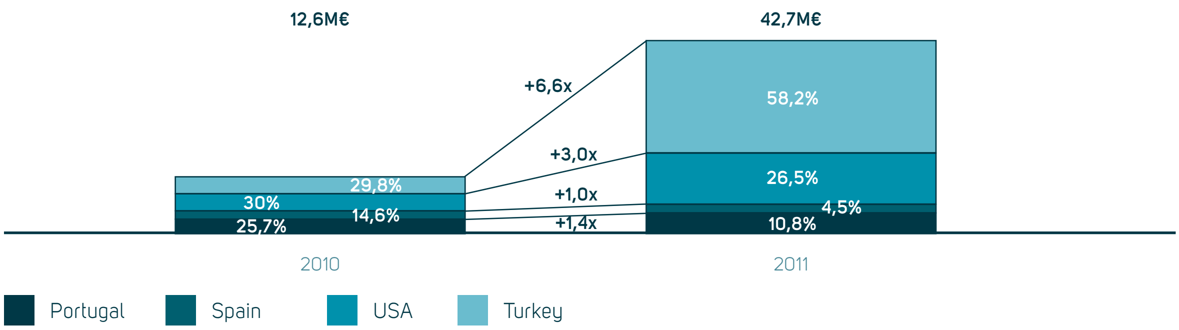
Volume of Businesss (2011) - 488 Millions of Euros



04.6.2 - EBIT

In 2011, the ASC Group's EBIT rose to 42.7 million Euros, a showing strong growth with respect to 2010 of 3.4x. This growth is explained, in part (i) by the contribution provided by Turkey, which only contributed 6 months of business for 2010 (20 million Euros), and (ii) by the growth of the EBIT in the USA, generated not only by the increase in gross margin of 3 million Euros, but also by the disposal of operations in the State of Alabama (approximately 5 million Euros).

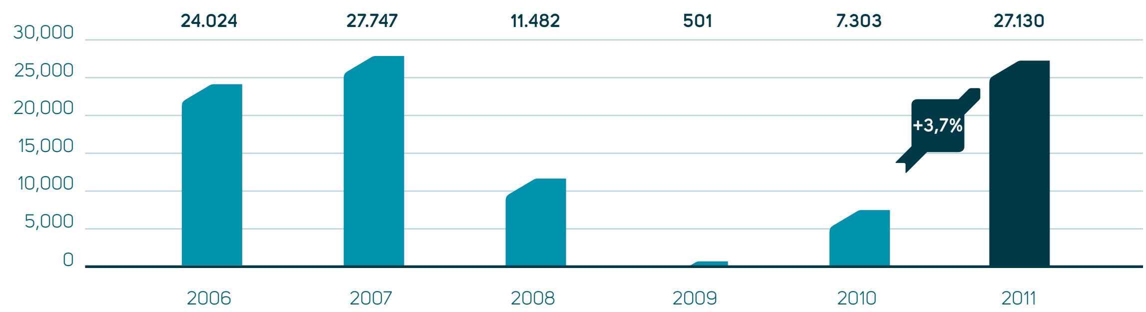
EBIT Growth (2011/2010)



04.6.3 - NET INCOME

In 2011, net income (including non-controlling interests) increased to 27.1 million Euros, in comparison with the 7.3 million Euros achieved in 2010. In essence, this reflects (i) the partial recovery of the markets, (ii) the increased obtained from the inclusion of a full 12 months of operations in Turkey, a country which has contributed 74% of the Group's net income, and (iii) the earnings obtained from the disposal of operations in the State of Alabama.

Evolution of Net Profit | Thousands of Euros



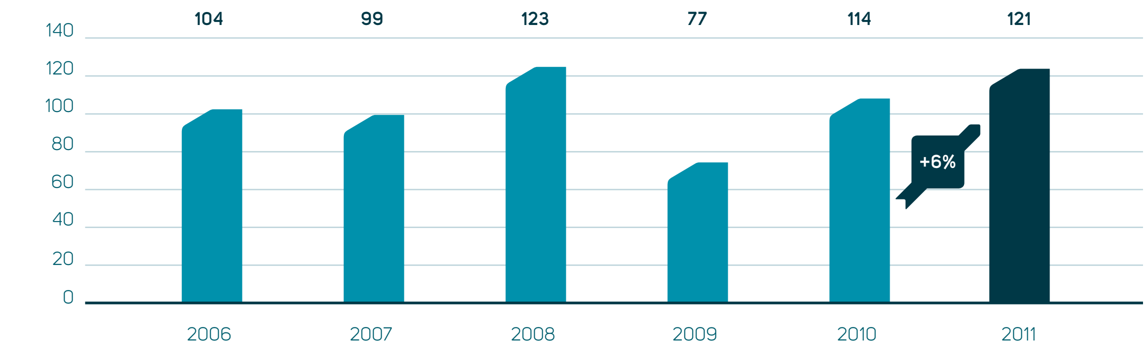
04.6.4 - CONSOLIDATED NET DEBT

As of December 31, 2011, net consolidated debt rose to 121 million Euros, in comparison with the 114 million Euros verified on December 31, 2010.

In turn, consolidated gross debt rose to 150 million Euros, 47% of which comprises medium- and long-term debt (equal to 71 million Euros) and 53% of which is short-term debt (equal to 79 million Euros).

At the end of the year, the Net Debt to EBITDA ratio was 2.0x, while the Net Debt to Equity ratio amounted to 0.9x.

Evolution of Net Debt | Thousands of Euros



Note: values for 2010 appearing in the balance sheet in appendix include amounts reflecting unpaid liabilities.

04.6.5 - NET ASSETS AND EQUITY

In 2011, the Net Assets of the ASC Group totaled 410 million Euros, representing a growth of approximately 47 million Euros with respect to 2010, generally corresponding to the following figures:

- **Tangible fixed assets (+10,0 M€)**
  the ASC Group's inclusion of Glomak resulted in an increase in value, in terms of consolidated figure, of 10.8 million Euros.

- **Inventory (+35,7 M€)**
  the increase in inventory in comparison with 2010 is, on the whole, a result of the 100% inclusion of Glomak within the ASC Group's scope of consolidation (21.3 million Euros) and also due to a growth in activity in the USA and Turkey (20.5 million Euros).

In its own right, Equity (including non-controlling interests) rose to 140 million Euros in 2011, representing a growth of 11% in comparison with 2010, equivalent to 14 million Euros.

It is important to point out the impact received, in terms of a reduction in equity, coming from (i) the devaluation of the Turkish lira (-18%, when compared with December 31, 2010), and (ii) the devaluation of shares in Banco BPI (-65%, when compared with December 31, 2010), the overall impact of which amounted to 12 million Euros, bearing a strong influence on equity values and, concomitantly, on financial freedom levels.

MACROECONOMIC FRAMEWORK

05


VOLVO

05.1 - GLOBAL ECONOMY

IN 2011, THE GLOBAL ECONOMY SHOWED A PACE OF GROWTH LOWER THAN IN 2010, WITH ESTIMATES THAT THE REAL GROWTH RATE FOR THE GDP IN 2011 WAS 3.9%, IN COMPARISON WITH 5.3% IN 2010.

Just as in previous years, countries with emerging economies once again proved their importance on a global scale, on average contributing growth rates that were greater than those for the advanced economies. At the same time, 2011 was also marked by a series of events bearing a negative impact on a worldwide scale, such as the sovereign debt crisis in the Eurozone, the tsunami in Japan and the deceleration of the North American economy, which generated a deceleration in the growth of the other advanced economies, dropping from 3.2% in 2010 to 1.6% in 2011, and also for emerging economies, which dropped from 7.5% in 2010 to 6.2% in 2011.

MACROECONOMIC DATA

REAL RATE OF GROWTH OF GDP	2007	2008	2009	2010	Y2011
WORLDWIDE	5,4%	2,8%	-0,6%	5,3%	3,9%
ADVANCED ECONOMIES	2,8%	0,0%	-3,6%	3,2%	1,6%
EMERGING ECONOMIES	8,7%	6,0%	2,8%	7,5%	6,2%
EUROZONE	3,0%	0,4%	-4,3%	1,9%	1,4%
USA	1,9%	-0,3%	-3,5%	3,0%	1,7%
ASIA (EXCLUDING JAPAN)	11,4%	7,8%	7,1%	9,7%	7,8%
CHINA	14,2%	9,6%	9,2%	10,4%	9,2%
JAPAN	2,2%	-1,0%	-5,5%	4,4%	-0,7%
PORTUGAL	2,4%	0,0%	-2,9%	1,4%	-1,5%
SPAIN	3,5%	0,9%	-3,7%	-0,1%	+0,7%
TURKEY	4,7%	0,7%	-4,8%	9,0%	8,5%

Source: FMI (Economic Outlook - April 2012)
Real variation rates, in %

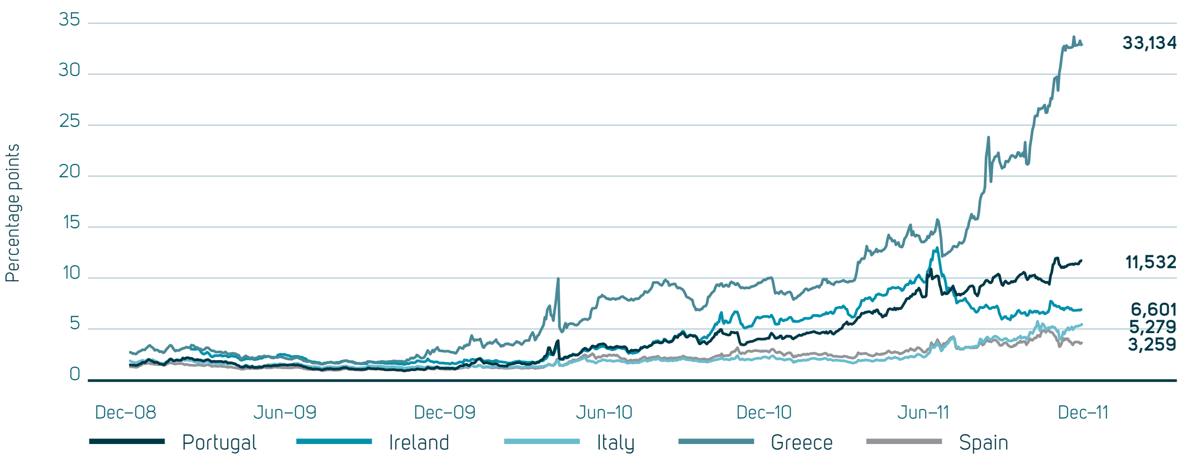
With regard to the Eurozone, even despite the growth that was recorded in some countries in Northern Europe, the countries in Southern Europe were significantly affected by the aggravation of sovereign debt risk, efforts made toward budget consolidation and the implementation of austerity measures, de-leveraging in the financial sector, and the increasing difficulty for companies and individuals to gain access to financing, all contributing toward a deceleration in the economy of the Eurozone. In addition, in a similar way to what happened in Greece and Ireland in 2010, Portugal solicited financial assistance from the European Union and the International Monetary Fund, instilling a fear of financial contagion for other economies in the Eurozone, and in Spain and Italy in particular.

Within this framework, we were subject to a newly revised set of lowered ratings for countries on the periphery of the Eurozone, along with fears about the worsening of conditions for financing and a corresponding lack of access for the government, businesses and the financial sector, resulting in a loss of confidence on the part of international investors. As a result, the 10-year government bond yield rates and variations in government bond spread over the course of 2011 for those countries most affected by the current macroeconomic situation were the following:

	GREECE	PORTUGAL	ITALY	SPAIN	IRELAND
10-YEARS GOVERNMENT BOND YIELD (%)	35%	13,4%	7,1%	5,1%	8,4%
VARIATION OF SPREADS (p.b.) [1]	2.363 p.b.	789 p.b.	343 p.b.	77 p.b.	70 p.b.

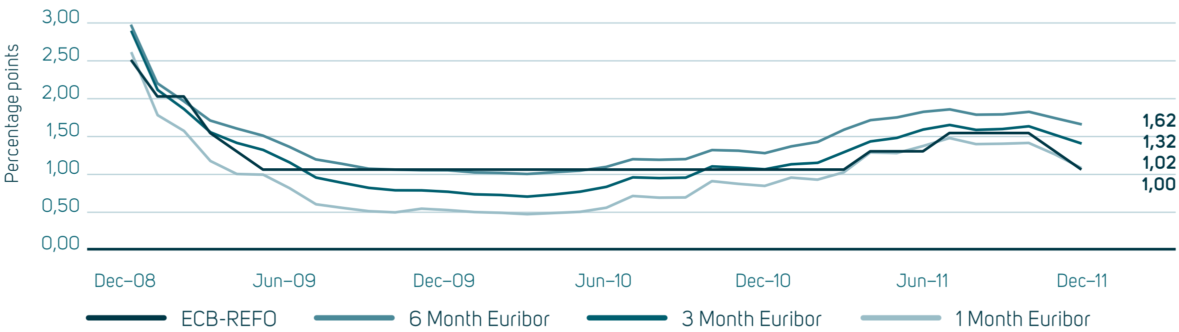
(1) Corresponds to the variance in the difference between the 10-year government bond yield for each country and the 10-year sovereign debt of Germany in 2011, whose value rose to 1.829%.

Yeld spreads for 10-year public debt securities vs. Germany(%) Source: Bloomberg



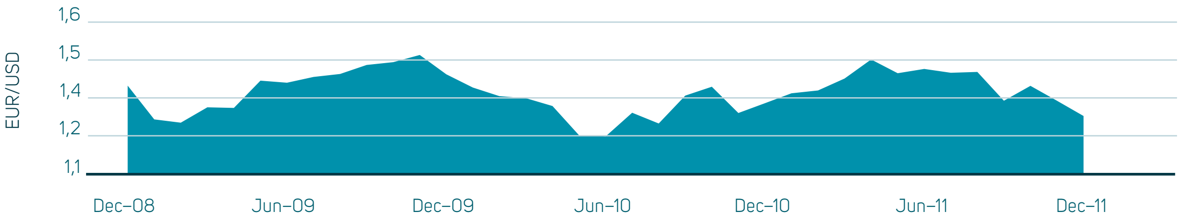
Over the course of 2011, the European Central Bank increased its benchmark rates (Repo) in April from 1% to 1.25%, and again in July to 1.5%, even while lowering the benchmark rate in December back down to the value originally reported for the first half of the year (1%), in order to provide some liquidity for the banking system and to lesson some of the tension witnessed in the most peripheral markets.

Evolution of ECB reference rate and Euribor interest rates (3M, 6M e 1M) Source: Bloomberg

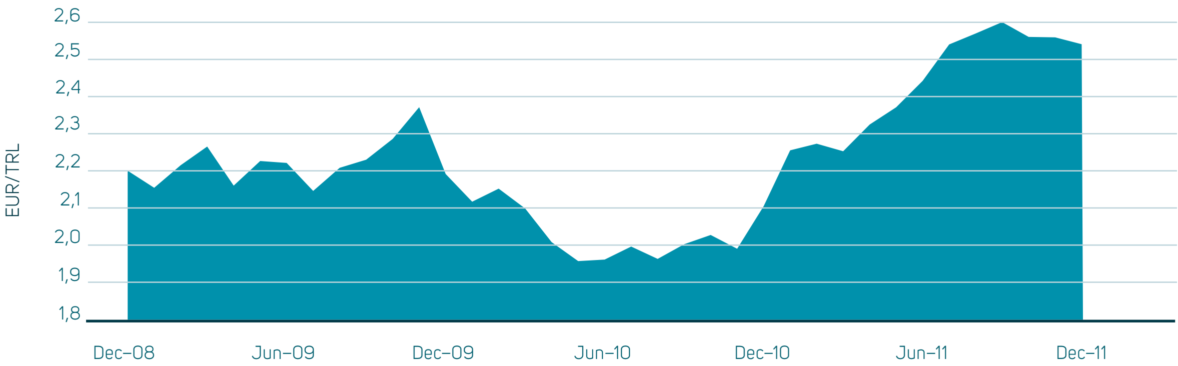


In tandem with this, the Euro suffered a depreciation of approximately 3.2% with respect to the dollar and an appreciation of close to 18.5% with respect to the Turkish lira, quoted at 1.2939 EUR/USD and 2.4432 EUR/TRL respectively, as of December 30, 2011.

Evolution of EUR/USD exchange rate Source: Bloomberg

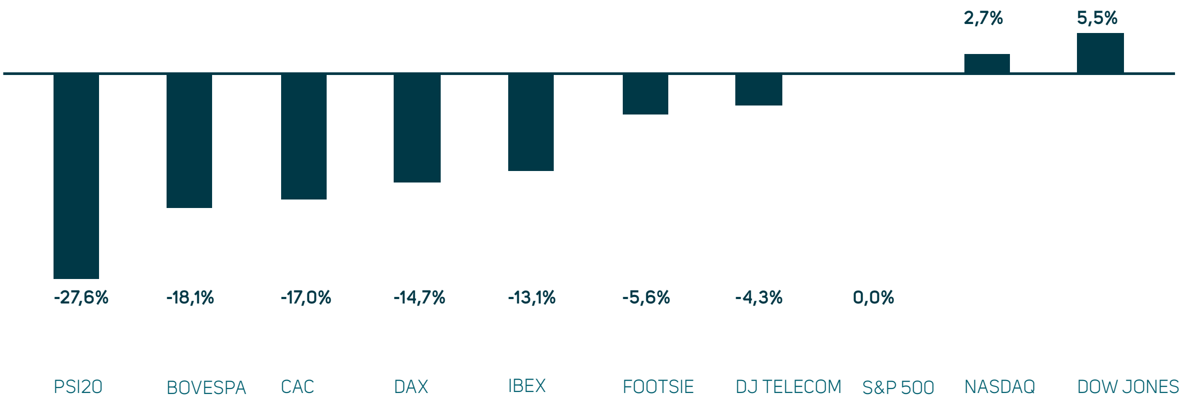


Evolution of EUR/TRL exchange rate Source: Bloomberg



Capital markets in the Eurozone were also under pressure, having shown increasingly accentuated devaluations (PSI20, CAC, DAX and IBEX were devaluated 27.6%, 17.0%, 14.7% and 13.1%, respectively), in contrast with the main indices in the USA, DOW JONES and NASDAQ, with increases in value of 5.5% and 2.7% respectively.

Evolution of main stock market indices in 2011 Source: Bloomberg



Consistent with the estimates of the International Monetary Fund, in 2011 Portugal's GDP fell around 1.5%, mainly due to aggravated country risk and financial measures with contractionist effects, in particular (i) efforts made to consolidate the budget and implement austerity measures, and also (ii) the de-leveraging of the Portuguese financial sector and increasing difficulties for companies and individuals to gain access to financing. At the same time, Portugal showed a strong recovery in its balance of trade in 2011, with an increase in exports of close to 8.5% and a drop decrease in imports of close to 5.7%.

PORTUGAL					
Portugal - real growth rate (%)	2007	2008	2009	2010	2011
GDP	2,4%	0,0%	-2,9%	1,4%	-1,5%
PERSONAL CONSUMPTION	2,5%	1,3%	-1,1%	2,3%	-4,2%
PUBLIC CONSUMPTION	0,5%	0,4%	3,7%	1,3%	-3,2%
GFCF	2,6%	-0,3%	-11,3%	-4,9%	-11,6%
EXPORTS	11,5%	3,0%	-12,4%	-0,7%	8,5%
IMPORTS	7,2%	5,2%	-12,7%	-5,4%	-5,7%
INFLATION (CPI)	2,4%	2,7%	-0,9%	1,4%	3,6%
UNEMPLOYMENT RATE (% WORKING POPULATION)	8,0%	7,6%	9,5%	10,8%	12,7%
PUBLIC DEBT (% GDP)	68,3%	71,6%	83,1%	93,4%	106,8%

Source: FMI (Economic Outlook - April 2012), AMECO (November 2011).

START OF YEAR		
MOODY'S	S&P	FITCH
A1	A-	A+

CHANGES					
MOODY'S	DATE OF CHANGE	S&P	DATE OF CHANGE	FITCH	DATE OF CHANGE
A3	15-03-2011	BBB-	24-03-2011	A-	24-03-2011
Baa1	05-04-2011			BBB-	01-04-2011
Ba2	05-07-2011			BB+	24-11-2011

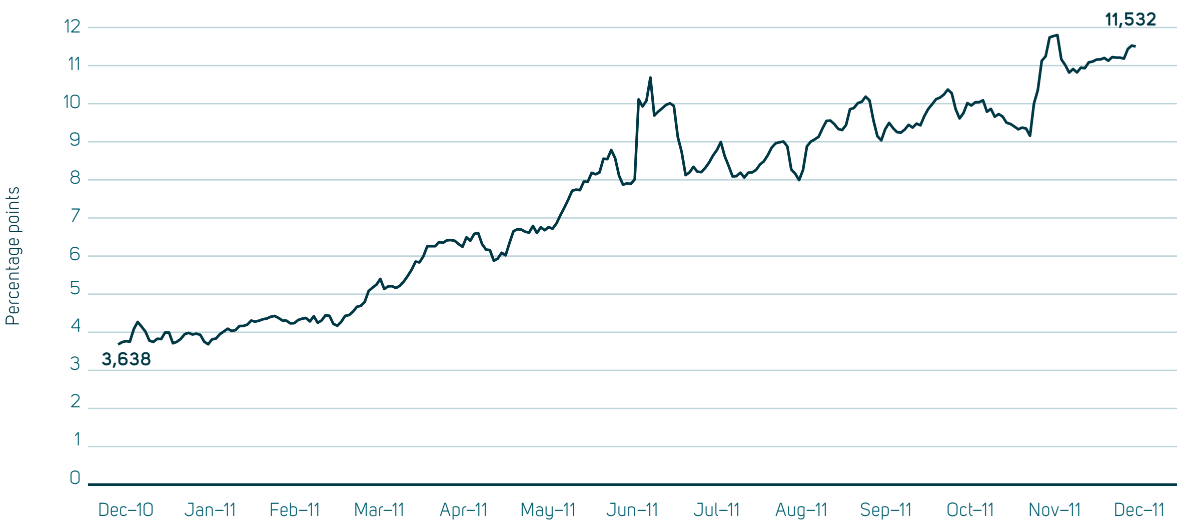
Source: Bloomberg

Consequently, the spread (the difference between yields) for 10-year public debt securities against the German benchmark rose to 1153 basis points, thereby showing a growth of approximately 789 basis points from 2010.

05.2 - PORTUGAL

Yield spreads for 10-year public debt securities vs. Germany (%)

Source: Bloomberg



With regard to the sovereign risk of the Eurozone, it is also important to make some mention of the principal restrictive measures adopted in Portugal in light of the fact that it breached a deficit of 4.6% in 2011: (i) an increase in the tax burden, in particular with regard to the Personal Income Tax, VAT and special income tax, (ii) a reduction in the salaries of government employees, in particular with regard to the 13th and 14th months, (iii) the hiring freeze on government jobs, (iv) the cuts in social security expenditures, and (v) the investment cuts.

In 2011, Portugal's public debt rose to 106.8% of the GDP, remaining above the calculated average for the Eurozone (88.1% of GDP).

In terms of yearly averages, the rate of inflation remained steady at 3.6%, reflective of an improvement in the external environment of the Portuguese economy and a raise in energy prices (most significantly, in the price of petroleum), which were on average close to 20% higher than in 2010. On the other hand, due to the level of uncertainty and the more restrictive conditions placed on financing, investments in businesses, the governmental administration and households experienced a drop of close to 12%.

An increase in the unemployment rate, from 10.8% to 12.7%, was also detrimental to the consumer confidence index, leading to a deceleration in domestic demand.

05.3 - SPAIN

In Spain, GDP estimates show positive growth in 2011 on the order of 0.7%, with a 0.7% increase in personal consumption, a 9.0% increase in exports and a 0.1% drop in imports all contributing to this positive growth figure. On the other hand, a 0.9% drop in government consumption and a 5.4% decrease in investments in businesses, governmental administrations and households were both detrimental to the growth of the Spanish economy.

SPAIN					
REAL GROWTH RATE (%)	2007	2008	2009	2010	2011
GDP	3,5%	0,9%	-3,7%	-0,1%	0,7%
PERSONAL CONSUMPTION	3,5%	-0,6%	-4,3%	0,8%	0,7%
PUBLIC CONSUMPTION	5,6%	5,9%	3,7%	0,2%	-0,9%
GFCF	4,5%	-4,7%	-16,6%	-6,3%	-5,4%
EXPORTS	6,7%	-1,0%	-10,4%	13,5%	9,0%
IMPORTS	8,0%	-5,2%	-17,2%	8,9%	-0,1%
INFLATION (CPI)	2,8%	4,1%	-0,2%	2,0%	3,1%
UNEMPLOYMENT RATE (% WORKING POPULATION)	8,3%	11,3%	18,0%	20,1%	21,6%
PUBLIC DEBT (% GDP)	36,3%	40,2%	53,9%	61,2%	68,5%

Source: FMI (Economic Outlook - April 2012), AMECO (November 2011).

Coming as an outcome of the deceleration of the most advanced economies in the world, the impact of the sovereign debt crisis in the Eurozone, a significant increase in public debt and a worsening in financing conditions for businesses and private individuals, the Spanish government was forced to further tighten the fiscal austerity measures so as to ensure the success of the budgetary consolidation underway despite the negative effects of domestic demand and a rising unemployment rate (close to 22% in 2011).

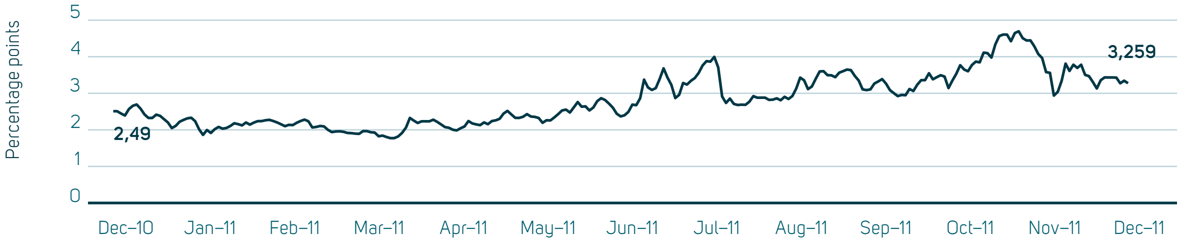
In this context, rating agencies lowered the rating of the Spanish sovereign debt throughout the course of 2011, as the cost of financing continued increasing significantly, with the spread for 10-year public debt securities against Germany rising 326 basis points, thereby growing 77 basis points with respect to 2010.

START OF YEAR		
MOODY'S	S&P	FITCH
Aa1	AA-	AA+

CHANGES					
MOODY'S	DATE OF CHANGE	S&P	DATE OF CHANGE	FITCH	DATE OF CHANGE
Aa2	10-03-2011			AA-	07-10-2011
A1	18-10-2011				

Source: Bloomberg

Yield spreads for 10-year public debt securities vs. Germany (%) Source: Bloomberg



In addition, as a yearly average, the inflation rate was slightly increased from 2010, amounting to 3.1%, mainly as a result of the increased price of energy.
An improvement in external demand partially compensated for low consumer confidence index scores, even in the presence of an unemployment rate that remained at extremely high levels around 22%.

Investments remained in the negative, mainly as a consequence of the downfall that was seen in the construction sector.

In 2010, Spain's public debt remained around 68.5% of the GDP.

05.4 - USA

In 2011, the economy in the USA was marked by slow growth with fears of a second recession, despite some positive signs observed at the end of the year. According to data from the International Monetary Fund, it is estimated that the GDP underwent positive growth in 2011, on the order of 1.7%, with a 2.1% increase in personal consumption, a 3.3% increase in investments in businesses, governmental institutions and households, and a 6.7% increase in exports all contributing positively to this figure. On the other hand, a 0.8% drop in government consumption and a 4.9% increase in imports were both detrimental to the North American economy.

USA					
REAL GROWTH RATE (%)	2007	2008	2009	2010	2011
GDP	1,9%	-0,3%	-3,5%	3,0%	1,7%
PERSONAL CONSUMPTION	2,3%	-0,6%	-1,9%	2,0%	2,1%
PUBLIC CONSUMPTION	1,4%	2,6%	2,0%	1,0%	-0,8%
GFCF	-1,6%	-5,8%	-16,0%	1,8%	3,3%
EXPORTS	9,3%	6,1%	-9,4%	11,3%	6,7%
IMPORTS	2,4%	-2,7%	-13,6%	12,5%	4,9%
INFLATION (CPI)	2,9%	3,8%	-0,3%	1,6%	3,1%
UNEMPLOYMENT RATE (% WORKING POPULATION)	4,6%	5,8%	9,3%	9,6%	9,0%
PUBLIC DEBT (% GDP)	67,2%	76,1%	89,9%	98,5%	102,9%

Source: FMI (Economic Outlook - April 2012), AMECO (November 2011).

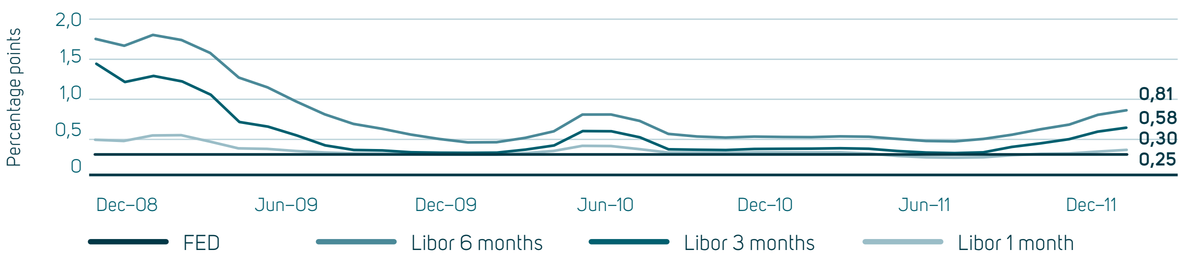
2011 was also marked by the debt-ceiling crisis in the USA. After several months of discussions, in August, 2011, President Obama and the congressional leaders reached an agreement concerning setting the US debt ceiling at 400 billion USD, taking immediate effect, in conjunction with a set of measures to be instated over the next decade in order to significantly reduce governmental expenditures. In the context of this policy-making impasse, during the summer of 2011 the credit rating agency S&P downgraded its rating of the US sovereign debt for the very first time from AAA to AA+u.

START OF YEAR		
MOODY'S	S&P	FITCH
Aaa	AAA	AAA

CHANGES					
MOODY'S	DATE OF CHANGE	S&P	DATE OF CHANGE	FITCH	DATE OF CHANGE
		AAAu	24-02-2011		
		AA+u	05-08-2011		

Source: Bloomberg

Evolution of the FED reference rate and Libor interest rates (1M, 3M e 6M) Source: Bloomberg



The Chairman of the Federal Reserve, Ben Bernanke, announced a new monetary policy in September of 2011 – Operation Twist – involving a restructuring of the Fed's debt portfolio through the selling off of short-term bonds and the acquisition of long-term bonds with the goal of stimulating a drop in long-term interest rates in order to provide incentive to take out new mortgages and business loans. At the same time, consumer confidence in businesses did not correspond with the Federal Reserve's stimulus plan, thereby contributing to contain investments.

With regard to unemployment rates, the USA remained with a high unemployment rate in 2011 of around 9%, leading President Obama to launch an ambitious plan to stimulate the creation of jobs in the US – the American Jobs Act.

In addition, the 1.6% inflation rate increase in 2010, reaching 3.1% in 2011, was significantly influenced by the increase in fuel prices.

An accentuated increase in the public debt to GDP ratio, on the order of 103%, should also be pointed out.

05.5 - TURKEY

In spite of the sovereign debt crisis experienced by neighboring countries in the Eurozone, estimates show that Turkey experienced an economic growth of 8.5% in 2011, with activity in the sectors of construction, industry and retail contributing significantly to this figure. In agreement with the International Monetary Fund, it is estimated that the growth in GDP in 2011 was highly influenced by the 8.7% increase in personal consumption, a 6.0% increase in government consumption and an increase in investment in businesses, governmental institutions and households of 22.8%. On the other hand, external commercial exchanges were harmful for the Turkish economy, with exports diminishing 1.4% and an increase in imports of 11.6%.

TURKEY					
REAL GROWTH RATE (%)	2007	2008	2009	2010	2011
GDP	4,7%	0,7%	-4,8%	9,0%	8,5%
PERSONAL CONSUMPTION	5,5%	-0,3%	-2,3%	6,6%	8,7%
PUBLIC CONSUMPTION	6,5%	1,7%	7,8%	2,0%	6,0%
GFCF	3,1%	-6,2%	-19,0%	29,9%	22,8%
EXPORTS	10,5%	7,2%	-8,1%	5,1%	-1,4%
IMPORTS	14,2%	-1,4%	-12,4%	20,9%	11,6%
INFLATION (CPI)	8,8%	10,4%	6,3%	8,6%	6,5%
UNEMPLOYMENT RATE (% WORKING POPULATION)	10,2%	10,9%	14,0%	11,9%	9,9%
PUBLIC DEBT (% GDP)	39,9%	40,0%	46,1%	42,2%	39,4%

Source: FMI (Economic Outlook - April 2012), AMECO (November 2011).

2011 was marked by elevated government consumption on the part of the Turkish administration for the purpose of fostering economic growth. Even in spite the increased government expenditures in 2011, the budget deficit was lower in 2011 than it was in 2010, resulting from a significant increase in tax revenue due to a broadening of the taxpayer base.
Elevated external imbalance continues to present a high risk for the Turkish economy, leading the Central Bank of Turkey to announce counteractive measures, including a greater flexibility in monetary policies, in conjunction with a decision to maintain lower interest rates in order to dissuade inflows of capital into Turkey and external investments in the country.
In September of 2011, S&P announced an upgrade in its rating of the Turkish sovereign debt to investment grade (in local currency), as a result of the resiliency of the Turkey economy in the face of the sovereign debt crisis in the Eurozone countries and the strong development of the Turkish financial sector.

START OF YEAR		
MOODY'S	S&P	FITCH
Ba2	BB+	BB+

CHANGES					
MOODY'S	DATE OF CHANGE	S&P	DATE OF CHANGE	FITCH	DATE OF CHANGE
		BBB-	20-09-2011		

Source: Bloomberg

In addition, it is important to mention the following aspects:

- Unemployment and investment rates – a drop in the unemployment rate from 11.9% in 2010 to 9.9% in 2011;
- Inflation – in terms of yearly averages, the inflation rate experienced a drop of 2.1 percentage points with respect to 2010, situating itself at 6.5%;
- Public debt – in 2011, Turkey's public debt represented 39.4% of the GDP.

ANALYSIS OF AREAS OF BUSINESS FOR THE ASC GROUP_

06

THE ASC GROUP IS ACTIVE IN THREE MAJOR AREAS OF BUSINESS. IN 2011, THESE BUSINESS AREAS ARE REPRESENTATIVE OF THE FOLLOWING BUSINESS VOLUMES:

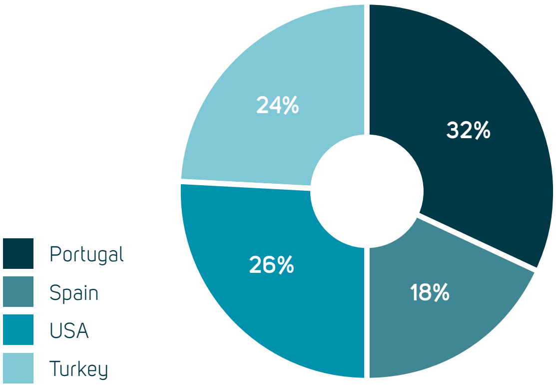
AREA OF BUSINESS	PORTUGAL	SPAIN	USA	TURKEY*	TOTAL
CONSTRUCTION EQUIPMENT	59 097	59 266	127 241	195 699	441 302
CARS	31 214	n.a.	n.a.	n.a.	31 214
TRUCKS	15 310	n.a.	n.a.	n.a.	15 310
TOTAL	105 621	59 266	127 241	195 699	487 826

Unit: Thousands of Euros
(*) Includes ASC Turk, ASC Bogazici, Art Hava and ASC Turk - Freezone

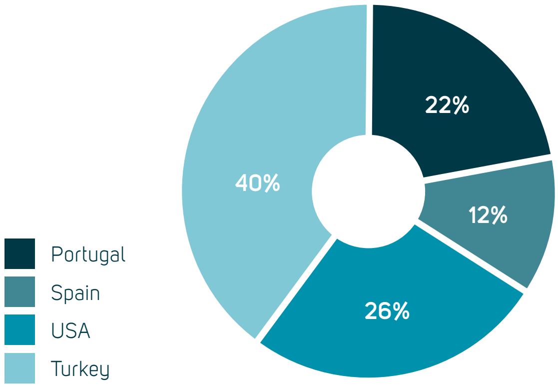
06 - ANALYSIS OF AREAS OF BUSINESS FOR THE ASC GROUP

THE PROPORTION OF EACH GEOGRAPHICAL AREA IN THE ASC GROUP'S OVERALL BUSINESS ACTIVITY MAY BE FOUND IN THE FOLLOWING CHARTS:

Volume of Business (2010) - 351 Million Euros

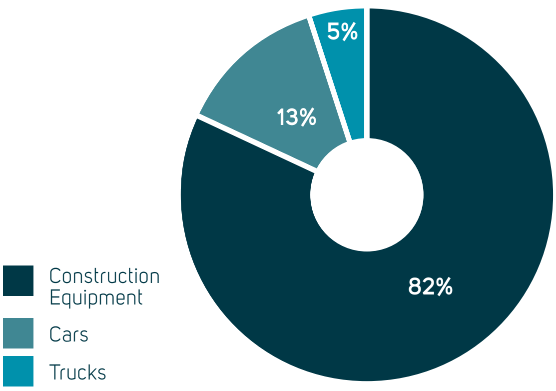


Volume of Business (2011) - 488 Million Euros

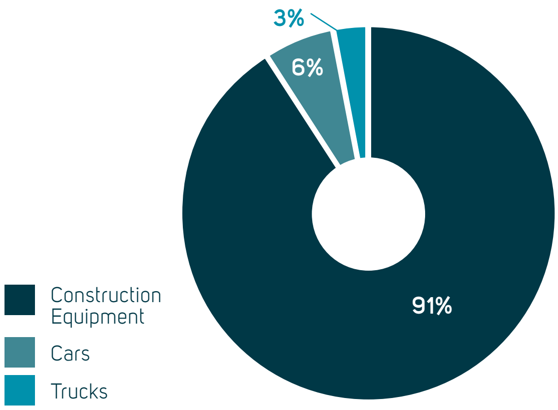


With regard to business areas, the Construction Equipment segment has newly come to represent the predominant area of business for ASC operations (91%), followed by the area of Cars (6%) and the Trucks segment (3%).

Volume of Business (2010) - 351 Million Euros



Volume of Business (2011) - 488 Million Euros

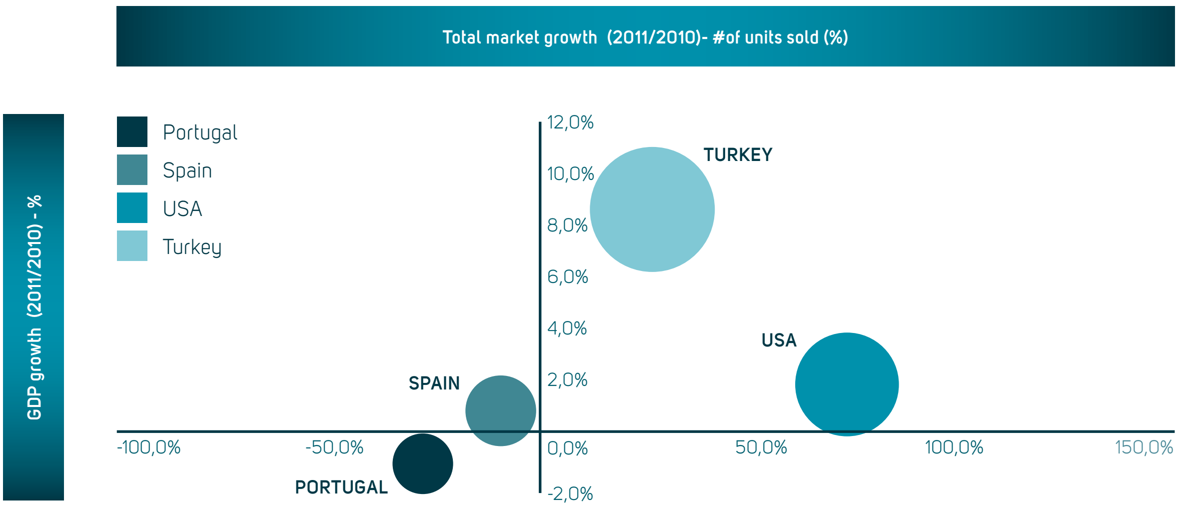


In 2011, the construction equipment business area continued to be the most significant area in the ASC Group's Volume of Business, representing close to 91% of its consolidated Business Volume (equaling 441 million Euros). In Portugal, its relative volume passed from 45% in 2010 to 50%, mostly as the result of a drop in volume in the Cars business area. In terms of volumes, for the GPE, CSE and Road Machinery segments, Grupo Auto Sueco Coimbra had the following number of units sold and a corresponding market share in 2011 for each of the following geographical areas:

	PORTUGAL	SPAIN (1)	USA	TURKEY	Total (2)
MARKET TOTAL	798	1 412	6 711	8 436	17 357
ASC UNITS SOLD	114	157	523	1 087	1 881
GPE	81	93	245	765	1 184
CSE	25	56	149	167	397
ROAD MACHINERY	8	8	129	155	300
MARKET SHARE	14,0%	11,1%	7,8%	12,9%	10,8%
GPE	25,0%	18,0%	15,3%	17,6%	19,0%
CSE	7,0%	7,0%	3,2%	5,1%	5,6%
ROAD MACHINERY	9,0%	6,0%	29,9%	20,6%	16,4%

Note: the displayed values essentially refer to new machinery
(1) Data concerning Volmaquinaria
(2) Mean values in the case of market share according to segment

In comparison with 2010, the Iberian market had a lower number of units sold, due in the main to a strong existing correlation between the growth of GDP and a growth of demand for construction equipment (coefficient of correlation of ~98%, excluding the USA).



Nota: the size of the bubbles corresponds to the volume of Business for the construction equipment market segment in 2011

06.1 - CONSTRUCTION EQUIPMENT

06.1.1 - PORTUGAL

In 2011, the construction sector showed an "accentuated downturn in production volumes (-9.4% with respect to 2010), in the number of active companies (-2.4% when compared with 2010) and in employment associated with these companies" (increase in unemployment of 12.5% with respect to 2010), as per the analysis of the Associação de Empresas de Construção e Obras Públicas – AECOPS.

The country's various regions were affected by this, particularly the Algarve region during this same period, where the following figures were seen (i) a 56% drop in permits for new residential buildings, and, for the public works sector, (ii) a downturn in the number of open bidding procedures (61%) and adjudicated bidding procedures (87%) (nationwide, these amounted to drops of 29% and 15% respectively).
In this context of heightened restrictions on investments, the domestic market for earthmoving equipment saw a 38% decrease from 2010 to 2011, by a total of 846 units (1,361 units in 2010). With a similarly negative course of development influenced by the adverse economic environment, the market for paving and earth compacting equipment also fell around 53%.

As Portugal's leading operator in this sector, ASC felt the effects of this drop in the dynamics of its business, in particular for its Volvo brand, consequently experiencing a contraction in sales. The volume of business suffered a downturn of 6% in relation to 2010, finding itself at the end of the year at around 38.6 million Euros.

As for the volume of business in the area of commercial deals, the company sold approximately 23 million Euros, experiencing a slight drop with respect to the previous year (-13%). Even so, it must be pointed out that this reduction in the volume of business for machinery and equipment was lower than that seen in the market as a whole.

Concerning the business segment for new machinery, not including lightweight equipment and load moving equipment, 114 units were sold (down 23% with respect to 2010). In contrast with 2010, the major downturns in the market were in dumpers and excavators (34% and 27% respectively), while ASC achieved market shares of 58% and 15% respectively (against 57% and 8% in 2010, respectively).

The market for payloaders maintained its levels with respect to the previous year, with ASC holding a market share of 32% (against 37% in 2010).

Furthermore, the market share obtained in the backhoe segment for the Volvo brand also stands out, in which ASC nearly increased its market share threefold, rising from 4% in 2010 to 11% in 2011 in a market that experienced a drop of 50%.

Additionally, in order to supplement its range of products in its traditional business segments, ASC added Thwaites brand mini dumpers and Ruble Master brand jackhammers to its product portfolio. Notwithstanding the fact that this was the first year of launching these new products, ASC sold 17 units of Thwaites brand equipment.

With regard to after-sales, performance was positive, with this segment showing growth of 7% with respect to 2010, equivalent to a business volume of 15.5 million Euros. In essence, this growth came as the result of the consolidation of the follow the customer action plan and increased options for deferred purchasing on new equipment for certain clients who opted for repairing/reconditioning their currently existing fleets.

In summary, the following table shows ASC's performance in terms of billing in Portugal:

CONSTRUCTION EQUIPMENT	2010	2011	% (2011/2010)
NEW MACHINERY	23,3	16,2	-30%
USED MACHINERY	3,3	6,9	109%
ASS	14,5	15,5	7%
BILLING TOTAL	41,1	38,6	-6%

Unit: Thousands of Euros

06.1.2 - SPAIN

In Spain, the public works and construction sectors were negatively affected by the adverse macroeconomic environment ongoing in the country for the past four years, showing a 71% downturn in the number of construction equipment units sold with respect to 2008 (1,412 machine units in 2011 vs. 4,831 units in 2008).

NUMBER OF UNITS SOLD	2008	2009	2010	2011
GPE	1 711	625	595	510
CSE	2 296	1 183	1 036	757
ROAD MACHINERY	824	299	212	145
TOTAL	4 831	2 107	1 843	1 412

Within such a difficult framework for conducting business, Volmaquinaria centered its efforts around three main lines of action:

1. MAINTAINING MARKET SHARES;
2. REDUCING OPERATING COSTS, AND
3. CONTROLLING FINANCIAL RISK.

With regard to market shares, Volmaquinaria managed to maintain levels of market penetration in keeping with historical company figures:

MARKET SHARE	2011
GPE	18%
CSE	7%
ROAD MACHINERY	6%

Even so, market behavior within the Spanish territory was not homogeneous, showing notable variance. Both Madrid and the northern areas of the country stand out as the most active zones in the country, with Andalusia, Levante, the Balearic Islands and the Canary Islands being the least active zones.

As a result, Volmaquinaria's Volume of Business suffered a downturn of 10.4% from 2010, from 52 to 46 million Euros.

06.1.3 - USA

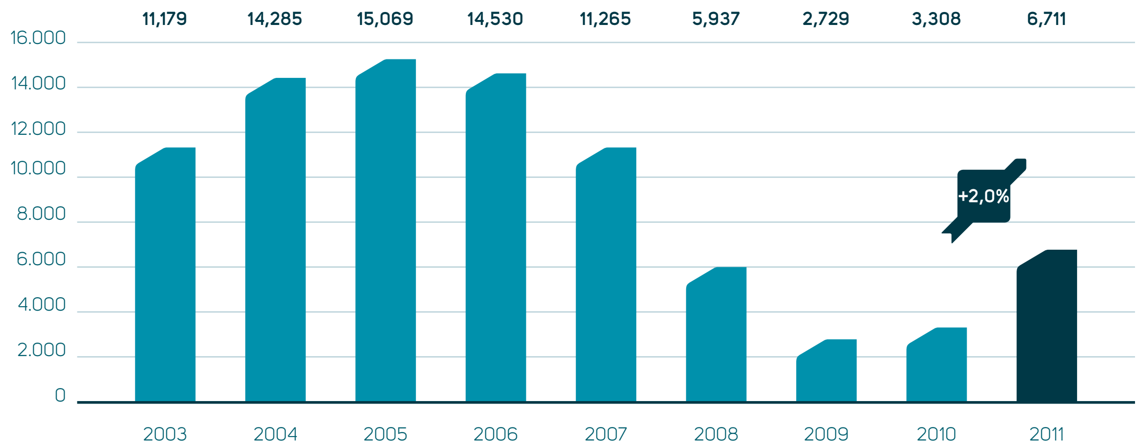
In 2011, the North American construction market was affected by the (i) lack of lines of finance offered for the construction of new infrastructures, (ii) weak growth in the housing sector, (iii) difficulties in accessing credit, and (iv) reduced state and municipal budgeting.

On the other hand, we saw a strengthening in construction-related activity for multifamily homes, factories and production units, electricity infrastructures and certain types of commercial construction, such as hotels and warehouses.
In spite of these facts, the overall balance of industry and construction in the North American market is not satisfactory.

With regard to the territory in which ASC operates, the number of units sold in 2011 doubled in comparison with 2010, while demand increased to close to 6,711 units, mainly due to (i) increased consumer confidence, (ii) increased rental demand on the part of businesses, who felt encouraged by the overall increase in rental activity and decided to replace their rental fleets, and (iii) the anticipation of future sales on the part of certain clients, leading them to take advantage of the 100% bonus on the depreciation value of equipment, which was expiring at the end of 2011.

In spite of the growth that was witnessed, the market remains far from the levels of sales recorded during the period between 2004 and 2007, amounting to a number of units sold for 2011 that was scarcely 45% of the figure attained in 2005 (peak year).

Evolution of the North American market in wich ASC USA is active — Units



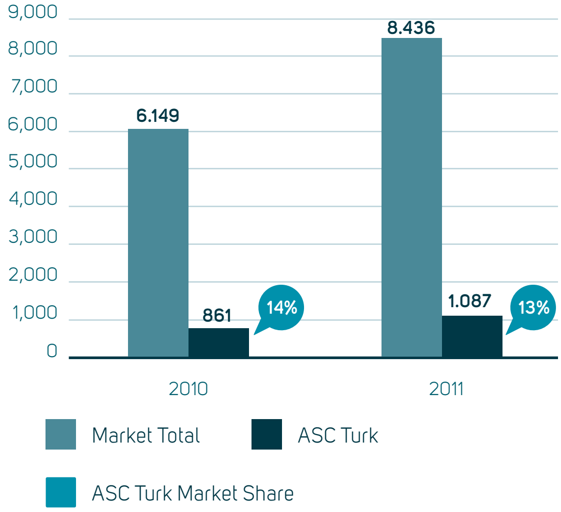
06.1.4 - TURKEY

The Turkish market continues to show potential for growth, with the demand for construction equipment (essentially comparable to the portfolio of products commercially distributed by ASC in this market) rising to 8,436 units sold, representing a growth of approximately 37% against 2010.

With a market share of approximately 12.9% (the equivalent of 1,087 machine units sold over the course of the year), ASC Türk Makina now has a ranking of fourth among all dealers present in the sector.

In 2011, a total of 4,841 machine units were sold in the GPE segment, up 37% from the number of units sold in 2010. Within this segment, motor graders stand out in terms of growth, showing growth of approximately 71% with respect to 2010; in terms of volume, backhoes as well, which, similarly to what was reported in 2010, remained with a first place ranking for sales by product with 3,078 units sold (+35% from 2010).

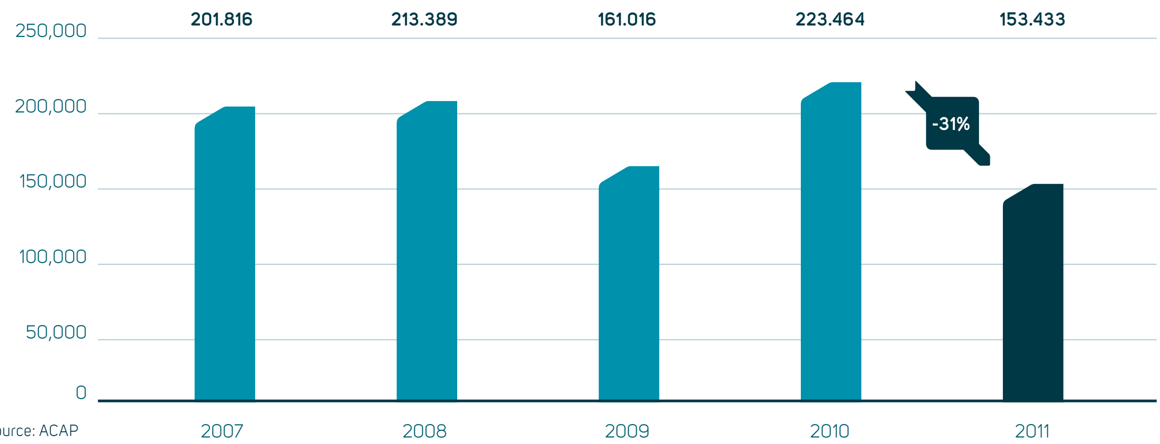
Market Share ASC Turk — Units



06.2 - CARS

The domestic market for smaller passenger vehicles ended out the year with 153,433 units contracted (-31% from 2010), positioning 2011 as the worst year since 1998 – a year in which restrictions on vehicle imports were officially ended. The ending of the trade-in incentive program for older vehicles and an increase in the standard VAT rate from 21% to 23% were, on the one hand, two sources for the market growth witnessed in 2010 (mainly in December); on the other hand, they were also responsible for the downturn witnessed in 2011.

Evolution of the compact passenger vehicle market Units Units



Source: ACAP

The evident slackening of domestic demand and restrictions on granting credit aggravated these results, significantly affecting all brands in an overall way.

As a result of this, business in automobiles for Auto Sueco Coimbra witnessed a Business Volume of 31,214 thousand Euros in 2011, representing a 31% decrease with respect to the previous year. Commercial activity, in keeping with the market, experienced a downturn of 36%. In terms of volumes, ASC sold 655 new units (1,094 in 2010), with the course of development for all represented brands closely following this.

For automobile-related aftersales services – parts and assistance – the volume of business showed a 7% drop from 2010, ending up at around 6.9 million Euros.

Overall, in 2011 the Automobiles area of business represented 30% of the Business Volume in Portugal (40% in 2010), and, in consolidated terms, 6% of the ASC Group's volume of business (13% in 2010).

Performance in terms of sales for the Automobiles business area of ASC in Portugal is summarized in the following table:

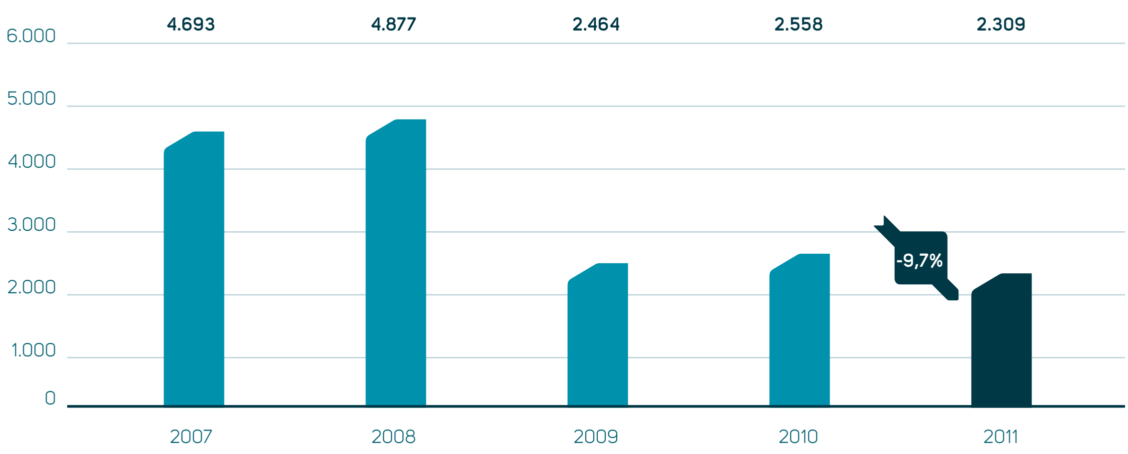
CARS	2010	2011	% (2011/2010)
NEW CARS	31,7	19,2	-39%
USED CARS	6,1	5,1	-16%
ASS	7,4	6,9	-7%
BILLING TOTAL	45,2	31,2	-31%

Units: Thousands of Euros

06.3 - TRUCKS

The domestic market for heavy commercial vehicles – gross weight greater than 10 tons – witnessed a downturn of 10% from 2010 to 2011. In 2011, the segments for both tractors and rigid trucks saw a 10.7% and 13.6% drop respectively, amounting to proportions of 78% and 22% in the market.

Evolution of the domestic market for trucks (gross weight > 10 tons) Units



The market for heavyweight trucks (g.w. > 16 tons) witnessed a drop of 11.4%, while the market for midweight trucks grew by 6.3%.

Performance in the area of commerce for trucks was detrimentally affected by the strong reduction in economic activity, which resulted in a decrease in transporting activity, particularly with regard to imports of merchandise, private sector construction and public works. The Volvo brand registered 365 new units to end clients, equivalent to a penetration rate of 16%, with 74 of these units being sold by ASC SA.

The overall Business Volume for the Trucks business area was 15,310 thousand Euros, representing a 5.5% decrease in comparison with 2010.

In overall terms, in 2011 the Trucks business area represented 14% of the Business Volume in Portugal (14% in 2010) and, in consolidated terms, 3% of ASC Group's total volume of business (5% in 2010).

Performance in terms of sales for ASC in Portugal for the Trucks area of business is summarized in the following table:

TRUCKS	2010	2011	% (2011/2010)
NEW TRUCKS	5,6	6,2	11%
USED TRUCKS	0,8	0,4	-50%
ASS	9,8	8,7	-11%
BILLING TOTAL	16,2	15,3	-6%

Units: Thousands of Euros

FINANCIAL PERFORMANCE OF THE COMPANIES IN THE ASC GROUP IN 2011

07


ASC
ASCENDUMGRUPO

07.1 - ASC PORTUGAL

07.1.1 - ASC PORTUGAL

IN PORTUGAL, AUTO SUECO COIMBRA OVERSEES DIRECT DISTRIBUTION AND COMMERCIAL MARKETING FOR VOLVO CONSTRUCTION EQUIPMENT AND INDUSTRIAL MACHINERY THROUGHOUT THE ENTIRE COUNTRY, IN SECTORS AS DIVERSE AS CONSTRUCTION AND PUBLIC WORKS, FORESTRY, RECYCLING, CARGO TRANSPORTATION, ETC. IN CONJUNCTION WITH THIS, ASC ALSO OFFERS RENTAL SERVICES AND AFTERSALES SERVICES TO ITS CLIENTS.

In addition, Auto Sueco Coimbra is also present in the business areas of commercial distribution and aftersales assistance for Trucks and Lightweight Vehicles.
In 2011, ASC once again conducted its operations within a difficult economic context, with its principal target market - the construction and public works sector – witnessing an accentuated downturn in production volumes, the overall number of active businesses, and employment associated with this businesses. At the same time, this situation was further accentuated by the downturns experienced in the markets for automobiles and trucks, which dropped by 31% and 10% respectively.

As a result, the Volume of Business was diminished by 16.9% (corresponding to a loss of 17.3 million Euros), ultimately amounting to 85 million Euros, with Net Income rising to 27.2 million Euros (in contrast with a positive net income of 7.8 million Euros for 2010). Such growth took on a special importance in such an extremely demanding year, being reflective of the confidence shown by customers of the company's products and services during a period in which the market experienced severe contraction. The following are the major changes in the various areas of business:

CONSTRUCTION EQUIPMENT:

ASC's Business Volume for construction equipment and industrial machinery witnessed a decrease of 6.1% from 2010, amounting to 38.6 million Euros.
Retraction experienced in the sector of private sector construction and public works resulted in a 23% decline in the number of new machine units sold (not including lightweight equipment and load moving equipment) with respect to 2010, corresponding to 114 units in billing (in comparison with 148 units sold in 2010). The major market downswings were found in the business segments for dumpers and excavators, falling 34% and 37% respectively, even while ASC was simultaneously able to increase its market shares in these segments from 57% in 2010 to 58% in 2011, and from 8% in 2010 to 15% in 2011, respectively.

Furthermore, the market share achieved for backhoe products also stands out, for which ASC nearly tripled its share of the market, rising from 4% in 2010 to 11% in 2011, in a market that fell 50%.
Even in spite of the conditioning factors for this sector, performance in the business area for aftersales was positive, presenting a growth of 7% from 2010, corresponding to a volume of business of 15.5 million Euros. Such performance was due, on the one hand, to ASC's ability to bolster its commercial supply and to strengthen its competitiveness through its follow the customer services; on the other hand, this was also due to increasing options for deferred purchasing of new equipment offered to some clients, who opted, as an alternative, to repair/recondition their currently existing fleets.

CARS:

In 2011, the volume of business for Automobiles showed a decline on the order of 31% with respect to 2010, ultimately amounting to 31.2 million Euros. The ending of the trade-in incentive program for older vehicles and an increase in the standard VAT rate from 21% to 23% were two sources of the patent retraction in domestic demand and the downturn witnessed in ASC's sales.

In terms of volumes, ASC sold 655 new units (1,094 in 2010), with the course of development for all represented brands closely following this.

For aftersales services, the volume of business was 6.9 million Euros, showing a 7% drop from 2010. This decline was mainly due to a successive reduction in sales for the Land Rover brand, which was partially offset by the growth in sales for the Jaguar and Mitsubishi brands, at 18% and 73% respectively.

TRUCKS:

In a year marked by a contraction in overall economic activity bearing a negative impact on transport activities, commercial performance in ASC's business area for Trucks was positive, recording a volume of business of 6.6 million Euros, corresponding to 74 new Volvo units sold (equivalent to an increase of 19% with respect to 2010). On the other hand, ASC's aftersales were influenced by adverse conditions in the economy, with a business volume of 8.7 million Euros (-10.8% from 2010).

Overall, ASC recorded a decline in its business activities involving Trucks of approximately 5.5%, with a volume of business amounting to around 15.3 million Euros.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	13 349	13 208
INTANGIBLE ASSETS	2	2
INVESTMENT PROPERTIES	2 576	2 576
OTHER ASSETS	137 101	171 030
CURRENT ASSETS		
INVENTORY AND STOCK	18 035	21 497
THIRD PARTY DEBTS	60 098	33 653
OTHER ASSETS	22 380	3 294
TOTAL ASSETS	253 541	245 260
LIABILITIES AND EQUITY		
EQUITY	136 768	124 792
NONCURRENT LIABILITIES	45 335	58 682
CURRENT LIABILITIES	71 439	61 786
TOTAL OF LIABILITIES AND EQUITY	253 541	245 260

Thousands of Euros

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	85 158	102 507
OPERATING INCOME	30 511	9 651
FINANCIAL RESULT	2 873	-1 237
INCOME BEFORE TAXES	27 638	8 414
CORPORATE INCOME TAX	-462	-628
NET INCOME FOR THE FISCAL YEAR	27 176	7 786

Thousands of Euros

Insofar as capital structure is concerned, the balance sheet value witnessed a poorly pronounced growth with respect to 2010, of around 3% (corresponding to 8 million Euros).

07.1.2 - VOLRENT

Volrent started up business in 2004 as a company of the ASC Group specializing in the business of equipment rental for private sector construction and public works in Portugal. As of December 31, 2011, Volrent's rental fleet had an acquisition value of 6.5 million Euros, corresponding to 258 units mostly of the Volvo brand, although Volrent does also offer other brands of equipment for the segments in which Volvo does not operate.

2011 turned out to be the most difficult year in Volrent's history, showing the least favorable results since the start of Volrent's activities. These results are closely aligned with the ongoing situation in the construction and public works sector, given that Volrent's rental fleet is essentially geared toward the companies that are active in this business sector.

Similarly, all other competitors in this line of business remained active in 2011, including with the noteworthy strengthening of the position of Liebherr. This situation engendered tough competition for clients, impacting the prices that were offered and payment conditions. In addition, in the face of a lack of building projects and a low rate of use for equipment, construction companies increasingly opted to rent out the already available equipment in their fleets to other companies. As a result of the serious ongoing problems with liquidity in the economy, in particular in the construction sector, an increase in payment periods was also witnessed in the sector. As these payment periods were already of extremely extended lengths, this further aggravated the financial situation of businesses in the sector.

With regard to Volrent's operational activities, the contraction in earnings from rentals ought to be pointed out, in keeping with the general economic context for business and for the construction and public works sector in particular. As this is the sector upon which Volrent directly depends for its source of income, and given that it is also the sector that has been most severely impacted by the crisis that is currently ongoing in the country, the company's exposure to this sort of environment has led Volrent to experience a significant downturn in its performance, both in earnings and also in terms of unrecoverable debts outstanding.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	2 922	5 246
INTANGIBLE ASSETS	0	0
INVESTMENT PROPERTIES	0	0
OTHER ASSETS	116	59
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	2 712	3 520
OTHER ASSETS	397	242
TOTAL ASSETS	6 147	9 067
LIABILITIES AND EQUITY		
EQUITY	1 656	2 324
NONCURRENT LIABILITIES	2 117	3 690
CURRENT LIABILITIES	2 374	3 052
TOTAL OF LIABILITIES AND EQUITY	6 147	9 067

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	3 030	4 198
OPERATING INCOME	-796	283
FINANCIAL RESULT	-118	-98
INCOME BEFORE TAXES	-915	184
CORPORATE INCOME TAX	246	-14
NET INCOME FOR THE FISCAL YEAR	-669	170

Thousands of Euros

Given the current macroeconomic context, Volrent's Volume of Business was down by close to 27.8% from 2010, amounting to a total of 3,030 thousand Euros.

The above-mentioned slackening of the market led Volrent to reconfigure its expenditures and adopt a set of measures to contain expenses, although these measures proved insufficient for offsetting the reduction in income from rentals received from the above-mentioned fleet; nor could they compensate for the discrepancies in income from debts receivable (890,000 Euros). As such, the company had a negative net income of 669,000 Euros.

Insofar as capital structure is concerned, total Assets fell by close to 32% (2.9 million Euros from 2010), due to the need to scale back the Volrent rental fleet, so as to adapt to market trends. As a result, The Company's Financial Liabilities also went down by close to 1.8 million Euros (-33% from the previous year).

In the face of (i) a surplus of equipment on the market in relation to current demand, resulting in falling prices, and (ii) the risk of insolvency, which is forcing the company to implement a more restrictive set of credit policies, further decreases in the volume of business are again foreseen for 2012, in particular with regard to profits from rentals.

07.1.3 - TRACTORRASTOS

Incorporated in 1985, Tractorrastos is a company dedicated to the commercial distribution of parts and services for construction equipment and industrial and agricultural machinery. So as to ensure the proper geographical coverage in keeping with its goals of customer proximity and customer service, the business currently possesses 4 business units - Porto, Leiria, Lisbon and the Azores.

Management of the company is oriented around the following points of focus for developing business: (i) increasing market share and diversifying its target segments, (ii) increasing its portfolio of represented products, and (iii) internationalization.

Tractorrastos's volume of business rose close to 13.6% from the previous year, surpassing 6 million Euros. Business deals in non-domestic markets increased considerably, attaining a business volume of 623,000 Euros, thereby making it possible to compensate for the market's downswing in Portugal. The contribution of operations in Angola should also be noted, as operations in this country have made it possible to triple business in non-domestic markets, thereby fundamentally affecting the commercial performance shown by Tractorrastos over the course of 2011.

Segmenting sales according to OEM branding, products from more than 70 brands were commercially marketed by the company. Of particular importance were the products represented from ESCO and ITR, which as a unit represented 27% of the volume of business for parts and components. In terms of intended application, products designed for use in Caterpillar, Komatsu and JCB machines represented a major part of the volume of business for parts and components.

In 2011, Tractorrastos showed a negative net income on the order of 249,000 Euros, mainly coming as a result of the following factors: (i) the extraordinary costs associated with restructuring the company, (ii) "investments" carried out for the purpose of seeking out new prospective markets, and (iii) an uncommon amount of discrepancy in debts receivable. 2011 was also characterized by a considerable rise in financing-related expenditures (which nearly tripled with respect to 2010), engendered by an increase in investments – mostly allocated as necessary costs for strengthening business from the working capital fund, arising as a result of the start-up of operations in Angola – and also by the generalized increase in spreads for financial operators.

With regard to the financial situation of Tractorrastos, total assets increased 9.5% to reach 6,323 thousand Euros, with a major portion of this increase in assets being associated with an increase in the amount of inventory.

In turn, Equity suffered a drop of 248,000 Euros, reflective of the company's net income for the business year. In 2011, we also saw a 23% increase in the company's financial liabilities, the result of an increase in financing agreements, a reduction in supplier credit and a general decrease in other liabilities.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	334	375
INTANGIBLE ASSETS	199	67
FINANCIAL SHAREHOLDINGS	12	12
OTHER ASSETS	98	33
CURRENT ASSETS		
INVENTORY AND STOCK	2 631	2 177
THIRD PARTY DEBTS	2 588	2 503
OTHER ASSETS	460	607
TOTAL ASSETS	6 323	5 775
LIABILITIES AND EQUITY		
EQUITY	2 054	2 302
NONCURRENT LIABILITIES	2 422	1 310
CURRENT LIABILITIES	1 847	2 163
TOTAL OF LIABILITIES AND EQUITY	6 323	5 775

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	6 048	5 325
OPERATING INCOME	-253	70
FINANCIAL RESULT	-82	-29
INCOME BEFORE TAXES	-335	41
CORPORATE INCOME TAX	86	-24
NET INCOME FOR THE FISCAL YEAR	-249	17

Thousands of Euros

For 2012, Tractorrastos intends to continue implementing its restructuring process in Portugal. In a year in which operations will running at full speed, these restructuring efforts will make it possible to obtain a reduction in costs of close to 340,000 Euros (-14% from 2011), while also having the effect of dynamizing the company's internationalization projects.
Insofar as the Angolan market is concerned, given that the potential for growth associated with this project is extremely high, Tractorrastos has deemed that this operation shall play an important role in the overall performance of the company in 2012.

In sum, Trastorrastos considers that any negative impact that might arise as a result of a decline in the Portuguese market may be offset by its operations in the Angolan market. Similarly, Tractorrastos will continue to develop its activities to work with Portuguese clients who have relocated their operations in other markets, such as Equatorial Guinea, Brazzaville (Congo) and the Ivory Coast.

07.1.4 - ASC MÁQUINAS E EQUIPAMENTOS INDUSTRIAIS

ASC Máquinas e Equipamentos Industriais (e.g. - Hard Machines) was incorporated in 2003 and is working as a part of the ASC Group to develop activities related to the market segment for used construction equipment.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	40	49
INTANGIBLE ASSETS	1	131
FINANCIAL SHAREHOLDINGS	3 051	3 306
OTHER ASSETS	256	263
CURRENT ASSETS		
INVENTORY AND STOCK	0	782
THIRD PARTY DEBTS	2 063	777
OTHER ASSETS	26	26
TOTAL ASSETS	5 438	5 333
LIABILITIES AND EQUITY		
EQUITY	152	409
NONCURRENT LIABILITIES	0	0
CURRENT LIABILITIES	5 286	4 923
TOTAL OF LIABILITIES AND EQUITY	5 438	5 333

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	1 170	516
OPERATING INCOME	-169	-39
FINANCIAL RESULT	-74	-41
INCOME BEFORE TAXES	-243	-80
CORPORATE INCOME TAX	-16	26
NET INCOME FOR THE FISCAL YEAR	-258	-54

Thousands of Euros

The company closed out its year of business with a Business Volume of 1,170 thousand Euros, corresponding to an increase of approximately 127% above the figure it achieved during the previous fiscal year (516,000 Euros). This increase in business volume was fundamentally due to a total outflow of stock for used machinery and equipment for construction work.

The negative net income prior to taxes rose to 243,000 Euros, mainly reflective of accounting items with tax losses incurred by its affiliate company Tractorrastos, on the order of 248,000 Euros.

As of December 31, 2011, the company's Total Assets showed growth of 2% with respect to the previous year, amounting to 5,438 thousand Euros, the result of a substantial increase in its list of clients due to sales of used machinery, mainly in the month of December.

Liabilities totaled 5,286 thousand Euros, in contrast with the 4,923 thousand Euros recorded in 2012 (+7%). The principal changes occurred in financing it obtained from credit institutions (+27%) and in allocations of cash flow assistance to Tractorrastos.

With regard to Equity, this figure rose to 152,000 Euros, in contrast with 409,000 Euros for the previous year. The reduction in equity that was recorded was entirely due to the negative net income reported for this same year of business, for an amount of 258,000 Euros.

2012 will continue to be a year of increasing hardships and, consequently, one of new-found challenges. Even so, the fact that the company will begin to conduct business in importing and selling construction equipment as of the start of 2012, coming as a result of the operations it will put into place at the start of 2012 for the purpose of increasing its capital (as previously mentioned), provide good reason to believe that the outlook for 2012 will be totally different from what was witnessed in the current year of business, with an extremely positive reflection in income and in the financial position of the company.

07.1.5 - ASC 2 VEHICLES

ASC 2 Vehicles (e.g., - Hard Car) is working as a part of the ASC Group to develop activities related to the market segment for Trucks and Cars.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	0	0
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	2	2
OTHER ASSETS	1	1
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	47	47
OTHER ASSETS	34	11
TOTAL ASSETS	83	60
LIABILITIES AND EQUITY		
EQUITY	50	57
NONCURRENT LIABILITIES	0	0
CURRENT LIABILITIES	33	3
TOTAL OF LIABILITIES AND EQUITY	83	60

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	24	0
OPERATING INCOME	-10	-1
FINANCIAL RESULT	-0	-0
INCOME BEFORE TAXES	-10	-1
CORPORATE INCOME TAX	2	0
NET INCOME FOR THE FISCAL YEAR	-7	-1

Thousands of Euros

In 2011, the amount of capital invested in the business activities of ASC 2 Vehicles rose from 59.7 thousand Euros in 2011 to 82.7 thousand Euros as of December 31, 2011, fundamentally due to an increase in its Suppliers (ASC) list and, consequently, in its lists of Clients and Bank Deposits. This was due to services it provided to the Municipality of Viseu, which began in May 2011.

The 2011 fiscal year closed with a negative net profit before taxes, for a figure of €9,725.02. Accounting lines registering deferred taxes were at the origin of the fact that the company's negative net income was reduced to €7,343.50, due to the tax declaration made for an amount of €2.381,52 and cleared as a tax loss for 2011, which was transferred in the same fiscal year to the parent company, in application of the RETGS special tax regime for corporate groups.

07.1.6 - AIR RAIL (PORTUGAL)

Air Rail Portugal is the company in the ASC Group devoted to the commercial distribution of infrastructures equipment in Portugal.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	19	1
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	0	0
OTHER ASSETS	0	0
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	18	0
OTHER ASSETS	27	50
TOTAL ASSETS	64	51
LIABILITIES AND EQUITY		
EQUITY	-39	49
NONCURRENT LIABILITIES	0	0
CURRENT LIABILITIES	103	2
TOTAL OF LIABILITIES AND EQUITY	64	51

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	229	0
OPERATING INCOME	-98	-1
FINANCIAL RESULT	-3	0
INCOME BEFORE TAXES	-101	-1
CORPORATE INCOME TAX	-2	0
NET INCOME FOR THE FISCAL YEAR	-102	-1

Thousands of Euros

In 2011, Air Rail Portugal reported a Business Volume of 229,000 Euros and closed out the fiscal year with a negative net income of 102,000 Euros.
Air Rail Portugal's main goals for 2012 consist of bolstering its presence in the airports sector and entering into the ports and harbors and railways sectors in Portugal, Angola and Mozambique.

07.1.7 - COTIAC

Cotiac is a management company for financial and corporate holdings. Over the course of the year 2011, it further developed a number of activities directly related with its corporate purpose.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	0	0
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	64 547	72 151
OTHER ASSETS	11	2 541
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	9 743	3 065
OTHER ASSETS	171	6
TOTAL ASSETS	74 473	77 763
LIABILITIES AND EQUITY		
EQUITY	68 303	75 193
NONCURRENT LIABILITIES	0	2 500
CURRENT LIABILITIES	6 169	71
TOTAL OF LIABILITIES AND EQUITY	74 473	77 763

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	0	0
OPERATING INCOME	2 375	1 226
FINANCIAL RESULT	193	75
INCOME BEFORE TAXES	2 568	1 301
CORPORATE INCOME TAX	-48	-12
NET INCOME FOR THE FISCAL YEAR	2 519	1 289

Thousands of Euros

In March of 2011, the investments it made in its affiliate ASC Turk Makina were reduced to closed to 27,000 Euros, coming as the result of a reduction in the capital of this affiliate, for a total amount of 6,000,000 Turkish Liras. Similarly, in August Cotiac took on holdings in the capital of ASC Bogazici Makina Yatirim Holding AS, the Holding Company in Turkey, for an amount of 0.31 Euros (1 Turkish Lira).

At the close of the fiscal year, COTIAC sold off 68,600 of the 68,650 shares that it held in ASC Turk Makina to Bogazici Makina Yatirim Holding, for an amount of 485,000 Euros.

This share sale transaction corresponded to materialization of the company's intention to place its affiliate in a holding company located in Turkey, which was the purpose underlying its purchase of ASC Turk in 2010. This holding company, incorporated in July 2011 with the business name ASC Bogazici Makina Yatirim Holding, will bring together all of the ASC group's investments in this territory.

In 2011, Cotiac distributed its cash reserves from past fiscal years, for an amount of 5,399 thousand Euros, to its sole partner Auto-Sueco Coimbra, S.A. These funds became available in the Free Reserves line.

The main returns for the fiscal year correspond to the profits generated by the independently held companies, for an amount of 2,411 thousand Euros. These returns are included among the earnings for the period, as based upon the equity method, and also among the earnings from interest and other similar revenue, for a value of 193,000 Euros.
In the cost structure, the Fair Value Reduction line also merits consideration, with losses for discrepancies in value amounting to 33,000 Euros, incurred during the fiscal year in connection with the shareholdings the company owns in BCP.

Net income for the year of business rose to 2,519 thousand Euros, as an effect of applying the equity method; that is, by incorporating the positive income of the Spanish subsidiary AMTA, the company thereby recorded an increase of 49% relative to its net income for 2010 (1,289 Euros).

07.2 - SPAIN

07.2.1 - AMTA

Auto Maquinaria Tea Aloya, S.L. (AMTA) is a management company for corporate shareholdings incorporated in 2000 in accordance with Spanish fiscal legislation, and is also capable of conducting other commercial activities.

AMTA holds the entirety of the corporate holdings of Volmaquinaria de Construcción de España, S.A. (VMCE), a company in the Group charged with the task of importing and distributing Volvo Construction Equipment throughout the entire territory of Spain, maintaining holdings, in turn, in various other companies in Spain.

Among AMTA's noteworthy assets is a holding of financial stock in Banco BPI of close to 0.8%, corresponding to 7,878,702 shares, which did not yield dividends in 2011.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	0	0
INTANGIBLE ASSETS	0	0
INVESTMENTS IN ASSOCIATE COMPANIES	33 011	39 529
OTHER ASSETS	5 755	3 800
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	179	68
OTHER ASSETS	584	480
TOTAL ASSETS	39 529	43 877
LIABILITIES AND EQUITY		
EQUITY	38 702	43 146
NONCURRENT LIABILITIES	0	0
CURRENT LIABILITIES	827	731
TOTAL OF LIABILITIES AND EQUITY	39 529	43 877

Thousands of Euros

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	0	0
OPERATING INCOME	5 417	3 147
FINANCIAL RESULT	0	558
INCOME BEFORE TAXES	5 417	3 705
CORPORATE INCOME TAX	101	113
NET INCOME FOR THE FISCAL YEAR	5 518	3 818

Thousands of Euros

In 2011, the dividends distributed by VMCE, totaling 5.8 million Euros, generated a Net Income of close to 5.5 million Euros.

07.2.2 - VOLMAQUINARIA

Volmaquinaria is the company in the ASC Group that is in charge of overseeing imports and distribution for Volvo Construction Equipment throughout the entire territory of Spain. By means of its vast network of agents and directly through its own dealerships in Madrid and Barcelona, Volmaquinaria conducts business activities offering a vast range of products and services, and is considered to be one of the highest quality dealers in Spain by its major clients.

Volmaquinaria today serves as the core of the "cluster" of companies in Spain that belong to the Group (these companies also include Tea Aloya Inmobiliaria, S.A., Volrental, S.A.U., Volrental Atlántico, S.A., Volrental Cantábrico, S.A., Volrental Córdoba, S.A., Air-Rail, S.L., and Zephir, S.L.); it also owns a 47.00% shareholding in the insurance company Amplitude Ibérica, S.A.

In 2011, Volmaquinaria carried out the full disposal of the entirety of its holdings in Volrental Norte, S.A. (33.33%), and in March it opened up new set of facilities in Valladolid, which were entirely financed through equity.

With regard to its activities in 2011, for the third year in a row Volmaquinaria was subject to ongoing adverse economic conditions, along with weak signs of recovery for the Spanish economy.

In keeping with this, Volmaquinaria focused its efforts on three lines of action:

1. Maintaining market shares: GPE – 18%, CSE – 7% and Road Machinery – 6%;
2. Reducing operating expenses: savings of 500,000 Euros with respect to 2010;
3. Greater control over financial risk: the set of measures adopted by Volmaquinaria has allowed it to achieve a level of financial freedom on the order of 71%, and an average collection period of 76 days.

In spite of the efforts carried out by Volmaquinaria to adapt to the market situation, its Volume of Business experienced a decrease of 10.4% from 2010, amounting to a total of 46.2 million Euros, a reflection of the downward trend in construction activities and public works over the course of 2011. The breakdown of the company's Business Volume shows an increase in the proportional amount for sales of new equipment (up from 38% in 2010 to 43% in 2011), equipment rentals (up from 2% in 2010 to 3% in 2011) and office rentals (up from 7% in 2010 to 9% in 2011), in conjunction with a drop in proportions, on the other hand, for used equipment (down from 13% to 8%) and the parts area (down from 40% to 37%).

In 2011, the total for Assets amounted to 68 million Euros, reflecting a decrease of 14.7% from 2010, which may largely be explained by a slowdown in activity and the consequent decrease in inventory levels and average client balances. A decrease in Equity, down 9.5% from 2010, came as the result of the decreased amount of voluntary reserved recorded on the books.

Components of Volmaquinaria's Liabilities rose to 19 million Euros, reflective of a 25.3% decrease with respect to 2010, mainly as a result of the expiration of the call option on land ownership and facilities in Ciempozuelos, which were up at 7.8 million Euros.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	20 518	21 409
INTANGIBLE ASSETS	3 031	3 079
INVESTMENT PROPERTIES	15 258	15 285
OTHER ASSETS	437	514
CURRENT ASSETS		
INVENTORY AND STOCK	17 981	19 633
THIRD PARTY DEBTS	9 445	13 229
OTHER ASSETS	1 549	6 784
TOTAL ASSETS	68 219	79 933
LIABILITIES AND EQUITY		
EQUITY	48 735	53 866
NONCURRENT LIABILITIES	10 083	8 512
CURRENT LIABILITIES	9 400	17 555
TOTAL OF LIABILITIES AND EQUITY	68 219	79 933

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	46 224	51 615
OPERATING INCOME	1 571	301
FINANCIAL RESULT	-673	-1 172
INCOME BEFORE TAXES	898	-871
CORPORATE INCOME TAX	-274	195
NET INCOME FOR THE FISCAL YEAR	624	-676

Thousands of Euros

07.2.3 - TEA ALOYA INMOBILIARIA

Tea Aloya Inmobiliaria is the business in the ASC Group dedicated the area of real estate.

The value of the company's tangible fixed assets corresponds to the properties over which the company holds ownership for the purpose of yielding long-term revenue.

During the 2010 fiscal year, the company effected the sale of its property and facilities in Alcalá de Henares to a third party outside of the ASC Group; up until the date of this disposal, this property was being rented out to Volmaquinaria. This sale resulted in revenue of 286,000 Euros.
It should be emphasized that the company did not conduct any operating activities in 2011.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	78	78
INTANGIBLE ASSETS	0	0
INVESTMENT PROPERTIES	0	0
OTHER ASSETS	0	0
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	0	0
OTHER ASSETS	696	992
TOTAL ASSETS	774	1 071
LIABILITIES AND EQUITY		
EQUITY	776	775
NONCURRENT LIABILITIES	0	0
CURRENT LIABILITIES	-2	296
TOTAL OF LIABILITIES AND EQUITY	774	1 071

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	0	29
OPERATING INCOME	-2	234
FINANCIAL RESULT	5	-8
INCOME BEFORE TAXES	3	226
CORPORATE INCOME TAX	-1	-68
NET INCOME FOR THE FISCAL YEAR	2	158

Thousands of Euros

07.2.4 - VOLRENTAL

Volrental was incorporated at the end of 2003 for the purpose of developing business in the Spanish market for construction equipment rentals. The company's initial capital was worth 300,000 Euros, underwritten in its entirety and paid for by Volmaquinaria.

Over the course of the company's history, two further increases in capital stock were issued by VMCE – in 2004 (1 million Euros) and in 2008 (1.3 million Euros) – while in 2009 the company initiated its disposal of all of the machinery it owned as fixed assets (construction equipment for rental) to the Volmaquinaria Group's company, with this process wrapping up in 2010. In tandem with this, the facilities where Volrental formerly conducted its activities, which belonged to Tea Aloya Inmobiliaria, S.A., were transferred to a third party.

Consequently, Volrental did not conduct any operating activities over the course of 2011, and its Net Income was negative at 17,000 Euros.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	0	0
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	0	0
OTHER ASSETS	0	0
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	89	83
OTHER ASSETS	805	787
TOTAL ASSETS	894	870
LIABILITIES AND EQUITY		
EQUITY	852	869
NONCURRENT LIABILITIES	0	0
CURRENT LIABILITIES	42	1
TOTAL OF LIABILITIES AND EQUITY	894	870

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	0	-34
OPERATING INCOME	-29	-88
FINANCIAL RESULT	6	4
INCOME BEFORE TAXES	-23	-84
CORPORATE INCOME TAX	6	25
NET INCOME FOR THE FISCAL YEAR	-17	-59

Thousands of Euros

07.2.5 - VOLRENTAL ATLÁNTICO

Volrental Atlántico was incorporated in October 2006, and, just like Volrental, it is devoted to the business of construction equipment rentals. The ASC Group owns a shareholding of close to 68.9% of its capital stock, by means of its affiliate Volmaquinaria de Construcción de España.

On April 28, 2010, the company carried out a capital stock reduction of 450,000 Euros, in order to offset losses accrued by the company and in order to restore its equity. In 2011 Volrental Atlántico did not conduct any operating activities, with a negative Net Income of 7,000 Euros.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	181	185
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	0	0
OTHER ASSETS	0	0
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	0	0
OTHER ASSETS	280	369
TOTAL ASSETS	460	554
LIABILITIES AND EQUITY		
EQUITY	460	467
NONCURRENT LIABILITIES	0	59
CURRENT LIABILITIES	0	27
TOTAL OF LIABILITIES AND EQUITY	460	554

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	0	41
OPERATING INCOME	-9	32
FINANCIAL RESULT	0	-3
INCOME BEFORE TAXES	-10	29
CORPORATE INCOME TAX	3	-9
NET INCOME FOR THE FISCAL YEAR	-7	20

Thousands of Euros

07.2.6 - VOLRENTAL CANTÁBRICO

Volrental Cantábrico was incorporated in September 2007, and began doing business at the start of 2008 with the mission of commercially distributing and renting out industrial equipment and construction machinery, in addition to providing technical support services and sales of parts. ASC Group's holdings in the company are owned through the intermediary Volmaquinaria (VMCE), which owns 100% of the stock in the company.

In 2011, Volrental Cantábrico presented a negative Net Income of 130,000 Euros.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	0	716
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	0	0
OTHER ASSETS	0	12
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	0	291
OTHER ASSETS	352	191
TOTAL ASSETS	352	1 211
LIABILITIES AND EQUITY		
EQUITY	352	481
NONCURRENT LIABILITIES	0	455
CURRENT LIABILITIES	0	275
TOTAL OF LIABILITIES AND EQUITY	352	1 211

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	-1	339
OPERATING INCOME	-163	-152
FINANCIAL RESULT	-17	-38
INCOME BEFORE TAXES	-180	-191
CORPORATE INCOME TAX	50	53
NET INCOME FOR THE FISCAL YEAR	-130	-138

Thousands of Euros

07.2.7 - VOLRENTAL CÓRDOBA

Volrental Córdoba, just like Volrental Cantábrico, was also incorporated in September 2007 and began doing business in the same year. The company does business in the region of Cordova, in the business areas of commercial distribution and rentals of construction equipment and all related technical support.

ASC Group owns 100% of all shareholdings in the company, by means of VMCE.
In 2011 Volrental Córdoba did not conduct any operating activities, with a Net Income that was negative at 16,000 Euros.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	0	103
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	0	0
OTHER ASSETS	0	7
CURRENT ASSETS		
INVENTORY AND STOCK	0	0
THIRD PARTY DEBTS	0	125
OTHER ASSETS	309	216
TOTAL ASSETS	309	450
LIABILITIES AND EQUITY		
EQUITY	308	325
NONCURRENT LIABILITIES	0	75
CURRENT LIABILITIES	0	50
TOTAL OF LIABILITIES AND EQUITY	309	450

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	0	3
OPERATING INCOME	-24	-113
FINANCIAL RESULT	0	-8
INCOME BEFORE TAXES	-23	-122
CORPORATE INCOME TAX	7	36
NET INCOME FOR THE FISCAL YEAR	-16	-85

Thousands of Euros

07.2.8 - AIR-RAIL

Air-Rail was incorporated in May 1992, and the ASC Group acquired a 50% holding in this company in 2010. Its principal business activities lie in the commercial marketing and distribution of infrastructure equipment for ports and harbors, airports and railways.

In spite of a growth in Business Volume, up approximately 36% from 2010, Air-Rail had a positive Net Income of 483,000 Euros, against 961,000 Euros recorded for the year prior (the equivalent of -50%).

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	6 124	4 204
INTANGIBLE ASSETS	12	22
FINANCIAL SHAREHOLDINGS	87	50
OTHER ASSETS	16	421
CURRENT ASSETS		
INVENTORY AND STOCK	767	868
THIRD PARTY DEBTS	4 815	2 870
OTHER ASSETS	3 349	1 949
TOTAL ASSETS	15 169	10 384
LIABILITIES AND EQUITY		
EQUITY	1 868	1 385
NONCURRENT LIABILITIES	2 465	2 440
CURRENT LIABILITIES	10 837	6 559
TOTAL OF LIABILITIES AND EQUITY	15 169	10 384

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	12 459	9 148
OPERATING INCOME	1 032	1 595
FINANCIAL RESULT	-342	-219
INCOME BEFORE TAXES	689	1 376
CORPORATE INCOME TAX	-207	-416
NET INCOME FOR THE FISCAL YEAR	483	961

Thousands of Euros

07.2.9 - ZEPHIR

Zephir is devoted to the commercial marketing and distribution of infrastructure equipment for railways and all related technical support.

In spite of the overall economic environment, 2011 proved favorable for the activities of Zephir, as reflected in a Volume of Business of approximately 800,000 Euros (+9% with respect to 2010), and a positive Net Income of 71,000 Euros (+7.9x the income recorded in 2010).

07.2.10 - VOLRENTAL NORTE E AMPLITUDE IBÉRICA

In 2011, Volmaquinaria carried out the full disposal of the entirety of its holdings in Volrental Norte, S.A. (33.33%).

Insofar as Amplitude Ibérica is concerned, given that the Auto Sueco Coimbra Group owns holdings of less than 50% in this company, it was not included for the purposes of the full consolidation method.

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	599	844
INTANGIBLE ASSETS	0	0
FINANCIAL SHAREHOLDINGS	0	0
OTHER ASSETS	3	3
CURRENT ASSETS		
INVENTORY AND STOCK	125	0
THIRD PARTY DEBTS	549	416
OTHER ASSETS	89	204
TOTAL ASSETS	1 365	1 467
LIABILITIES AND EQUITY		
EQUITY	259	188
NONCURRENT LIABILITIES	57	470
CURRENT LIABILITIES	1 050	809
TOTAL OF LIABILITIES AND EQUITY	1 365	1 467

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	803	739
OPERATING INCOME	130	45
FINANCIAL RESULT	-36	-35
INCOME BEFORE TAXES	94	11
CORPORATE INCOME TAX	-24	-1
NET INCOME FOR THE FISCAL YEAR	71	9

Thousands of Euros


VOLVO

07.3 - USA (ASC USA)

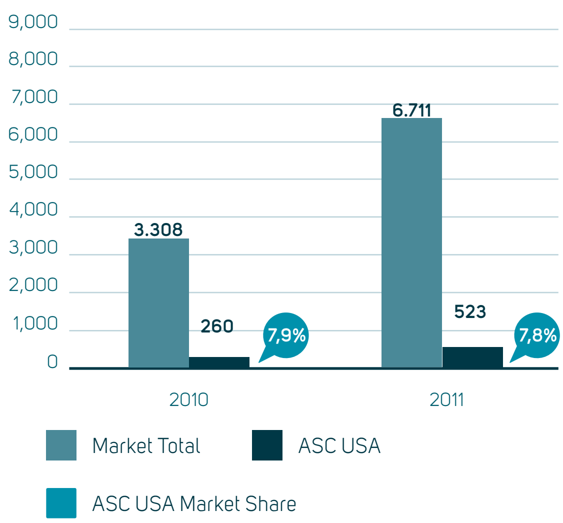
ASC CONSTRUCTION EQUIPMENT USA, INC. WAS INCORPORATED IN 2004 SUBSEQUENT TO THE ACQUISITION OF THE ASSETS OF SABA HOLDING COMPANY (A COMPANY IN THE VOLVO GROUP), A COMPANY WHICH AT THE TIME WAS OVERSEEING DISTRIBUTION OF VOLVO BRAND CONSTRUCTION EQUIPMENT ACROSS A VAST AREA OF THE COUNTRY COVERING THE STATES OF NORTH AND SOUTH CAROLINA, ALABAMA, GEORGIA AND TENNESSEE.

Conducting activities in business segments related with the commercial distribution of products, rentals, and aftersales services for Volvo construction equipment, ASC USA has gained recognition as Volvo's largest dealer on the North American landmass since 2005, continuing to receive various awards given out during Volvo's dealer meetings, both in financial and technical areas.

After experiencing a severe contraction in sales during the 2007-2010 period, the Business Volume of ASC USA saw growth of approximately 46% from 2010 to 2011, amounting to a total of 127,988 thousand Euros. This growth may be partially explained by the gradual recovery of market conditions, which was increasingly being felt since 2010, as well as by the resiliency, vision and adaptability of ASC USA.

In a breakdown of the Volume of Business, sales of equipment rose to 85 million Euros, representing a growth of approximately 89% with respect to 2010, thus remaining the predominant area of business among the operations of the company (66% proportion).

Market Share - ASC USA | Units



Sales of new equipment witnessed a significant increase from 2010 to 2011, on the order of 55%, mainly due to (i) an increase in consumer confidence, (ii) an increase in demand from rental companies, who felt encouraged by the overall increase in rental activity and decided to restore their rental fleets, and (iii) the anticipation of future sales on the part of certain clients, who opted to take advantage of the 100% bonus on the depreciation value of equipment, which was expiring at the end of 2011.

In turn, used equipment sales rose to 39 million Euros, reflective of strong growth from 2010 to 2011 (+153%) that may be explained by (i) price increases and (ii) increased external demand. Anticipating this scenario, ASC USA was able to align its business strategy to the needs of the market, and, with the support of a highly experienced management team, it conducted market research to acquire used equipment in order to resell it at a later time and/or rent it out with an option to buy. In this manner, ASC USA managed to raise its sales in this segment to never before attained levels.

Insofar as ASC USA's market share is concerned, even despite the upswing in the market, in practical terms ASC USA still maintained the same market share from 2010, mainly due to its choice to maintain its strategy from 2010, which focused on profitability and not on volume. At the same time, in spite of its slight decrease in market share, ASC USA increased its share in each of the market segments taken individually (GPE, CSE and Road Machinery). This apparent contradiction is explained by a shift in quantities in the company's marketing mix.

The course of development for ASC USA's past Financial Statements is presented below:

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	35 567	39 350
INTANGIBLE ASSETS	3 446	4 121
INVESTMENT PROPERTIES	0	0
OTHER ASSETS	818	0
CURRENT ASSETS		
INVENTORY AND STOCK	49 480	45 773
THIRD PARTY DEBTS	11 568	14 060
OTHER ASSETS	5 099	3 397
TOTAL ASSETS	105 978	106 701
LIABILITIES AND EQUITY		
EQUITY	33 649	26 687
NONCURRENT LIABILITIES	45 756	48 365
CURRENT LIABILITIES	26 573	31 649
TOTAL OF LIABILITIES AND EQUITY	105 978	106 701

Thousands of Euros
EUR/USD Exchange Rate December 31, 2011 - 1.2939
December 31, 2010 - 1.3362

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	127 988	91 953
OPERATING INCOME	11 271	3 751
FINANCIAL RESULT	-1 731	-2 426
INCOME BEFORE TAXES	9 540	1 325
CORPORATE INCOME TAX	-3 879	-287
NET INCOME FOR THE FISCAL YEAR	5 661	1 039

Thousands of Euros
EUR/USD Exchange Rate: 2011 Average - 1.3920; 2010 Average - 1.3257

2011 was also marked by a sharp growth in ASC USA's operating income (+3.0x the profits of 2010), which went up from a profit of 3,751 thousand Euros in 2010 to a profit of 11,271 thousand Euros in 2011; in large part, this increase was due to the disposal of a portion of the dealership in the territory of the state of Alabama.

With regard to ASC USA's financial structure, Asset totals remained practically unchanged with respect to 2010, staying at around 106 million Euros.

07.4 - TURKEY

07.4.1 - ASC TURK-MAKINA

On June 30, 2010, ASC Group acquired two subsidiaries of Volvo Construction Equipment A.B (VT Holding Holland N.V and Volvo Automotive Holding B.V), which carry out importing and distribution operations for Volvo CE throughout the entire territory of Turkey. The company, now known as ASC Türk Makina Limited Sirketi, covers the entire range of Volvo CE products by means of three business units (two in Istanbul and one in Ankara), as well as a retail network with five agents.

In 2011, from among the portfolio of products commercially offered by ASC Türk Makina, demand for construction equipment in Turkey rose to around 8,436 units, thereby reflecting a significant increase with respect to the number of units sold in 2010 (around 6,100).

In terms of performance, in 2011 ASC Türk attained a market share of 13%, thereby finding itself ranked fourth among all companies operating in the sector.

The 2011 financial statement for ASC Türk appears as follows:

BALANCE SHEET	2011	2010
ASSETS		
NONCURRENT ASSETS		
FIXED TANGIBLE ASSETS	3 005	1 277
INTANGIBLE ASSETS	500	0
FINANCIAL SHAREHOLDINGS	2	0
OTHER ASSETS	321	591
CURRENT ASSETS		
INVENTORY AND STOCK	29 124	12 481
THIRD PARTY DEBTS	14 205	13 402
OTHER ASSETS	12 416	12 587
TOTAL ASSETS	59 574	40 339
LIABILITIES AND EQUITY		
EQUITY	42 162	30 232
NONCURRENT LIABILITIES	133	66
CURRENT LIABILITIES	17 278	10 041
TOTAL OF LIABILITIES AND EQUITY	59 574	40 339

Thousands of Euros
EUR/TRL Exchange Rate December 31, 2011 - 2.4432
December 31, 2010 - 2.0491

INCOME STATEMENT	2011	2010
VOLUME OF BUSINESS	194 148	85 537
OPERATING INCOME	23 829	3 827
FINANCIAL RESULT	1 548	803
INCOME BEFORE TAXES	25 378	4 631
CORPORATE INCOME TAX	-5 265	-1 002
NET INCOME FOR THE FISCAL YEAR	20 112	3 629

Thousands of Euros
EUR/TRL Exchange Rate: 2011 Average - 2.3376; 2010 Average - 1.9655

In 2011, ASC Türk attained a business volume of 194,148 thousand Euros, and its EBITDA margin was in the area of 12%, representing growth of 6 pp with respect to 2010 (EBITDA margin of 6%).

07.4.2 - ASC BOGAZICI

ASC Bogazici, which has since changed its business name to Ascendum Makina Yatirim Holding Anonim Sirketi, is the holding company for ASC Group in Turkey; it was incorporated in 2011 and accordingly holds 99% of the stock in ASC Türk.

The 2011 financial statement for ASC Bogazici appears as follows:

BALANCE SHEET	2011
ASSETS	
NONCURRENT ASSETS	
FIXED TANGIBLE ASSETS	0
INTANGIBLE ASSETS	0
INVESTMENTS IN ASSOCIATE COMPANIES	48 763
OTHER ASSETS	0
CURRENT ASSETS	
INVENTORY AND STOCK	0
THIRD PARTY DEBTS	0
OTHER ASSETS	39
TOTAL ASSETS	48 802
LIABILITIES AND EQUITY	
EQUITY	14 899
NONCURRENT LIABILITIES	0
CURRENT LIABILITIES	33 902
TOTAL OF LIABILITIES AND EQUITY	48 802

Thousands of Euros
EUR/TRL Exchange Rate: December 31, 2011 - 2.4432

INCOME STATEMENT	2011
VOLUME OF BUSINESS	0
OPERATING INCOME	-93
FINANCIAL RESULT	-163
INCOME BEFORE TAXES	-256
CORPORATE INCOME TAX	0
NET INCOME FOR THE FISCAL YEAR	-256

Thousands of Euros
EUR/TRL Exchange Rate: 2011 Average - 2.3376

07.4.3 - ART HAVA

Kicking off its business activities in 2011, Art Hava is the company in the ASC Group (held at 50% by Air-Rail and 5% by ASC Türk) devoted to the commercial marketing and distribution of infrastructure equipment for ports and harbors, airports and railways in Turkey.

The 2011 financial statement for Art Hava is as follows:

BALANCE SHEET	2011
ASSETS	
NONCURRENT ASSETS	
FIXED TANGIBLE ASSETS	0
INTANGIBLE ASSETS	0
INVESTMENTS IN ASSOCIATE COMPANIES	0
OTHER ASSETS	0
CURRENT ASSETS	
INVENTORY AND STOCK	0
THIRD PARTY DEBTS	15
OTHER ASSETS	45
TOTAL ASSETS	60
LIABILITIES AND EQUITY	
EQUITY	43
NONCURRENT LIABILITIES	0
CURRENT LIABILITIES	17
TOTAL OF LIABILITIES AND EQUITY	60

Thousands of Euros
EUR/TRL Exchange Rate: December 31, 2011 - 2.4432

INCOME STATEMENT	2011
VOLUME OF BUSINESS	0
OPERATING INCOME	3
FINANCIAL RESULT	0
INCOME BEFORE TAXES	3
CORPORATE INCOME TAX	0
NET INCOME FOR THE FISCAL YEAR	2

Thousands of Euros
EUR/TRL Exchange Rate: 2011 Average - 2.3376


VOLVO
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VOLVO

SUSTAINABILITY POLICY

08

AT AUTO SUECO COIMBRA GROUP, WE BELIEVE THAT EVERY STEP WE TAKE IS ALSO AN END IN ITSELF, AS SUCH, WE WORK ON A DAILY BASIS IN ACCORDANCE WITH A RESPONSIBLE SET OF POLICIES CONCERNING THE GROWTH OF THE GROUP.

OUR GROUP IS GROWING, AND WILL CONTINUE TO GROW, IN A SUSTAINABLE MANNER, FOR WE BELIEVE THAT SUSTAINABILITY SHOULD BE DEFINED AS A FUNDAMENTAL BALANCE BETWEEN THE THREE PILLARS OF ECONOMY, ENVIRONMENT, AND SOCIAL RESPONSIBILITY.

FOR THIS REASON, WE STRIVE TO MEET OUR COMMITMENTS TO QUALITY AND THE ENVIRONMENT IN A RESPONSIBLE MANNER EACH AND EVERY DAY, AND THESE VALUES ARE AT THE HEART OF ALL OF OUR PROJECTS AND SERVICES.

08.1 - ECONOMY AND INNOVATION

ASC Group is governed by standards of excellence, striving toward the goal of establishing close-knit relationships with all of its clients and partners, thereby guaranteeing the total satisfaction of all sides and increasing the value of its business dealings.

Working to meet its objective of achieving long-lasting, continual growth in order to ensure the financial stability of the Group and the profitability of its invested capital, the ASC Group regularly evaluates its profits in a systematic manner for all of its areas of activity.

In tandem with this, as the ASC Group is fundamentally enmeshed in the value chain for the automobile and machinery sector as a distributor of vehicles and construction equipment, it seeks to enhance its growth through a rigorous choice of partners and suppliers with innovative solutions from the perspective of reducing the environmental impact of the Group's activities.

One example of this is the case of Volvo, which has already begun to develop construction equipment with hybrid technology using Diesel-Electric engines, thereby contributing to reduce CO_2 emissions and fuel consumption levels. In the area of trucks and automobiles as well, Volvo is incorporating models into its range of products that are more ecologically sound, in keeping with the long-standing tradition of its concern for reducing the environmental impact of its products, going far beyond its requirement to meet Euro 5 emissions standards. In the area of automobiles, every one of the brands that ASC Group represents maintains a program to reduce the environmental impact of its business and products.

08.2 - ENVIRONMENT

In 2011, Auto Sueco Coimbra successfully implemented a set of measures aiming to cut down the environmental impact of its activities, particularly through training programs for all of the Group's workers, so as to guarantee their active involvement in the Environmental Management System - ASC SYSTEM PROJECT (awareness-raising actions for environmental concerns, rationally sound use of resources, training programs for the prevention of environmental disasters, and the implementation of projects to encourage best practices).

Along these lines, during 2011, the group received an energy certification from Geoterme, a set of emergency plans were designed by XZ Consultores, and the group underwent a welding qualification program with ISQ.

In addition, ASC Group has and will continue to foster constant improvement in the area of managing and reducing hazardous waste, and it has already signed a number of diverse agreements with institutions accredited by the Portuguese government in the fields of used tire management systems, recyclable packaging and waste oil management, while also maintaining two industrial water treatment plants, with the water treatment plant at the Business Unit in Leiria undergoing rehabilitation in 2011.

Similarly, in 2009 ASC Group celebrated the signing of an agreement with Valorcar, an entity that operates in the environmental management of used batteries, both for batteries placed on the market as direct products and for batteries that make up part of vehicles and equipment.

08.3 - QUALITY

ASC Group works hard to meet its goal of attaining Quality in all of its services, satisfying all legal requirements, standards and regulations applicable to the performance of all of its activities and maintaining certifications from the corresponding governmental agencies in Portugal (APCER) in terms of Quality (NP EN ISSO 14001:2004) and Environment (NP EN ISO 9001:2008).

08.4 - SOCIAL RESPONSIBILITY

ASC Group believes it can help to foster development in the communities it serves, working according to the basic principle of maintaining an utmost respect for local cultures, with the belief that it is its own obligation to assess the impacts (Environmental, Social and Economic) of any and all activities it develops in any of the various areas in which it operates.

In order to ensure proper training and awareness for all of its workers, and also in order to guarantee their active participation both in the Environmental Management System and through the use of environmental responsible conduct, ASC Group has instituted a cross-group Training Plan designed to bring all workers up to date on technical skills, continued its New Opportunities Program and developed external training resources for its upper level management with a focus on strategic coaching.

Furthermore, ASC Group makes its Environmental Policy fully available to all of its clients, suppliers and other interested parties, so that all may be aware of its responsibilities concerning the above commitments it has taken on, and so that all may be privy to the ASC Group's environmental impact.

RISKS AND UNCERTAINTIES

09

09.1 - LIQUIDITY RISK

LIQUIDITY RISK IS DEFINED AS A COMPANY'S RISK OF NOT BEING ABLE TO MAINTAIN SUFFICIENT LIQUIDITY TO MEET ITS FINANCIAL OBLIGATIONS AT A REASONABLY DETERMINED PRICE OVER THE TIME PERIODS THAT ARE DEFINED FOR IT.

The existence of liquidity in the Group's companies implies that a set of guiding parameters has been defined for the management of liquidity that successfully allows these companies to maximize their returns and minimize the opportunity costs associated with maintaining this same liquidity, all in a financially secure and efficient manner.

THE MANAGEMENT OF LIQUIDITY RISK IN THE ASC GROUP HAS THE GOAL OF:

(i) Maintaining liquidity, i.e. to guarantee ongoing access to sufficient funds in the most efficient manner, in order to meet all current payments on their respective due dates, as well as any potential fund requests across all time periods as defined, even when these requests may not have been foreseen;

(ii) Security, i.e. to minimize the likelihood of insolvency for repayments or returns on any application of funds; and

(iii) Financial effectiveness, i.e. to guarantee that all companies maximize value / minimize opportunity cost for excess liquidity over the short term.

THE STRATEGY ADOPTED BY THE ASC GROUP FOR MANAGEMENT OF ITS LIQUIDITY RISK IS BASED ON THE FOLLOWING GUIDELINES, AMONG OTHERS:

(i) Financial planning and integrated financial management for the whole group, as capable of being supported by the cash flow budgets of all of the various companies,

(ii) Diversification of sources of financing and adequacy of the maturity of financial commitments to match up with the pace at which liquidity is generated.

(iii) Adequacy in the maturity of financial commitments related to investments in non-current assets with respect to the pace at which liquidity is generated.

(iv) Contracting of short-term lines of credit necessary for meeting momentary peaks in cash flow requirements.

The entire amount of any excess liquidity is applied in the way that best serves objectives for the liquidity and profitability of the Group, both as short-term financial applications and as amortizations of short-term debt, in keeping with the criteria for economic and financial viability.

As of December 31 of 2010 and 2011, the Group had a net indebtedness of 120,624,961 Euros and 113,832,958 Euros respectively, split up between current and non-current loans and cash and cash equivalents contracted with various institutions. The Group currently has open lines of credit amounting to 122 million Euros.

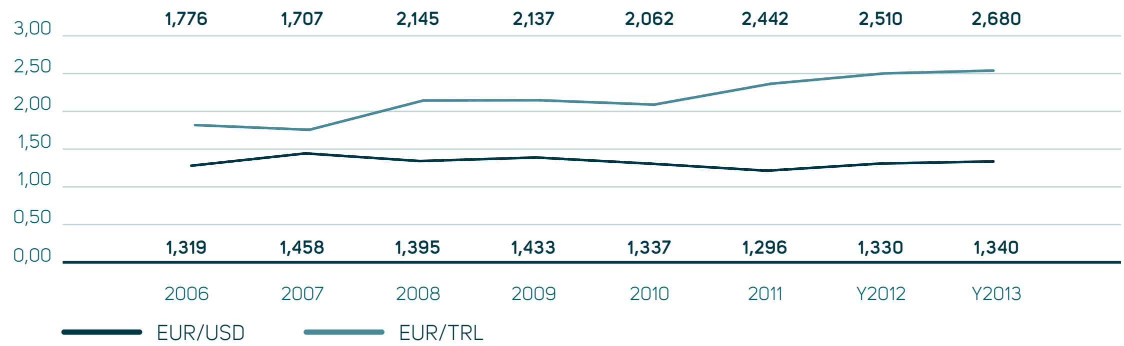
09.2 - FOREIGN EXCHANGE RISK

FOREIGN EXCHANGE RISK REFLECTS THE POSSIBILITY OF RECORDING LOSSES OR GAINS AS A RESULT OF VARIANCE IN EXCHANGE RATES BETWEEN DIFFERENT CURRENCIES.

The Group's exposure to foreign exchange risk results from the existence of subsidiaries located in countries in which the transactional currency is other than the Euro (namely, USA and Turkey), as well as the result of operations effected in between these subsidiaries and other companies in the Group, and the occurrence of transactions carried out by operating companies in currencies other than the ASC Group's reporting currency.

In this sense, the ASC Group's exposure to foreign currency risk stems from the fact that, during the process of preparing the consolidated financial statements for the Group, it is necessary to transpose the financial statements of its subsidiaries into the Euro.

Foreign exchange risk



Source: Bloomberg

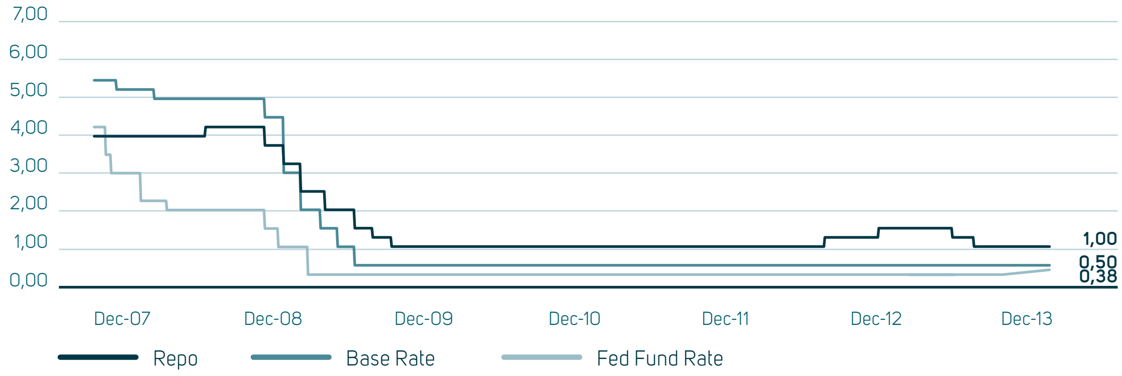
Potential exchange rate variations occurring in the currencies of these countries with respect to the Euro will later on affect the conversion of profits attributed to ASC Group, thereby affecting the Group's income and financial position.

Under these terms, in the face of uncertainty regarding the course of development over the upcoming years for quotes on the North American dollar and the Turkish lira against the Euro, the policy for managing foreign currency risk to be followed by the ASC Group will uphold the objective of diminishing the susceptibility of its earnings to exchange rate fluctuations as much as possible.

09.3 - INTEREST RATE RISK

INTEREST RATE RISK MEASURES THE POSSIBILITY THAT FLUCTUATIONS MAY EXIST IN THE AMOUNT OF FUTURE FINANCIAL BURDENS ON CONTRACTED LOANS, DUE TO DEVELOPMENTS IN THE LEVEL OF MARKET INTEREST RATES CAPABLE OF NEGATIVE AFFECTING THE ASC GROUP'S INCOME.

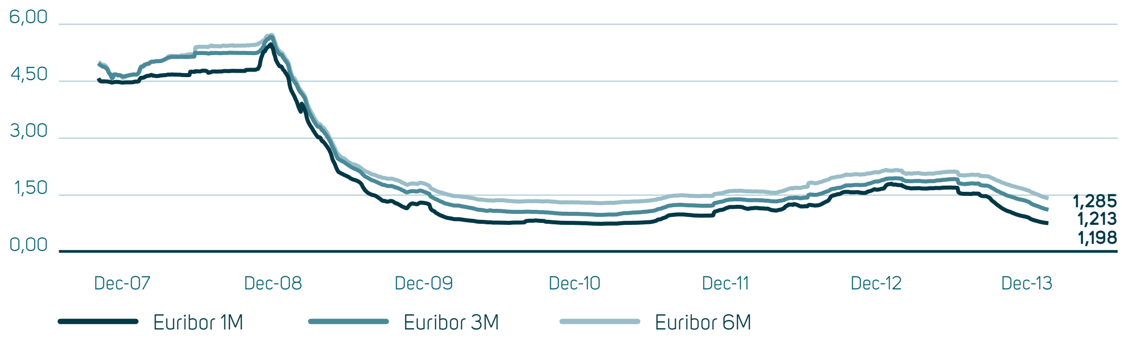
Outlooks for Benchmark Interest Rates



Source: Bloomberg

The well-known difficulty of obtaining financing from national banks and the need to improve capital adequacy ratios have led (and will continue to lead) national institutions to be more restrictive with awarded loans, raising the cost of loans, and financial operations may potentially be affected by these two factors.

Outlook for Euribor 3M, 6M e 1M Rates



Source: Bloomberg

09.4 - COUNTRY RISK

COUNTRY RISK IS A CONCEPT IN FINANCIAL ECONOMICS THAT GAUGES THE POSSIBILITY THAT CHANGES IN THE BUSINESS ENVIRONMENT IN A PARTICULAR COUNTRY MIGHT COME TO NEGATIVELY IMPACT THE INCOME OR VALUE OF ASSETS FOR FOREIGN COMPANIES ESTABLISHED IN THAT COUNTRY, IN ADDITION TO OTHER PROFITS, DIVIDENDS OR ROYALTIES THAT THESE COMPANIES EXPECT TO OBTAIN FROM INVESTMENTS MADE WITHIN THE COUNTRY.

The concept of country risk covers various categories of risk that may be associated with any given country, such as:

For the purpose of measuring the extent of country risk in various countries, several credit risk rating agencies have been created, with Moody's, Standard & Poor's, and Fitch Ratings standing out among these firms. Their main activities consist of assigning a classification system of ratings to the countries that are analyzed, in order to provide an indication of the financial security offered by the government and domestic companies to foreign investors who wish to place their money in debt securities in the countries in question.

The management policy followed by the ASC Group with regard to country risk adheres to the objective of diminishing exposure to countries considered high risk to the greatest extent possible by continually conducting an in-depth, careful analysis of all of the markets in which it intends to establish operations prior to finalizing any and all investment decisions.

As of December 31, 2011, the ratings of the countries in which the Group is directly developing activities (Portugal, Spain, USA and Turkey) were the following:

COUNTRY	MOODY'S	S&P	FITCH
PORTUGAL	Ba2	BBB-	BB+
SPAIN	A1	AA-	AA-
USA	Aaa	AA+u	AAA
TURKEY	Ba2	BBB-	BB+

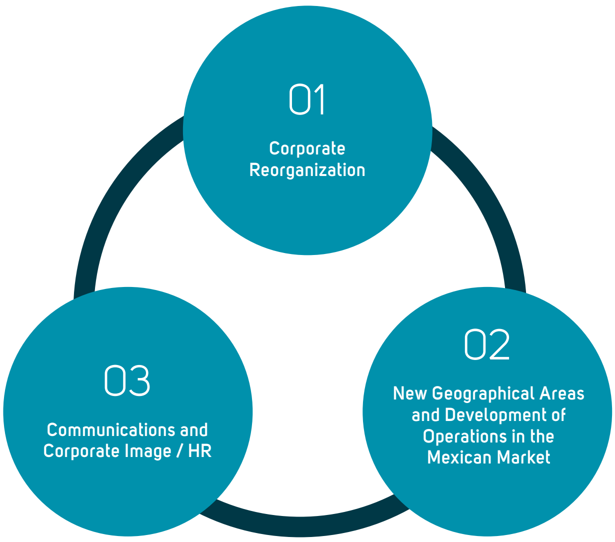
Source: Bloomberg

FINAL CONSIDERATIONS

10

IN 2012, THE AUTO SUECO COIMBRA GROUP WILL CONTINUE TO FOCUS ON THE FUTURE GROWTH OF THE ORGANIZATION BY MEANS OF PURSUING THE STRATEGIC PLAN OUTLINED IN 2009, ALONG WITH WRAPPING UP THE GROUP'S CORPORATE REORGANIZATION EFFORTS.

ACCORDINGLY, THERE ARE 3 AREAS OF PRIORITY FOR THE GROUP IN 2012:



10.1 - CORPORATE REORGANIZATION

Regarding the corporate reorganization of the Group, the process initiated in 2011 will be wrapped up by implementing the following final stages:

- **PORTUGAL:**
  - Concentration of all shareholdings in the various geographical areas into ASC SA;
  - The concentration of all companies / business units in Portugal previously held by ASC SA in the geographical area of Portugal;

- **SPAIN:**
  - The concentration of all companies / business units in Spain previously held by VMCE in the geographical area of Spain;
  - Transfer of shareholdings held by VMCE in ASC USA to ASC SA.

10 - FINAL CONSIDERATIONS

10.2 - NEW GEOGRAPHICAL AREAS AND DEVELOPMENT OF OPERATIONS IN THE MEXICAN MARKET

Within the framework of the strategy that has been outlined, the Auto Sueco Coimbra Group will pursue its plans to expand and consolidate its business in construction equipment, while simultaneously diversifying its lines of business and portfolio of products.

In this context, the Group intends, on the one hand, to consolidate its presence in mature markets such as the North American market via acquisitions, and, on the other hand, to continue to pursue the process of internationalization into emerging markets such as Latin America, Africa and Eastern Europe, given that these emerging markets may offset the more mature markets in which the Group is already present.

In this sense, at major stake in 2012 is the development of new distribution operations in Mexico for industrial machinery and equipment from Volvo Construction Equipment, operations which are being carried out from the ground up (startup). In this way, the creation of a distribution network, team training, compatibility of computer systems and/or information processes, implementation of best practices developed by the Group, and the "transmission" of the Group's culture and values to the new company are all especially significant, without forgetting to make the utmost use of any and all possible synergies with the ASC Group's operations in the USA and Spain. Once this first stage of procedures in successfully carried out, the Group's focus will move onward to the creation of value in the Mexican market, in order to place the Volvo brand on a similar level to what the Group has achieved in other markets in which it is active.

10.3 - COMMUNICATIONS AND CORPORATE IMAGE / HUMAN RESOURCES

As a part of the Group's ongoing restructuring process and its newly introduced model of governance, a re-branding project is being developed at the level of the Group as a whole.

Over the course of 2012, a new unified corporate image will be implemented across all geographical areas, which will also have the corollary result of changing the name of the company.

In the area of Talent Management for the Group, a decisive project will be implemented in 2012 to develop this practice within the Group.

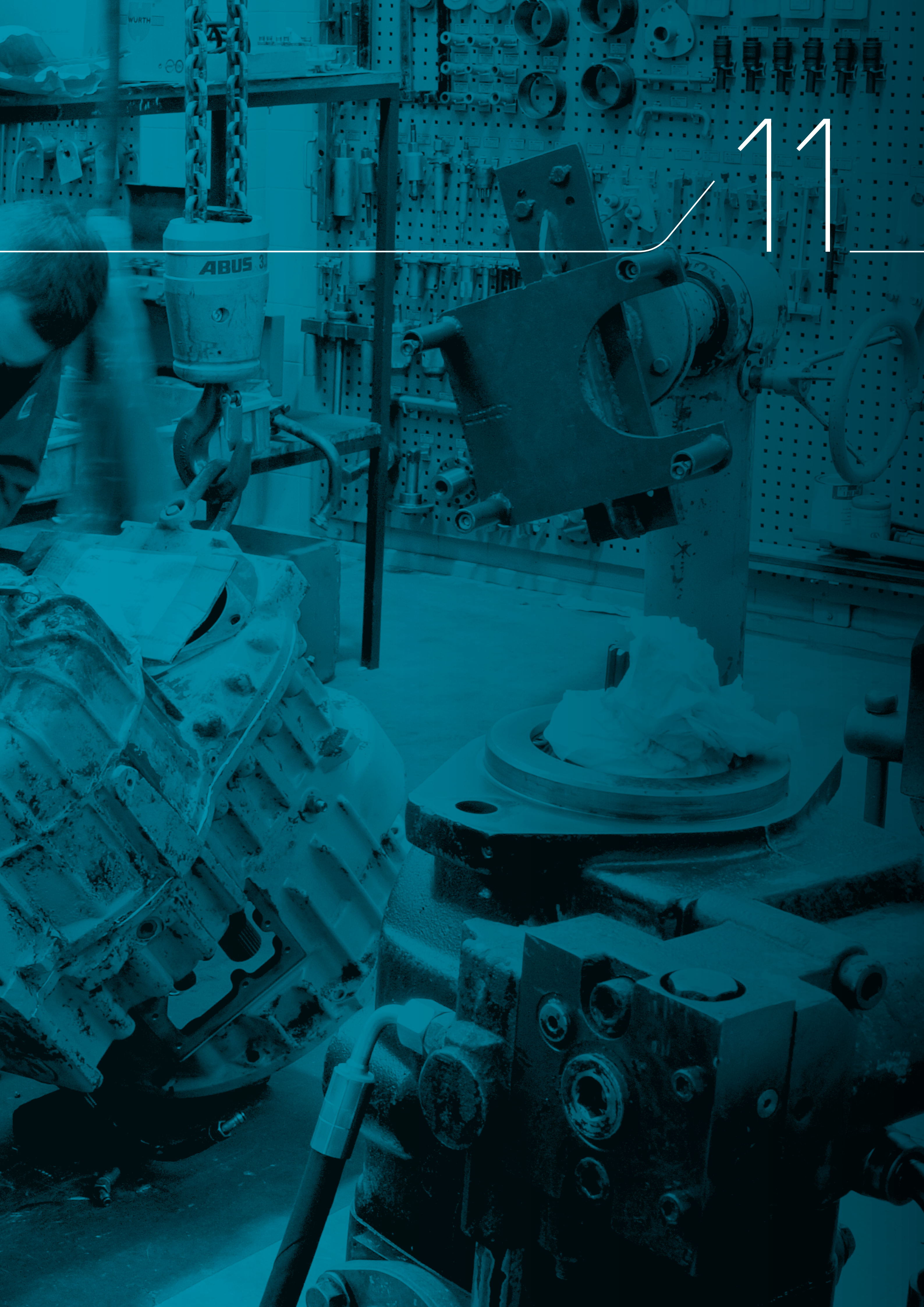
ALL IN ALL, THE PROJECT TO BE IMPLEMENTED WILL HAVE THREE MAIN OBJECTIVES:

- REMUNERATION AND PERFORMANCE MANAGEMENT;
- ASSESSMENT OF THE SECOND LINES – MAPPING OF SKILLS AND MANAGING SEQUENCES;
- PERSONAL DEVELOPMENT PLANS AND SPECIFIC COACHING PROGRAMS.

In sum, in 2012 the Group expects to fulfill all of the objectives it has proposed for itself, without neglecting its economic and financial results or its financial soundness.

DATE FOR THE ANNUAL REPORT
MAY 11, 2012

FINANCIAL STATEMENTS



11

11 - FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION FOR THE AUTO SUECO COIMBRA GROUP - ON DECEMBER 31, 2011

Values expressed in Euros

	Notes	2011	2010
Assets			
Noncurrent Assets			
Fixed Tangible Assets	7 and 32	96 917 547	86 889 300
Investment Properties	8	2 740 092	2 576 033
Goodwill	9	31 218 468	33 963 429
Intangible Assets	6	4 629 314	4 453 809
Financial shareholdings - equity method		40 614	0
Financial shareholdings - other methods	10.2	4 081 671	10 174 510
Other Accounts Receivable		14 454	661 995
Other Financial Assets	10.3	246 139	2 500 000
Deferred Tax Assets	15	11 237 756	8 152 217
		151 126 056	**149 371 294**
Current Assets			
Inventory and Stock	11 and 32	138 604 760	102 905 754
Clients	12 and 32	81 817 426	77 846 882
Advances Made to Suppliers	13	1 248 744	1 795 376
Government and Other Public Agencies	23	1 985 301	1 259 941
Other Accounts Receivable	13 and 32	4 765 427	3 325 168
Deferments	14	710 705	804 263
Other Financial Assets	10.3	6 542 588	0
Cash and Bank Deposits	16	23 290 158	25 518 466
		258 965 109	**213 455 850**
Total Assets		**410 091 164**	**362 827 144**
Equity and Liabilities			
Equity			
Corporate Capital		15 000 000	15 000 000
Legal Reserves		3 000 000	3 000 000
Revaluation Surpluses		8 294 084	8 279 779
Res. Carryforward and Investment Adjustments		59 378 869	67 397 420
Fair Value Reserves		(44 032)	4 277 293
Other Reserves		23 279 229	19 435 130
		108 908 149	**117 389 623**
Net Income from Year of Business		26 801 159	6 907 949
		135 709 308	**124 297 572**
Non-controlling interests	18 and 19	4 101 564	1 280 142
Total Equity		**139 810 872**	**125 577 714**
Noncurrent Liabilities			
Provisions	25 and 32	1 590 225	729 529
Obtained Financing	20 and 32	71 271 715	101 012 887
Deferred Tax Liabilities	15	14 507 399	10 381 153
Other Accounts Payable	22 and 32	25 381 984	4 719 274
		112 751 324	**116 842 842**
Current Liabilities			
Suppliers	21 and 32	52 235 530	33 567 077
Advances Made to Clients		2 796 320	3 120 116
Government and Other Public Agencies	23	5 768 416	4 169 681
Obtained Financing	20 and 32	79 185 992	58 025 186
Other Accounts Payable	22 and 32	14 932 129	18 905 311
Deferments	24	2 610 580	2 619 217
		157 528 968	**120 406 588**
Total Liabilities		**270 280 291**	**237 249 430**
Total of Equity and Liabilities		**410 091 164**	**362 827 144**

The Certified Accountant
Luís Almeida

The Board of Directors
Ernesto Gomes Vieira (Chairman)
Ricardo José de Pinho Mieiro
Angela Maria Silva Vieira Lança de Morais
Carlos José Gomes Vieira
João Manuel de Pinho Mieiro
José Manuel Bessa Leite de Faria
Paulo Jervell
Paulo Vieira do Nascimento Mieiro
Rui António Faustino
Tomás Jervell

CONSOLIDATED INCOME STATEMENT BY NATURE OF EXPENSE FOR THE AUTO SUECO COIMBRA GROUP - ON DECEMBER 31, 2011

Values expressed in Euros

	Notes	2011	2010
Income and Expenses			
Sales and Services Provided	32	487 826 442	350 941 775
Production Subsidies		2 140	
Gains / Losses Received from Subsidiaries, Associate Companies and Joint Ventures		12 897	(31 789)
Inventory Variation from Production	11	236 840	(125 636)
Own Work Capitalized		248 635	464 716
Cost of Merchandise Sold and Consumed Materials	11 and 32	(354 585 277)	(258 844 251)
External Supplies and Services	32 and 40	(43 300 221)	(28 005 817)
Staff-Related Expenses	31, 32 and 41	(43 611 297)	(37 271 988)
Inventory Discrepancies (Losses / Reversals)	25	(855 018)	19 072
Discrepancies in Debts Receivable (Losses / Reversals)	25	(2 508 641)	(902 120)
Provisions (Increase/Decrease)	25	(294 492)	(7 544)
Discrepancies in Non-Depreciable / Non-Amortizable Investments (Losses / Reversals)	9	(23 334)	0
Fair Value Increases / Reductions	10.1	(33 199)	0
Other Gains and Losses	32 and 33	25 441 975	6 444 176
Other Gains and Losses	32 and 42	(8 166 711)	(1 947 609)
Income Before Depreciation, Financing Expenses and Taxes		**60 390 740**	**30 732 985**
Expenses / Reversals of Depreciation and Amortization	6 and 7	(17 657 344)	(18 143 826)
Depreciation and Amortization from Discrepancies on Investments (Losses / Reversals)		0	
Operating Income (Before Financing Expenses and Taxes)		**42 733 396**	**12 589 159**
Interest and Other Similar Revenue	35	3 392 270	4 552 519
Interest and Other Similar Incurred Expenses	35	(9 368 651)	(7 997 609)
Income Before Taxes		**36 757 015**	**9 144 069**
Income Tax for the Period	28	(9 627 264)	(1 840 818)
Net Income from Year of Business	**32**	**27 129 751**	**7 303 251**
Income from Discontinued Operations			
Net Income for the Period Attributable to:			
Stockholders in the Parent Company		26 801 159	6 907 949
Non-controlling interests	19	328 592	395 302
	32	27 129 751	7 303 251
Basic Earnings Per Share	**29**	**1.81**	

The Certified Accountant
Luís Almeida

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CONSOLIDATED CASH FLOW STATEMENT FOR THE AUTO SUECO COIMBRA GROUP - ON DECEMBER 31, 2011

Values expressed in Euros

	Notes	2011	2010
Operating Activities			
Payments Received from Clients		513 822 354	393 725 637
Payments Made to Suppliers		-423 308 290	-301 132 250
Payments Made to Staff		-39 635 601	-30 433 845
Cash Flow Generated by Operations		**50 878 463**	**62 159 542**
Corporate Tax Payments / Refunds		-9 678 497	-6 363 998
VAT-related Payments: Value Added Tax		-13 583 027	-12 187 233
Other Payments Received / Made		10 198 037	-18 813 442
Cash Flow from Operating Activities (1)		**37 814 977**	**24 794 869**
Investment Activities			
Payments Made in Relation to:			
Acquisition of Investments in Fixed Tangible Assets		-13 913 592	-20 865 860
Acquisition of Investments in Intangible Assets		-585 360	-335 344
Acquisition of Financial Investments		-2 870 400	-55 120 984
Acquisition of Other Assets		-2 102 025	-431 532
Dividends		0	0
Interest and Similar Revenue		0	0
Payments Made for Investment Activities		**-19 471 377**	**-76 753 720**
Income Received from:			
Divestments of Fixed Tangible Assets		4 059 811	1 076 707
Divestments of Intangible Assets		6 172 467	4 055
Divestments of Financial Assets		0	435 000
Divestments of Other Assets		0	12 871
Interest and Similar Revenue		750 695	238 448
Dividends		0	557 999
Income Received from Investment Activities		**10 982 973**	**2 325 080**
Cash Flow from Investment Activities (2)		**-8 488 404**	**-74 428 640**
Financing Activities			
Income Received from:			
Obtained Financing		5 372 871	69 313 425
Subscriptions of Capital and Other Equity Instruments		0	0
Coverage of Losses		0	22 000
Subsidies and Donations		0	0
Sales of Company's Own Shares		0	0
Other Financing Operations		0	912 940
Income Received from Financing Activities		**5 372 871**	**70 248 364**
Payments Made in Relation to:			
Obtained Financing		-21 611 872	-2 585 805
Operational and Financial Leasing		-1 859 487	-716 546
Interest and Similar Expenses		-8 301 056	-7 525 582
Dividends		-3 000 000	-3 000 000
Reductions in Capital and Other Equity Instruments		0	0
Other Financing Transactions		-971 405	-5 062 534
Payments Made For Financing Activities		**-35 743 820**	**-18 890 467**
Cash Flow from Financing Activities (3)		**-30 370 949**	**51 357 897**
Net Variation in Cash and Cash Equivalents (4)=(1)+(2)+(3)		**-1 044 376**	**1 724 126**
Changes in Consolidation Perimeter		740 601	12 278 868
Effect of Exchange Rate		-1 924 533	-525 790
Net Cash and Cash Equivalents - Start of Period	**16**	**25 518 466**	**12 041 263**
Net Cash and Cash Equivalents - End of Period	**16**	**23 290 158**	**25 518 466**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - On DECEMBER 31, 2011 AND 2010

Amounts expressed in Euros

		Reserves		
	Capital Company	Reserves Legal	Surplus of Revaluation	Res. Carryforward and Invest. Adjust.
Balance on December 31, 2009	15.000.000	3.000.000	8.287.776	62 741 024
Application of 2009 Consolidated Income:				
Distributed Dividends				
Transfer of Profits or Losses Carried Forward				578 293
Consolidated Comprehensive Income for Year of Business				(1 073 211)
Other	-	-	(7.997)	5 151 314
Balance on December 31, 2010	**15.000.000**	**3.000.000**	**8.279.779**	**67 397 420**
Balance on December 31, 2010	15.000.000	3.000.000	8.279.779	67 397 420
Application of 2010 Consolidated Income:				
Distributed Dividends				(3 000 000)
Transfer of Profits or Losses Carried Forward				3 000 000
Consolidated Comprehensive Income for Year of Business				(7 811 326)
Other			14.305	(207 226)
Balance on December 31, 2011	**15.000.000**	**3.000.000**	**8.294.084**	**59 378 869**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY - On DECEMBER 31, 2011 AND 2010

Amounts expressed in Euros

Reserves					
Reserves of Fair Value	Other reserves	Total of Reserves	Interest Non-Controlling	Profit Net	Total
7 956 044	27 433 700	109 418 545	573 394	578 293	125 570 232
		-			
	(3 000 000)	(3 000 000)			(3.000.000)
		578 293		(578 293)	-
(3 678 751)	398 150	(4 353 812)	395 307	6 907 949	2 949 444
	(5 396 720)	(253 403)	311 442		58 039
4 277 293	**19 435 130**	**102 389 623**	**1 280 143**	**6 907 949**	**125 577 714**
4 277 293	19 435 130	102 389 623	1 280 143	6 907 949	125 577 714
					-
		(3 000 000)			(3.000.000)
	3 907 949	6 907 949		(6 907 949)	-
(4 321 325)	(127 978)	(12 260 629)	328 592	26 801 159	14 869 122
	64 129	(128 793)	2 492 830		2 364 037
(44 032)	**23 279 229**	**93 908 149**	**4 101 564**	**26 801 159**	**139 810 872**

All notes comprise an integral part of this financial statement for the fiscal year ending on December 31, 2011.

The Certified Accountant
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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME - On DECEMBER 31, 2011 AND 2010

Amounts expressed in Euros

	2011	2010
Consolidated Net Income from Year of Business, Including Non-Controlling Interests	27 129 751	7 303 256
Components of Other Comprehensive Income for Year of Business, Net of Tax		
Variation in Fair Value of Investments Available to Be Sold	(4 321 325)	(3 678 751)
Currency Translation Differences for Goodwill	(3 387 046)	(1 215 185)
Currency Translation Differences for Financial Statements	(4 424 280)	141 974
Currency Translation Differences for Hedging Operations	(127 978)	398 150
Consolidated Comprehensive Income for the Period	**14 869 122**	**2 949 444**
Attributable to:		
Shareholders of the parent company	14 540 530	2 554 137
Non-controlling interests	328 592	395 307

All notes comprise an integral part of this financial statement for the fiscal year ending on December 31, 2011.

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ANNEXES

12

12 - ANNEXES

1. INTRODUCTORY NOTE

The AUTO – SUECO (COIMBRA) Group is comprised of a group of companies located in Portugal, Spain, the United States of America and Turkey. The parent company – AUTO – SUECO (COIMBRA) S.A., was incorporated in 1959 and held its corporate headquarters in Coimbra, up until late 2011. At the same time, on the 28th of November, 2011, the partners made a decision to transform the company into a publicly traded company, while also deciding to move its corporate headquarters to Praça Marquês de Pombal, n.º 3-A, 5º andar in LISBON – PORTUGAL. The Group conducts the bulk of its activities in imports and sales of equipment for construction projects and public works. In Portugal, it is also a representative for vehicles from the Volvo, Jaguar, Land Rover, Mazda and Mitsubishi brands in a portion of the territory. The group also imports and sells parts and components and maintains repair shops for the equipment and vehicles it represents.

As of December 31, 2011, the Companies that comprise the AUTO – SUECO (COIMBRA) Group, and their respective headquarters and abbreviations of their names, are:

Company	Acronym	Headquarters	% Shareholding
Headquartered in Portugal:			
AUTO SUECO (COIMBRA), S.A.	ASC	Praça Marquês de Pombal nº 3 A - 5º, 1250-161 LISBOA - PORTUGAL	
ARNADO - Sociedade de Exploração e Administração de Imóveis S.A.	ARNADO	R. João Ruão 12 - 3000-229 COIMBRA - PORTUGAL	5%
ASCENDUM PORTUGAL, Unipessoal, LDA.	ASCENDUM PORTUGAL	Estrada Nacional 1, Alto do Vieiro, LEIRIA - PORTUGAL	100%
COTIAC - SGPS, Unipessoal, LDA.	COTIAC	Praça Marquês de Pombal nº 3 A - 5º, 1250-161 LISBOA - PORTUGAL	100%
GLOMAK SGPS, S.A.	GLOMAK	R. Vilar de senhor, 461, 4455-213, Lavra, Matosinhos - PORTUGAL	99,3%
Auto-Sueco Coimbra, 2 VEHICLES, Unipessoal, LDA	ASC VEÍCULOS	R. Manuel Madeira, Marcos da Pedrulha, 3020-199 COIMBRA - PORTUGAL	100%
Auto-Sueco Coimbra, Máquinas e Equipamentos Indústriais, Unipessoal, LDA	ASC MÁQUINAS	R. Vasco da Gama, nº 15, 2685-244 PORTELA, SACAVÉM - PORTUGAL	100%
AIR-RAIL (PORTUGAL), Sociedade Unipessoal, LDA.	AIR-RAIL	Estrada Nacional 10, Apartado 2094,2696-801 São João da Talha, Loures - PORTUGAL	50%
TRACTORRASTOS - Sociedade vendedora de acessórios, LDA.	TRACTORRASTOS	Estrada Nacional 116, 2615-907 ALVERCA - PORTUGAL	100%
VOLRENT, Aluguer de máquinas e equipamentos, Unipessoal, LDA.	VOLRENT	R. Vasco da Gama, 15, 2685-244 SACAVÉM - PORTUGAL	100%
Headquartered in Other Countries:			
ASC CONSTRUCTION EQUIPMENT, INC.	ASC USA	9115 Harris Corner Parkway, suite 450, CHARLOTTE, NC 28269 - USA	100%
ASC TÜRK MAKINA, LIMITED SIRKETI	ASC TÜRK	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, ISTANBUL - TURKEY	100%
ASC BOGAZICI MAKINA YATIRIM HOLDING A.S	ASC BOGAZICI	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, ISTANBUL - TURKEY	100%
ART HAVA VE RAY EKIPMANLARI LTD. STI	ARTHAVA	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, ISTANBUL - TURKEY	92,5%
AUTO MAQUINARIA TEA ALOYA, S.L.	AMTA	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - ESPAÑA	100%
VOLMAQUINARIA DE CONSTRUCCIÓN DE ESPAÑA, S.A.	VMCE	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - ESPAÑA	100%
VOLRENTAL ATLÁNTICO, S.A.U.	VOLRENTAL ATLÁNTICO	Carretera de Castilla nº 167, BETANZOS (La Coruña) - ESPAÑA	68,89%
VOLRENTAL CANTÁBRICO, S.A.	VOLRENTAL CANTÁBRICO	Polígono Indústrial Abra, E-1 4, 2ª, ABANTO-ZIÉRBANA (Vizcaya) - ESPAÑA	100%
VOLRENTAL CORDOBA, S.A.	VOLRENTAL CORDOBA	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - ESPAÑA	100%
VOLRENTAL, S.A.U.	VOLRENTAL	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - ESPAÑA	100%
TEA ALOYA INMOBILIARIA, S.A.U.	TAISA	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - ESPAÑA	100%
AMPLITUDE IBERICA, S.L.	AMPLITUDE IBERICA	C/ Venezuela 9 bajo, Coslada, MADRID - ESPAÑA	47%
AIR-RAIL, S.L.	AIR-RAIL	Calle Alsasua, 16, 28023 MADRID, ESPAÑA	50%
Importadora Distribuidora de Maquinaria Indústrial ZEPHIR, S.L.	ZEPHIR	Calle Alsasua, 16, 28023 MADRID, ESPAÑA	50%

The appended financial statements are presented in Euros (rounded to the nearest whole number). Foreign operations utilizing a functional currency other than the Euro are included on the consolidated financial statement in accordance with the policy described in Point 2.2 d).

2. PRINCIPAL ACCOUNTING POLICIES

The main accounting policies adopted for the preparation of the appended consolidated financial statements are the following:

2.1 BASIS OF PRESENTATION

The appended financial statements comply with the consolidated financial statements for the AUTO – SUECO COIMBRA Group, and were prepared according to the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and their corresponding interpretations – IFRIC and SIC, issued by the International Financial Reporting Interpretation Committee ("IFRIC") and the Standing Interpretation Committee ("SIC") respectively, which were adopted by the European Union and are effective for all years of business starting on January 1, 2011.
The following standards, interpretations, amendments and revisions endorsed by the European Union, bearing mandatory application for all years of business starting on or after January 1, 2011, were adopted for the first time in the business year ending on December 31, 2011:

a) Standards and Interpretations that became effective for all accounting applications as of January 1, 2011:

(i) Standards:

- IAS 32 (amendment), 'Financial instruments: Disclosures – classification of rights issues.' This amendment refers to bookkeeping procedures for rights issues denominated in a currency other than the functional currency of the issuer. If rights are issued on a ratio basis to shareholders for a set amount in any form of currency, the issue is deemed to be a transaction with shareholders to be classified as Equity. In any other case, the rights must be recorded as derivative instrument liabilities. This amendment does not have any impact on the financial statements of the Entity.

- IFRS 1 (amendment), 'First-time adoption of International Financial Reporting Standards.' This amendment allows entities adopting the IFRS for the first time to take advantage of the same transition schedule as in IFRS 7 – 'Financial Instruments – Disclosures,' which allows for exemption from disclosing comparative information for fair value classification for the three levels required by IFRS 7, so long as the comparative period ends before or on December 31, 2009. This amendment does not have any impact on the financial statements of the Entity, as it has already made previous use of IFRS.

- IAS 24 (amendment) 'Related Party Disclosures.' The amendment to the standard eliminates the general related party disclosure requirements for public entities, although disclosure is nonetheless obligatory for the Entity's relationship with the government and any significant transactions that may have occurred with the government or other government-related entities. In addition, the definition of related party was amended to eliminate inconsistencies in identifying and disclosing related parties. This amendment does not have any impact on the Financial Statements of the Entity.

- 2010 yearly revision of standards, the majority of which is to be applied beginning in years of business starting on or after January 1, 2011. The yearly revision process in 2010 affects standards: IFRS 1, IFRS 3, IFRS 7, IAS 1, IAS 27, IAS 34 and IFRIC 13. These revisions were adopted by the Entity whenever applicable, except for the revisions made to IFRS 1, since the Entity has already made use of IFRS.

(ii) Interpretations:

- IFRIC 14 (Amendment) ' IAS 19 - the limit on a defined benefit asset, minimum funding requirements and their interaction.' This amendment makes the clarification that, when an active balance is cleared as the result of early payments voluntarily made for future minimum funding requirements, the positive excess may be considered as an asset. This amendment does not have any impact on the Financial Statements of the Entity.

- IFRIC 19 (new), 'Extinguishing Financial Liabilities with Equity Instruments.' This interpretation gives clarification as to which accounting approach should be adopted when an entity renegotiates the terms of a debt that has resulted from payment of a liability by means of issuing equity instruments (shares) to the creditor. A gain or a loss is considered as part of the income for the business year, taking the fair value of the issued equity instruments as the base value and comparing this with the bookkeeping value of the debt. Outright reclassification of the value of the debt into capital is not permitted. This amendment does not have any impact on the Financial Statements of the Entity.

b) New standards and amendments to existing standards for which, even though they have already been published, application is only mandatory for annual periods beginning on July 1, 2011, or any later date:

(i) Standards:

- IFRS 1 (amendment), 'First-time adoption of International Financial Reporting Standards' (to be applied for business years starting on or after July 1, 2011). This amendment is already being subjected to adoption by the European Union. This amendment serves to include a specific exemption for entities that were previously operating in hyperinflationary economies and are now adopting IFRS for the first time. The exemption makes it possible for an Entity to choose to measure determined assets and liabilities at their fair value, and to use this fair value as a "cost included" in the opening financial position. Another amendment was introduced to replace all references made to specific dates with "date of transition to IFRS" among the exceptions to the retrospective application of IFRS. This amendment does not have any impact on the Financial Statements of the Entity.

- IFRS 7 (amendment), 'Financial Instruments: Disclosures – Transfers of Financial Assets (to be applied in business years starting on or after July 1, 2011). This amendment to IFRS 7 refers to the disclosure requirements that must be met in relation to financial assets that are transferred to third parties without being declared on the balance sheet because the entity still fulfills obligations associated with these assets or is continuing their development. This amendment does not have any impact on the Financial Statements of the Entity.

- IAS 12 (amendment), 'Accounting for Taxes on Income' (to be applied in years of business beginning on or after January 1, 2012). This amendment is already being subjected to adoption by the European Union. This amendment requires an Entity to measure deferred taxes related to assets depending upon whether or not the Entity expects to recover the net value of the asset through its use or sale, with the exception of investment properties, which must be measured according to the fair value model. This amendment incorporates into IAS 12 the principles that were originally included in SIC 21, which was repealed. This amendment does not have any impact on the Financial Statements of the Entity.

- IAS 1 (amendment), 'Presentation of Financial Statements" (to be applied in years of business starting on or after July 1, 2012). This amendment is already being subjected to adoption by the European Union. This amendment requires Entities to present accounting items separately as Other Comprehensive Income, according to whether or not these items might be 'recycled' in the future for the fiscal year's earnings and the corresponding tax impact, whenever the items have been presented before taxes. This amendment does not have any impact on the Financial Statements of the Entity.

- IFRS 9 (new), 'Financial Instruments – Classification and Measurement' (to be applied in years of business starting on or after January 1, 2015). This standard is already being subjected to the process for adoption by the European Union. IFRS 9 refers to the first section of a new standard concerning financial instruments, provided two categories of measurement: amortized cost and fair value. All capital instruments are measured at their fair value. A financial instrument may be measured at the amortized cost only when the Entity is holding this instrument in order to receive contractual cash flows and these cash flows represent the nominal value plus interest. In any other case, the financial instruments are to be valued at their fair value, as sources of income. The Entity will apply IFRS 9 in the same business year in which this standard becomes effective.

- IFRS 10 (new), 'Consolidated Financial Statements' (to be applied in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. IFRS 10 replaces all of the principles associated with control and consolidation included in IAS 27 and SIC 12, amending the definition of control and the criteria applied in order to determine control. The basic principle that the consolidated figures present the parent company and its subsidiaries as a single entity remains unchanged. The Entity will apply IFRS 10 in the same business year in which this standard takes effect.

- IFRS 11 (new), 'Joint Arrangements' (to be applied in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. IFRS 11 focuses on rights and obligations coming from joint arrangements instead of being legally established. Joint arrangements may be Joint Operations (rights over assets and obligations) or Joint Ventures (rights over net assets through application of the equity method). Proportional consolidation remains permissible. The Entity will apply IFRS 11 to the business year in which this standard becomes effective.

- IFRS 12 (new) – 'Disclosure of Interests in Other Entities' (to be applied in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. This standard establishes the disclosure requirements for all types of interests in other entities, including joint ventures, associates and entities for a specific purpose, in order to evaluate the nature, risk and financial impacts associated with the Entity's interest. An Entity may present some or all of its disclosures without any need to apply IFRS 12 in its entire extent, or IFRS 10 and 11 and IAS 27 and 28. The Entity will apply this standard to the business year in which this standard becomes effective.

- IFRS 13 (new) – 'Fair Value: Measurement and Disclosure' (to be applied in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. IFRS 13 was designed to further increase consistency, to establish a precise definition for fair value, and to generate a single source for all measurement and disclosure requirements for fair value applicable across all IFRS standards. The Entity will apply this standard to the business year in which this standard becomes effective.

- IAS 27 (2011 revision) 'Consolidated and Separate Financial Statements' (to be applies in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. IAS 27 was revised after IFRS 10 was issued. It contains all of the bookkeeping and disclosure requirements for investments made in subsidiaries, joint ventures and associates when an Entity is preparing its separate financial statements. The Entity will apply this standard to the business year in which this standard becomes effective.

- IAS 28 (2011 revision) 'Investments in Associates and Joint Ventures' (to be applied in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. IAS 28 was revised after IFRS 11 was issued. It prescribes the accounting approach that should be taken for investments in associates and establishes the requirements necessary for applying the equity method. The Entity will apply this standard to the business year in which this standard becomes effective.

- IAS 19 (2011 revision), 'Employee Benefits' (to be applied in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. This revision introduces significant differences for declaring and measuring defined benefit expenses and employee severance expenses, along with the disclosures to be made for all benefits granted to employees. Actuarial gaps are now recognizable immediately and only as part of "Other Comprehensive Income" (the corridor method is not permitted). The financial cost of plans with funds established for them is calculated on the net basis for non-funded liability. Employee Severance Indemnity only qualifies as such if there do not exist any obligations for the employee to provide any future services. The Entity will apply this standard to the business year in which this standard becomes effective.

- IFRS 7 (amendment), 'Disclosures – Offsetting Financial Assets and Financial Liabilities' (to be applied in years of business starting on or after January 1, 2013). This standard is already being subjected to the process for adoption by the European Union. This amendment is part of the IASB's "offsetting project." It introduces new disclosure requirements for the right to set off amounts (of assets and liabilities) that are not entered on the books, offset assets and liabilities and the effect of such offsetting on credit risk exposure. The Entity will apply this standard to the business year in which this standard becomes effective.

- IAS 32 (amendment) 'Offsetting Financial Assets and Financial Liabilities' (to be applied in years of business starting on or after January 1, 2014). This standard is already being subjected to the process for adoption by the European Union. This amendment is part of the IASB's "offsetting project." It clarifies the expression "has a legally enforceable right to set off the amounts" and provides the clarification that some systems of settlement for gross amounts (clearing houses) may be equivalent to setting off net amounts. The Entity will apply this standard to the business year in which this standard becomes effective.

(ii) Interpretations:

- IFRIC 20 (new), 'Stripping Costs in the Production Phase' (to be applied in years of business starting on or after January 1, 2013). This interpretation is already being subjected to the process for adoption by the European Union. This interpretation refers to how to record waste removal costs during a strip mine's initial stage, which are to be recorded as an asset, in consideration of the fact that waste removal generates two potential benefits: immediate extraction of mineral resources and open access to additional quantities of mineral resources that may be extracted in the future. The Entity will apply this standard to the business year in which this standard becomes effective.

In preparing the consolidated financial statements as appended, use was made of estimates that affect the quantities reported for assets and liabilities, as well as the quantities reported for income and expenses over the course of the reporting period. Even so, all estimates and assumption made by the Board of Directors were made on the basis of their very best knowledge, as of the date of approval for the financial statements and all events and transactions currently underway.

The appended consolidated financial statements were prepared on a going concern basis, using the principle of historical cost basis, and also, in the case of certain financial instruments, fair value, working from the accounting record books of the companies included for consolidation (Note 4).

In preparing the consolidated financial statements as appended, use was made of estimates that affect the quantities reported for assets and liabilities, as well as the quantities reported for income and expenses over the course of the reporting period. Even so, all estimates and assumption made by the Board of Directors were made on the basis of their very best knowledge, as of the date of approval for the financial statements and all events and transactions currently underway.

2.2 CONSOLIDATION PRINCIPLES

The following are the consolidation principles adopted by the Group:

a) Financial investments in companies in the Group

Financial holdings in companies in which the Group either directly or indirectly held more than 50% of the voting rights at the General Meeting of Shareholders or Partners and also possessed the power to control its financial and operating policies were included in the appended consolidated financial statements, according to the full consolidation method. The equity and net income for these companies corresponding to third-party holdings in these companies are presented separately in the consolidated statement of financial position and the consolidated income statement in the line "Non-Controlling Interests." A detailed list of the companies in the Group included in the consolidated financial statements may be found in Note 4.

Cumulative losses for a subsidiary are attributed to non-controlling interests according to the proportion of their holdings, and this may result in a negative declaration for non-controlling interests.

For acquisitions of companies, the purchase method is followed. The assets and liabilities of each subsidiary are identified at their fair value on the date of their acquisition. Any excess in the cost of acquisition with respect to the fair value of net assets and liabilities acquired is declared as goodwill (Note 2.2 c)). Should the differential between the cost of acquisition and the fair value of the net assets and liabilities acquired be negative, this amount is declared as a gain on the financial statements for the years of business, after reconfirming the fair value assigned to them. The interests of holders of non-controlling interests are presented as the respective proportion of the fair value of all identified assets and liabilities.

Income from subsidiaries acquired or sold during the period is included in the financial statement starting on the date of their acquisition or until the date of their sale.

Whenever necessary, adjustments are made to the financial statements of subsidiaries in order to match up their accounting policies with those used by the Group. Transactions, margins generated between the Group's companies, balances and dividends distributed among companies in the Group are eliminated in the consolidation process.

For situations in which the Group maintains substantial control over other entities created for a specific purpose, even though it does not directly possess holdings of capital in these entities, these entities are consolidated according to the full consolidation method.

b) Financial investments in associate companies

Financial investments in associate companies (companies over which the Group exercises significant influence but for which it does not hold control over financial and operating decisions by means of shares in the companies - in general, investments representing between 20% to 50% of the capital in an company) are accounted according to the equity method.

In accordance with the equity method, financial shareholdings are initially recorded at their cost of acquisition and are adjusted on a yearly basis by the value corresponding to the Group's stake in all variations in equity (including net income) for the associates, according to the gains or losses for the period, along with any dividends received and other variations in equity occurring in partners.

Differences between the cost of acquisition and the fair value of the associate's identifiable assets and liabilities as of the date of acquisition, when positive, are declared as goodwill and included in the value for the line "Financial Shareholdings – Equity Method" (Note 2.2 c)). If these differences should be negative, they are recorded as a gain for the period in the line on the income statement, "Other Revenue and Earnings," after reconfirming the fair value assigned to them.

An assessment of the investments made in associates is performed whenever there exist indications that its assets may be in impairment, with any impairment losses that may be confirmed being recorded as expenses. When impairment losses declared in prior periods no longer exist, they are subjected to reversal.

Whenever the Group's proportional stake in the cumulative losses of the associate exceeds the value at which the financial investment has been declared, the investment is reported as a null value whenever the associate's equity is not positive, except when the Group has taken over commitments for the associate, in which case a provision for meeting these obligations is recorded.

Unrealized gains from transactions with associates are eliminated in proportion to the Group's interest in the associate, by the amount of the financial investment in this associate. Unrealized losses are similarly eliminated, but only up to the point at which the asset being transferred is not placed in a situation of impairment.

c) Goodwill

Differences between the cost of acquisition for investments made in the Group's companies, increased by the share of the fair value of the acquired assets and liabilities belonging to non-controlling interests (including contingent liabilities), or, alternatively, increased by the fair value of the shareholdings owned by non-controlling interests in the subsidiary being acquired, and the fair value of the acquired subsidiary's total net assets and liabilities, whenever this number is positive, shall be recorded in the "Goodwill" line (Note 9); whenever this number is negative, they shall be recorded directly as gains in the statement of income, after reconfirming the fair value assigned to them.

Differences between the cost of acquisition for investments in associate companies and the amount attributed to the fair value of these companies' identifiable assets and liabilities on the date of their acquisition, whenever these differences are positive, are recorded in their own line as "Financial Shareholdings – Equity Method (EM);" when negative, they

are recorded directly as gains on the statement of income, after reconfirming the fair value assigned to them.
The goodwill value may not be amortized, as this value is tested on a yearly basis to verify if any impairment losses exist. The recoverable amount is determined on the basis of the value present in future estimated cash flows expected to arise from the continued use of the assets. Goodwill impairment losses recorded for the business year are recorded in the income statement for the year of business in the line "Non-Depreciable Impairments in Investments"

Impairment losses involving goodwill may not be reversed.

d) Conversion of financial statements of foreign entities

Assets and liabilities in the financial statements of foreign entities must be converted into Euros using the exchange rates in effect on the date of the statement of financial position; income and expenses, along with all cash flows, are converted into Euros using the average exchange rate verified for the period. The exchange rate difference generated after January 1, 2010, is recorded as equity.

Whenever a foreign entity is disposed of, the cumulative exchange rate difference must be declared on the statement of income as a gain or loss from disposal.

In the 2011 and 2010 business years, the exchange rates used for converting the accounts of foreign subsidiaries into Euros were the following:

					2011
Company	Currency	Final Exchange 2011	Historical Exchange 2011 Average	Exchange Date Incorporated / Acquired	Final Exchange 2010
ASC CONSTRUCTION EQUIPMENT, INC.	USD	1,2939	1,3920	1,3621	1,3362
ASC TÜRK MAKINA, LIMITED SIRKETI	TRL	2,4432	2,3376	1,937	2,0491
ASC BOGAZICI MAKINA YATIRIM HOLDING A.S	TRL	2,4432	2,3376	1,937	2,0491
ART HAVA VE RAY EKIPMANLARI LTD. STI	TRL	2,4432	2,3376	1,937	2,0491

					2010
Company	Currency	Final Exchange 2010	Historical Exchange 2010 Average	Exchange Date Incorporated / Acquired	Final Exchange 2009
ASC CONSTRUCTION EQUIPMENT, INC.	USD	1.3362	1.3257	1.3621	1.4406
ASC TÜRK MAKINA, LIMITED SIRKETI	TRL	2.0491	1.9655	1.937	2.1547

2.3 MAIN CRITERIA FOR BALANCE SHEET VALUATION

The main criteria for balance sheet valuations used by AUTO – SUECO COIMBRA Group for the preparation of its consolidated financial statements are the following:

a) Fixed tangible assets

All fixed tangible assets acquired prior to January 1, 2009 (date of switching over to IFRS) are recorded at their "deemed cost," which corresponds to their cost of acquisition as reassessed in accordance with all generally accepted accounting principles in Portugal (and all other respective countries for the Group's foreign subsidiaries) up until this date, reduced by the amount of all amortizations and cumulative losses due to impairment.

All fixed tangible assets acquired after this data are recorded according to their cost of acquisition, reduced by the amount of all cumulative amortizations and cumulative losses due to impairment.
Impairment losses ascertained for the transaction value of fixed tangible assets are recorded in the year in which they are assessed and entered in the income statement on the line for "Impairments in Depreciable/ Amortizable Investments."

Amortizations are calculated by the straight-line method, beginning from the time when the assets are first put into use, according to the following estimates for useful life:

	Years
Buildings and other building structures	20-50
Basic equipment	7-16
Transport equipment	4-5
Tools and similar implements	4-14
Office equipment	3-14
Other fixed tangible assets	4-8

Repair and maintenance expenses for fixed tangible assets shall be considered as expenses for the period in which they arise. Any improvements that increase the estimated period of use for the respective assets by a significant amount are capitalized and depreciated according to the remaining useful life of the corresponding assets.

Fixed tangible assets under construction represent tangible assets even in their stage of construction/development, being recorded at the cost of acquisition reduced by any cumulative impairment losses. Such assets are transferred over as fixed tangible assets and depreciated starting from the time at which the underlying assets become available for use and all conditions necessary for making operational use of these assets according to the use intended for them by management.

Any surplus values or deficits resulting from the sale or disposal of fixed tangible assets are determined as the difference between the price of sale and the net accounting value on the date of disposal/sale, and these values are entered on the income statement as "Other Revenue and Gains" or "Other Expenses and Losses."

b) Intangible assets

Intangible assets are recorded at their cost of acquisition, reduced by all cumulative amortizations and cumulative impairment losses. Intangible assets are only declared if it is probable that future economic benefits for the Group may possibly arise from these assets, whenever the Group owns or is capable of exercising control of the assets and their value may be accurately measured.

Research expenses incurred for the purpose of developing new technical knowledge may be declared as expenses on the income statement, whenever they are incurred.

Development expenses are capitalized whenever the Group is capable of proving its ability to complete the developed project and start up commercial activities and/or use, whenever it is probable that the assets so created will most likely generate future economic benefit. Development expenses that do not fulfill this criteria are recorded as expenditures on the income statement for the business year in which they are incurred.

Internal costs associated with software maintenance and development are recorded as expenditures on the income statement whenever they are incurred, except in the circumstance when these costs are directly linked with projects from which it is probably that the Group will draw future economic benefits. In such circumstances, these costs are capitalized as intangible assets.

Intangible assets are amortized using the straight line method over a period of between three to five years, except for assets subject to concession rights, which are considered to be of indefinite useful life. As such, such assets are not amortized, but rather are subject to impairment tests on a yearly basis.

Amortizations of intangible assets for the business year are recorded on the income statement in the line for "Depreciation and Amortization Expenses."

c) Investment properties

Investment properties (which correspond to real estate assets owned for the purpose of obtaining revenue from them by putting them up for lease or through capital appreciation, rather than for their use in the production or supplying of goods and services or for other administrative purposes) are recorded at their cost of acquisition, with the respective fair value for these properties also being subject to disclosure (Note 8).

Investment properties acquired up until January 1, 2009 (date of switching over to IFRS) are found recorded at their "deemed cost," corresponding to their cost of acquisition, or else the cost of acquisition re-evaluated according to the generally accepted accounting principles in use in Portugal (and in the respective countries of all other foreign subsidiaries in the Group) up until that time, reduced by the amount of all amortizations and cumulative impairment losses.

All investment properties acquired after this date may be found entered at their cost of acquisition, reduced by the amount of all cumulative depreciations and cumulative impairment losses.

Whenever the fair value of these assets is seen to be lower than their respective value entered in the books, an impairment loss is recorded for the period in which this loss is estimated, to be included in the income statement on the line for "Impairments in Depreciable/Amortizable Investments." At any time when the cumulative impairment losses are no longer found to exist, they are immediately reversed on the income statement line for "Other Revenue and Gains," up to a limit equal to the amount that would have been determined (net of amortizations and depreciations) were no impairment loss ever declared in any prior period.

The fair values of investment properties that are subject to disclosure were determined on the basis of real estate assessments that were carried out by outside specialists.

d) Leases

Leasing agreements are classified as either (i) finance leases, whenever all of the risks and advantages inherent in ownership of the asset under lease have been transferred in substance through the lease; or as (ii) operating leases, whenever the risks and advantages inherent in ownership of the asset under lease have not been transferred in substance through the lease.

Classification of leases as either financial or operating leases is determined by the substance rather than the form of the agreement.

Assets acquired by means of finance lease agreements, as well as all corresponding financial responsibilities, are recorded according to the financial method. In accordance with this method, the cost of the assets is recorded as fixed tangible assets, and the corresponding responsibilities are recorded as accounts payable to suppliers of investments. Lease payments are made up of the financial burden of these payments and the financial amount of amortization for the capital, with financial burdens being applied to all business years during the leasing period, taking into account a constant periodic interest rate for the remaining balance to be paid, with the fixed tangible asset being depreciated according to what is described in Note 2.3.a.

For leases that are considered operating leases, all lease payments that are owed are declared as expenses in the income statement for their respective periods (Note 34).

e) Inventory and Stock

Merchandise belonging to the construction equipment and vehicles groups are valued at the specific cost of acquisition; parts, components and raw materials, auxiliary materials and consumption materials are valued at the average cost of acquisition, which is less than the respective market value.

Work projects underway are assessed at the cost of production, which is lower than the market value. Production costs include the cost of all raw materials used, direct labor costs, general manufacturing expenses, and expenses for all services performed by outside companies.

Cumulative impairment losses reflect the difference between the cost of acquisition and/or production and the net transaction value on the market for inventory and stock.

f) Government subsidies and subsidies from other public agencies

Government subsidies are declared according to their fair value whenever there exists a reasonable guarantee that they will be received and that the company will be able to meet all conditions required in order to receive them.

Repayable subsidies and funding received used for the financing of fixed tangible assets are only recorded when there exists a reasonable guarantee that they will be received; they are entered on the lines "Other Accounts Payable", while also being declared on the income statement as gains, for an amount proportional to amortizations of the fixed tangible assets being subsidized.

Subsidies related with incurred expenses are recorded as gains whenever there exists a reasonable guarantee that they are going to be received and the company has already incurred the subsidized expenses and meets all requisite conditions to receive the subsidies.

g) Impairment of assets, except goodwill and concession rights

A value assessment is conducted for all of the Group's assets on the date of each demonstration of financial position and any time an event or change in circumstances is identified that might indicate that the full amount for which the asset is currently recorded might not be recoverable.

Whenever the recorded amount for which the asset is declared is greater than its recoverable value (defined as the highest net price of sale plus its use value, or, as the net price of sale for assets held exclusively for sale), an impairment loss is declared, being recorded on the income statement. The net price of sale is the full amount that would be obtained from disposing of the asset in a transaction between independent, properly informed entities, reduced by all costs directly incurred for the purpose of disposal. The use value is the present value of all future estimated cash flows that are expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually, or, in any case where this is not possible, for the unit to which the asset belongs which is generating cash flows.

In order to assess impairment indices for its assets, the Group makes use of both outside sources and sources available internally, according to which is most suitable, such as for (i) decreases in value over the period that are significantly greater than the expected market value for the asset, (ii) economic or legal changes in the technological playing field or in the market bearing direct influence on the asset or on the entity itself, (iii) the recorded value for the asset in the books is greater than its market capitalization, (iv) evidence of obsolescence or physical damage to the asset exists, (v) there exists evidence that the economic performance of an asset either is or will be significantly lower than expected.

In particular, evidence of the existence of impairments in accounts receivable arise when:

- the counterparty is undergoing considerable financial hardship;
- significant lateness in payment has occurred on the part of the counterparty; and
- it has become likely that the debtor may undergo liquidation or financial restructuring.

For debts receivable, the Group makes use of general historical information and any information from its credit control and legal departments that may help it to generate an estimate of the amounts of impairment.

In the case of inventory and stock, losses due to impairment are computed on the basis of market indicators and various inventory turnover indicators that may later on be reviewed and adjusted by the departments in charge of these areas, so as to guarantee that the value of inventory and stock never exceeds its net transaction value.

Reversals of losses due to impairment that were declared in prior periods are recorded whenever it has been determined that the declared impairment losses no longer exist or have gone down in value. This analysis is performed any time there are indications that previously declared impairment losses may have undergone some reversal. Reversals of impairment losses are declared on the income statement as "Other Operating Gains." All the same, reversals of impairment losses may only be carried out up to a limit equal to the amount that would have been declared (net of amortization and depreciation) had no loss due to impairment ever been recorded in any prior period.

h) Financial burdens

Financial burdens connected with obtained loans (interest, premiums, accessory fees and finance lease interest) are declared as expenses on the income statement for the period in which they are incurred, in keeping with the principle of accrual accounting.

i) Provisions

Provisions are declared when and only when the Group presently has an obligation (legal or constructive) resulting from some past event, any time it is likely that in order to resolve this obligation some outflow of resources must occur and a reasonable estimate of the amount of the obligation may be determined. Provisions are reviewed on the date of each statement of financial position and are adjusted in order to reflect the most accurate estimates of their fair value as of this date (Note 25).

Provisions for restructuring costs are declared by the Group any time there exists a formal, detailed plan for restructuring and this plan has been communicated to all parties involved.

j) Financial instruments

i) Investments

The Group classifies financial instruments according to the following categories: 'Investments measured at fair value through profit or loss,' 'Investments held up until maturity,' and 'Investments available for sale.' Categorization depends upon the intention underlying acquisition of the investment.

Investments measured at fair value through profit or loss

This category is split up into two subcategories: 'financial assets held for trading' and 'investments measured at fair value through profit or loss.' A financial asset is placed into this category whenever it was acquired for the purpose of being sold in the short term, or if adopting the asset to be valued with this method significantly eliminates or reduces a accounting discrepancy. Derivative instruments are also classified as assets held for trading, except for when they have been assigned to hedging operations. Assets in this category are classified as current assets when they are being held for trading and it is expected that these transactions may occur within a period of less than 12 months from the date of the statement of financial position.

As of December 31, 2010 and 2011, the AUTO – SUECO (COIMBRA) Group did not hold any financial instruments placed in the categories for "financial assets held for trading" or "instruments measured at fair value through profit or loss."

Held-to-Maturity Instruments

This category includes non-derivative financial assets, both with fixed or variable repayment terms, that have a fixed maturity, with respect to which the Board of Directors has the intention of keep the assets up until the date when they come to term. Such investments are classified as noncurrent assets, except when their expiration occurs less than 12 months from the date of the statement of financial position.

Investments available for sale

Included in this area are all non-derivative financial assets that are designated as being available for sale, and those that do not fit in any of the preceding categories. This category is included under noncurrent assets, except for when the Board of Directors may have the intention of disposing of the investment within a time period of less than 12 months from the date of the statement of financial position.

As of December 31, 2011, the AUTO – SUECO (COIMBRA) Group did own investments classified in this category, corresponding to shares held in entities quoted on the Lisbon Stock Exchange (Euronext Lisbon).

Investments are initially recorded at their acquisition value, which is the fair value of the price that was paid; in the case of held-to-maturity investments and investments available for sale, transaction expenses are also included.

After initial declaration, investments measured at fair value through profit or loss and investments available for sale are reassessed according to their fair values by referring to their market value on the date of the statement of financial position, corresponding to their quoted value on the stock market without any deductions made for transaction costs that may possibly occur up until their effective sale.

Gains or losses stemming from a change in the fair value of investments available for sale are recorded as equity, up until the time when the investment is sold, transferred to a receiver or disposed of in any other fashion, or else until the time when the fair value of the investment drops lower than its cost of acquisition in a way corresponding to an impairment loss, at which time the cumulative loss is recorded on the income statement.

Financial investments available for sale that represent shares of capital held as stock in companies that are not quoted on a market are recorded at the cost of acquisition, along with the possible existence of any losses due to impairment. The Board of Directors of the Group believes that the fair value of these investments does not differ significantly from their cost of acquisition.

All purchases and sales of financial investments are declared on the date of transaction, that is, on the date on which the Group took on all the risks and obligations inherent in buying or selling the asset. All investments are initially declared at their fair value plus transaction costs. The only exception to this rule is for "investments recorded at fair value through profit or loss." In the case of this last category, investments are initially declared at fair value, and transaction costs are recorded on the income statement.

Entries for investments are removed when the right to receive financial flows has expired or has been transferred and all associated risks and benefits have also been transferred.

"Investments available for sale" and 'investments recorded at fair value through profit or loss' are later kept at their fair value, by referring to their market value on the date of the statement of financial position without any deductions made for transaction costs that may possibly occur up until their effective sale.

"Held-to-maturity investments" are recorded at their amortized cost by the effective interest rate method. Realized and unrealized gains and losses stemming from changes in the fair value of "Investments recorded at fair value through profit or loss" are recorded on the income statement for the period. Realized and unrealized gains and losses stemming from changes in the fair value of non-cash investments that are classified as being available for sale are declared as equity, up until the time when the investment is sold, transferred to a receiver or disposed of in any other fashion, or else until the time when the fair value of the investment drops lower than its cost of acquisition in a way corresponding to an impairment loss, at which time the cumulative loss is recorded on the income statement.

The fair value of financial investments available for sale is based on current market prices. If the market on which the investments are to be placed is not an active/ liquid market (unquoted investments), the Group records the cost of acquisition, along with any impairment losses that may possibly exist. The Board of Directors of the Group believes that the fair value of these investments does not differ significantly from their cost of acquisition. The fair value of quoted investments is calculated on the basis of the closing price on the stock market where these investments are traded, on the date of the statement of financial position.

The Group conducts value assessments on the date of each statement of financial position any time objective evidence exists that a financial asset may be in a situation of impairment. In the case of capital instruments that are classified as being available for sale, any significant or prolonged drops in fair value causing them to fall lower than their cost within the context of a stable market are indications that the asset may be in a situation of impairment. Should some evidence of impairment exist for 'Investments available for sale,' then cumulative losses (computed as the difference between the cost of acquisition and the fair value, reduced by any impairment losses previously declared on income statements) are removed from equity and declared on the income statement.

All purchases and sales of such investments are declared on the signing date of their respective purchase and sale agreements, independently of the date of their financial settlement.

ii) Third Party Debts

Third party debts that do not bear interest are recorded at their nominal value, with the deduction of any potential impairment losses, thereby reflecting the current net transaction value of these debts. These amounts are not discounted, because the effects of bringing the value of these debts up to date are not considered to be material changes.

Interest-bearing third party debts (in particular, debts concerning sales of road vehicles with installment plans) are recorded as assets at their total value, with the respective portion for interest being recorded in the liabilities section as revenues declared on the income statement or to be declared at a future time, according to the respective payment dates.

iii) Loans

Loans are recorded as liabilities at their nominal value, reduced by any transaction costs that may be directly attributed to the issuance of these liabilities. Financial burdens are calculated according to the effect interest rate, and are accounted for on the income statement for the period, according to the principle of accrual accounting.

iv) Third Party Debts

Third party debts are recorded at their nominal value. These amounts are not discounted, because the effects of bringing the value of these debts up to date are not considered to be material changes.

v) Derivative financial instruments

The Group has the policy of using derivative financial instruments in the management its financial risk as a way of reducing its exposure to these risks. The derivative financial instruments that are ordinarily employed are interest rate swaps ("Cash flow hedges"), which seek to hedge the risk of interest rate variance on obtained loans.

Such derivative instruments, even while being contracted for the above-mentioned purposes (derivatives fundamentally in the form of interest rates or including interest rate options), in connection with which the company does not employ "hedge accounting" practices, are initially recorded at their cost, which corresponds to their fair value, as reassessed at later intervals; any variations computed between fair value assessments conducted by the bank institutions with which the Group has signed the respective contracts are directly applied to the lines for financial earnings in the consolidated income statement.

As of December 31, 2010 and 2011, the group does not have any operations of this type underway.

vi) Cash and bank deposits

The amounts included in the line "Cash and bank deposits," correspond to the values of cash, bank deposits, time deposits and other cash flow applications with a term of less than three months and those that can be made immediately negotiable with out any significant risk of change in value.

k) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) potential obligations that may arise out of past events, the existence of which may only be ascertained after one or more other future events of uncertain likelihood not under the control of the Group occurs or fails to occur, or (ii) any current obligations that may arise due to past events but which are not declared because it is unlikely that any outflow of resources involving economic earnings will be necessary in order to settle the obligation, or else for which the quantitative amount of the obligation cannot be measured with sufficient dependability.

Contingent liabilities are not recorded on the Group's financial statements but rather they are disclosed in the Notes to the Consolidated Financial Statements, unless the likelihood that an outflow of funds affecting future economic earnings is extremely remote, in which case these liabilities are not subject to disclosure at all.

Contingent assets are potential assets that arise from past events, the existence of which may only be ascertained after one or more other future events of uncertain likelihood not under the control of the Group occurs or fails to occur.

Contingent liabilities are not recorded on the Group's financial statements, but rather are disclosed in the Notes to the Consolidated Financial Statements whenever there is a likelihood that future economic earnings may result.

l) Income taxes

Income tax for the business year is calculated on the basis of the taxable earnings for all companies included for consolidation, in accordance with all tax rules in force in the location of the registered office for each company in the Group, and also takes into account deferred taxes.

The current year's income tax is computed on the basis of all taxable earnings from all companies included for consolidation.

Deferred taxes are computed for the statement of financial position using the liability method, and are reflective of temporary differences between the amount of assets and liabilities for bookkeeping purposes and the respective amounts for taxpaying purposes. Deferred tax assets and liabilities are computed and annually assessed using currently effective tax rates or the tax rates announced to be effective as of the expected date of reversal for any temporary differences.

Deferred tax assets are declared only when there is a reasonable expectation of future tax credits sufficiently justifying their use, and also in situations where temporary taxable differences exist that may be offset by temporary deductible differences during the period of their reversal. At the end of each year of business, a review of all deferred taxes is conducted, and deferred tax amounts are withdrawn whenever it is no longer probable that they will be used in the future.

Deferred taxes are recorded as losses or gains for the business year, except if they are the result of items declared directly as equity, in which case the deferred tax amount is also recorded as an entry on this line.

m) Tax consolidation

Income taxes for the year of business are calculated in Portugal based on the Regime Especial de Tributação dos Grupos de Sociedade / Special Tax Regime for Corporate Groups ("RETGS"), which includes all companies headquartered in Portugal for which AUTO – SUECO (COIMBRA) S.A. has owned a percentage of holdings greater than or equal to 90% for at least one year. These companies are: Auto-Sueco Coimbra S.A., Cotiac SGPS, Lda., Volrent Aluguer de Máquinas e Equipamentos, Unipessoal, Lda., Auto-Sueco Coimbra 2 Vehicles, Unipessoal, Lda., Auto-Sueco Coimbra Máquinas e Equipamentos de Construção, Unipessoal, Lda., Ascendum Portugal Serviços de Gestão, S.A., Tractorrastos Sociedade Vendedora de Acessórios, Lda.

In Spain, income taxes for the subsidiaries Auto Maquinária Tea Aloya, S.L., Volmaquinaria de Construcción España, S.A., and Tea Aloya Inmobiliaria, S.A.U. are cleared on a consolidated basis.

The remaining companies in the Group make tax payments on an individual basis, in compliance with applicable legislation.

n) Accrual Accounting and Revenue

Earnings and expenses are recorded using the principle of accrual, according to which revenues and expenses are declared as they occur, independently of the time at which they are received or paid. Any differences between amounts received and paid out and the corresponding revenues and expenses generated are recorded on the lines for increases and deferrals included in the headings "Other Accounts Receivable," "Other Accounts Payable" and "Deferrals."

Gains and earnings for which the actual value is unknown are estimated based on the best estimates provided by the Boards of Management / Directors for the companies in the Group.

Revenue is declared net of taxes and commercial discounts, at the fair value of the amount received or to be received, with the result that:

- Revenue from sales is declared on the income statement whenever a significant portion of the risks and advantages inherent in ownership of the financial assets is transferred to the buyer, it is likely that economic benefits will be received by the Group, and the amount of earnings to be reported may be quantified with reasonable certainty;
- Revenue from services provided corresponds to the price paid for repairs performed on customer equipment and vehicles.

Expenses incurred for these repairs includes all associated materials and labor, with the final cost, and accordingly the price to be paid by clients, only being determinable on the date on which all repairs are finished and the corresponding bill is issued for the repaired asset and sent to the client; it is at this time when the respective revenue is declared.

Equipment acquired by clients by means of rental agreements negotiated by them in conjunction with financial institutions, and in which there exists an obligation for these financial institutions to repossess the equipment, are declared as revenue as of the time when this equipment is transferred to the clients and all risk and advantages inherent in ownership of the assets has been transferred over to the client. This type of contractual arrangement is declared as operational leasing whenever the risks remain untransferred.

Dividends are declared as revenue for the year of business in which they are allocated.

o) Legal reserve

Portuguese business legislation sets forth that at least 5% of the net annual income for each company, after being settled and cleared in all individual accounts, must be allocated to increase the legal reserve up until the amount at which the legal reserve represents at least 20% of the company's capital. This reserve is not distributable other than in the event of liquidation of the company, but may be employed for the purpose of absorbing losses after all other reserves have been depleted, or incorporated into capital.

Portuguese business legislation sets forth that at least 10% of the net annual income for each company, after being settled and cleared in all individual accounts, must be allocated to increase the legal reserve up until the amount at which the legal reserve represents at least 20% of the company's capital. Whenever this reserve does not meet the minimum required limit of 20% of the company's capital, it may only be used for the purpose of covering losses if and only if no other available reserves exist for this purpose.

American legislation does not set any requirements for the establishment of any legal reserves.

Turkish business legislation sets forth that, out of the net annual income, one reserve must first be established with 5% of this income, combined with a second reserve equal to 10% of 90% of the net annual income, together representing a total reserve of 14%, which must be taken out of the respective annual earnings.

p) Classification on the Statement of Financial Position

Assets and liabilities that will not become payable until more than one year after the date of the statement of financial position are respectively categorized as noncurrent assets and liabilities, with deferred tax assets and liabilities also being included on these lines.

q) Balances and transactions denominated in foreign currency

Assets and liabilities expressed in foreign currencies were converted into Euros using the exchange rates in effect on the date of all statements of financial position. All favorable and unfavorable differences in exchange rates generated by differences between the exchange rates in effect on the date of transactions and those in effect on payment or collection dates or on the date of the statement of financial position are recorded as gains or losses on the consolidated income statement for the period.

r) Information Provided According to Geographical Location

In each year of business, all information for business activities involving the AUTO – SUECO COIMBRA Group is provided according to geographical location.

All information concerning revenues is included in Note 32.

s) Noncurrent assets held for sale

Noncurrent assets (and the set of all assets and liabilities that must be disposed of in connection with these assets) fall into the category of assets held for sale whenever it is expected that their book value may be recovered by means of sale and not through their ongoing use. This is condition is only considered to be fulfilled as of the time when sale is highly probable, and the asset (and the set of assets and liabilities also to be disposed of in connection with it) is available for immediate sale under current conditions. In addition, actions must be underway that make it possible to conclude that the sale will take place sometime within the 12 months following the date on which it is included in this section.

Noncurrent assets (and the set of all assets and liabilities also to be disposed of in connection with them) that are classified as assets held for sale are measured as the lower value taken between their book value or fair value, reduced by all costs associated with their sale.

As of December 31, 2010 and 2011, there did not exist any noncurrent assets held for sale.

t) Judgments and Estimates

In the process of preparing its consolidated financial statements, the Group's Board of Directors has based all information on the fullest extent of its knowledge and on its experiences during past and/or ongoing events, in conjunction with certain determined assumptions concerning future events.

The most significant accounting estimates reflected in the consolidated financial statements for the business years ending on December 31, 2010 and 2011, include:

a) Useful life of tangible and intangible assets;
b) The record of adjustments in values of assets (accounts receivable and inventory) and provisions;
c) Impairment tests realized as goodwill.

All estimates and underlying assumptions were determined according to the fullest extent of existing knowledge concerning ongoing events and transactions, as of the date of approval of the financial statements, as well as on the basis of prior experiences with past and/or ongoing events. Nonetheless, some situations may occur in later periods that have not been taken into account in these estimates, given that some situations may be unforeseeable as of the date of approval of the financial statements. Changes in estimates that arise at any later time after the date of the financial statements may be corrected prospectively. For this reason, given the degree of inherent uncertainty, the actual income received from such transactions may be different than the estimates provided for them. Any changes in estimates that are made at any time subsequent to the date of the consolidated financial statements will be corrected prospectively, in keeping with IAS 8.

All major estimates and assumptions about future events used for the purpose of preparing the consolidated financial statements are described in their corresponding notes in the appendix.

u) Risk management policy

In the process of developing its activities, the Group may find itself exposed to a variety of risks: market risk (including foreign currency risk, interest rate risk and price risk), credit risk, and liquidity risk. The management program for the Group's overall risk, implemented in keeping with a long-term going concern principle, attempts to deal with the unforeseeable nature of financial markets and thereby minimize any adverse effects that may occur as a result in the Group's financial performance.

The Group's risk management program is mainly overseen by its financial department, in keeping with all policies approved by the Group's Board of Directors. Along these lines, the Board of Directors has defined the general guidelines for managing overall risk, as well as all specific policies for certain areas such as interest rate risk and credit risk.

i) Foreign currency risk

In compliance with what is mentioned in Note 2.2.d), all assets and liabilities on the financial statements of foreign entities are converted into Euros using the exchange rates in existence on the date of the statement of financial position, and all losses and gains from these financial statements are converted into Euros using the average exchange rate for the business year. The resulting exchange rate difference is recorded as equity on the line for "Income Carryforward and Investment Adjustments."

The overall investment of 23,900,000 USD that was made in the United States was financed with the assistance of bank loans, with the amount of 11,900,000 USD being designated as a hedging instrument in order to offset symmetric exchange rate variability related with the investment made in the capital stock of the subsidiary for a value of 11,900,000 USD.

As of the date of December 31, 2011, the portion of the investment in the subsidiary's capital stock that was designated as a hedging instrument amounted to 4,950,000 USD.

The amount of assets and liabilities included on the Consolidated Balance Sheet, in Euros, that has resulted from transposing Financial Statements established in currencies other than the Euro may be summarized in the following manner:

	Assets		Liabilitiesz	
	Dec-11	Dec-10	Dec-11	Dec-10
Turkish Lira (TL)	71 523 504	12 032 251	41 914 888	10 106 502
American Dollar (USD)	81 016 980	78 932 399	70 418 048	78 627 438
Total from Consolidated Balance Sheet - IFRS	**410 091 164**	**362 827 144**	**270 280 291**	**237 249 430**

ii) Price risk

Price risk provides a representation of a company's degree of exposure to variability in the prices established in free markets for all merchandise included among their inventories, as well as for other assets and financial instruments that the company is holding with the intent of selling in the future.

1) The Group's management of price risk related with merchandise in its warehouses is essentially overseen by the commercial offices of each of its companies, according to the policies that have been approved by the Group's Board of Directors. Along these lines, the Board of Directors has issued guidelines that seek to anticipate trends in price variability for the merchandise it commercializes by working to match policies for purchasing and managing stock in as suitable a manner as possible to meet the circumstances. It is the belief of the Board of Directors of the AUTO – SUECO (COIMBRA) Group that the price risk associated with the merchandise in its warehouses has been kept reasonably under control.

2) Price risk management associated with other assets and financial instruments displays a greater level of exposure, and mechanisms for controlling/minimizing price risk may involve the use of more sophisticated hedging instruments.

   As of December 31, 2011, the Group possessed a portfolio of securities available for sale representing equity instruments in companies quoted on the Lisbon Stock Exchange, as appears below:

   - 7,878,702 shares in Banco Português de Investimento,
   - 82,648 shares in Banco Millennium BCP

   The Group's susceptibility to future variations in the quoted values of the above-mentioned Investments Available for Sale with respect to the quoted values recorded on December 30, 2011, may be summarized as follows (increases/ (decreases)):

Investments available for sale	Variation	2011 Results	Capital Equity	Total
BPI	-10%		(378 178)	(378 178)
	-20%		(756 355)	(756 355)
	10%		378 178	378 178
	20%		756 355	756 355
BCP	-10%		(1 124)	(1 124)
	-20%		(2 248)	(2 248)
	10%		1 124	1 124
	20%		2 248	2 248

Nota: Valores sem o efeito fiscal

iii) Interest rate risk

The Group's indebtedness is mostly indexed to variable interest rates, exposing the cost of debts to a high risk of volatility. The impact of this volatility on the Group's earnings or equity is not significant, due to the effects of the following factors: (i) a possible correlation between interest rate levels on the market and economic growth, with economic growth bearing positive effects on other lines of consolidated revenue (in particular, earnings from operations) for the Group, partially compensating in this way for increased costs of financing ("natural hedge"); and, (ii) the existence of liquidity or available consolidated funds that are similarly paid out at variable rates.

The Board of Directors for the Group has approved the terms and conditions of all financing agreements, analyzing the structure of the group's debt, all inherent risks and all of the various options that exist on the market for this purpose, particularly with regard to the type of interest rate (fixed/variable) and, by remaining continually open to all existing conditions and alternatives on the market, it is responsible for making decisions on a case-by-case basis as to whether or not to make use of derivative financial instruments designed to hedge interest rate risk.

Analysis of interest rate risk susceptibility

The analysis of susceptibility to interest rate risk described below was computed based on exposure to interest rates for all financial instruments in existence as of the date of the statement of financial position. For variable rate liabilities, the following assumptions were taken into consideration:

(i) The currently effective interest rate is 1 p.p. higher than the interest rate of accrual;
(ii) The basis used for calculating rates was the Group's financing at the end of the business year;
(iii) Spreads are maintained as negotiated.

Analyses of risk susceptibility assume single variable manipulation, with all other variables remaining constant. In the real word, this assumption is difficult to verify, and changes in some of the other estimated amounts may be interconnected.

The Group's susceptibility to variance in interest rates for the financial instruments under consideration may be summarized as follows (increases/ (decreases)):

		2011		2010	
	Variation	Results	Capital Equity	Results	Capital Equity
Bank Loans	1 p.p	1 504 577		1 393 514	
Bank Loans	(1 p.p)	(1 504 577)		(1 393 514)	

iv) Liquidity risk

Liquidity risk is defined as a company's risk of not being able to maintain sufficient liquidity to meet its financial obligations at a reasonably determined price over the time periods that are defined for it.

The existence of liquidity in the Group's companies implies that a set of guiding parameters has been defined for the management of liquidity that successfully allows these companies to maximize their returns and minimize the opportunity costs associated with maintaining this same liquidity, all in a financially secure and efficient manner.

The management of liquidity risk in the AUTO – SUECO (COIMBRA) Group has the goal of:

(i) Maintaining liquidity, i.e. to guarantee ongoing access to sufficient funds in the most efficient manner, in order to meet all current payments on their respective due dates, as well as any potential fund requests across all time periods as defined, even when these requests may not have been foreseen;
(ii) Security, i.e. to minimize the likelihood of insolvency for repayments or returns on any application of funds; and
(iii) Financial effectiveness, i.e. to guarantee that all companies maximize value / minimize opportunity cost for excess liquidity over the short term.

The strategy adopted by the ASC Group for managing its liquidity risk is based on the following guidelines, among others:

(i) Financial planning and integrated financial management for the whole group, as supported by the cash flow budgets of all of the various companies;
(ii) Diversification of sources of financing and adequacy of the maturity of financial commitments to match the pace at which liquidity is generated;
(iii) Adequacy in the maturity of financial commitments related to investments in noncurrent assets with respect to the pace at which liquidity is generated;
(iv) Contracting of short-term lines of credit necessary for meeting momentary peaks in cash flow requirements.

The entire amount of any excess liquidity is applied in the way that best serves objectives for the liquidity and profitability of the Group, both as short-term financial applications and as amortizations of short-term debt, in keeping with the criteria for economic and financial viability.

A maturity analysis for each of the financial instruments included as a liability is presented in Notes 20 and 22, with undiscounted values based on the worst case scenario, i.e. the shortest possible period after which the liability might become payable.

As of December 31 of 2010 and 2011, the Group had a net indebtedness of 120,624,961 Euros and 133,519,608 Euros respectively, split up between current and noncurrent loans (Note 20) and cash and cash equivalents (Note 16) contracted with various institutions.

The Group has lines of credit available for a total value of 122 million Euros, which may be used as needed.

v) Credit risk

Credit risk refers to the risk that a counterparty may not be able to meet its contractual obligations, thereby generating losses for the Group.

The Group's exposure to credit risk is mostly associated with accounts receivable generated by its operating activities.

This risk is managed with the goal of guaranteeing effective coverage for all loans across all established payment periods with affecting the financial stability of the Group. This form of risk is regularly monitored, given that the goal of managing this form of risk is to (i) restrict the amount of credit granted to clients, with consideration given to average terms for receipt of payment from clients, both for homogeneous groups of clients and individually on a client-by-client basis, (ii) monitor the course of progression for the level of outstanding credit granted, and to (iii) conduct impairment analyses for all amounts receivable on a regular basis.
The Group works to obtain credit guarantees whenever the financial situation of a client recommends doing so.

The Group likewise actively seeks out the assistance of agencies that evaluate credit, and contains special departments that serve to monitor all loans and collections and oversee management of all legal proceedings arising form disputes, thereby contributing to mitigate this kind of risk.

Adjustments made for accounts receivable are calculated in consideration of (a) the risk profile of the client, (b) the average term for receiving payments, and (c) the client's financial situation. Movements in these adjustments during the business years ending on December 31, 2010 and 2011, may be found in Note 25.

As of December 31, 2010 and 2011, the Group has deemed that there does not exist any need for additional impairment losses beyond the amounts recorded on these dates, a summarized account of which appears in Note 25.

The amount presented in the financial statements associated with clients and other third party debts, which appear net of all impairments, represent the Group's maximum possible exposure to credit risk.

vi) Subsequent Events

Any events occurring at any time after the date of the statement of financial position but which may provide additional information about conditions in existence as of the date of the statement of financial position ("adjusting events") may be included in the consolidated financial statements. Events occurring after the date of the statement of financial position which provide additional information about conditions that occurred after the date of the statement of financial position ("non-adjusting events") may be included in the Notes to the Consolidated Financial Statements.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTIONS OF FUNDEMENTAL ERRORS

During the business year ending on December 31, 2011, no accounting policy changes occurred, nor were any material errors concerning previous years of business encountered.

4. GROUP COMPANIES INCLUDED FOR CONSOLIDATION

The companies in the Group included for consolidation using the full consolidation method and the corresponding proportion of capital held as of December 31, 2010 and 2011, are as follows:

Companies	Shareholding Percentage Effective Date		Consolidation
	Dec-11	Dec-10	
AUTO SUECO (COIMBRA), S.A.		**Parent Company**	**Full**
AIR-RAIL, S.L.	50%	50%	Full
AMPLITUDE IBERICA, S.L.	47%	47%	Equity Method
ASC CONSTRUCTION EQUIPMENT, INC.	100%	100%	Full
ASC TÜRK MAKINA, LIMITED SIRKETI	100%	100%	Full
ASCENDUM MAKINA YATIRIM HOLDING A.S	100%	n/a	Full
ART HAVA VE RAY EKIPMANLARI LTD. STI	92,5%	n/a	Full
ASCENDUM PORTUGAL, Unipessoal, LDA.	100%	100%	Full
AUTO MAQUINARIA TEA ALOYA, S.L.	100%	100%	Full
GLOMAK SGPS, S.A.	99,3%	n/a	Full
COTIAC - SGPS, Unipessoal, LDA.	100%	100%	Full
Auto-Sueco Coimbra, 2 VEHICLES, Unipessoal, LDA	100%	100%	Full
Auto-Sueco Coimbra, Máquinas e Equipamentos Indústriais, Unipessoal, LDA	100%	100%	Full
AIR-RAIL (PORTUGAL), Sociedade Unipessoal, LDA.	50%	50%	Full
Importadora Distribuidora de Maquinaria Indústrial ZEPHIR, S.L.	50%	50%	Full
TEA ALOYA INMOBILIARIA, S.A.U.	100%	100%	Full
TRACTORRASTOS - Sociedade vendedora de acessórios, LDA.	100%	100%	Full
VOLMAQUINARIA DE CONSTRUCCIÓN DE ESPAÑA, S.A.	100%	100%	Full
VOLRENT, Aluguer de máquinas e equipamentos, Unipessoal, LDA.	100%	100%	Full
VOLRENTAL NORTE, S.A.	a)	33%	Equity Method
VOLRENTAL ATLÁNTICO, S.A.U.	68,89%	68,89%	Full
VOLRENTAL CANTÁBRICO, S.A.	100%	60%	Full
VOLRENTAL CORDOBA, S.A.	100%	52%	Full
VOLRENTAL, S.A.U.	100%	100%	Full

a) Holdings in Volrental Norte S.A were sold off during the 2011 business year

These companies were included for consolidation using the full consolidation method, in accordance with IAS 27 – "Consolidated and Separate Financial Statements" (control acquired when the parent has acquired more than half of the voting rights of the subsidiary or by means of any other mechanism, while also being a holder of capital in the company – Note 2.2 a)).

5. CHANGES OCCURRING IN THE CONSOLIDATION PERIMETER

During the business year ending on December 31, 2011, the following changes in the makeup of the group's consolidation perimeter occurred:

- **New companies added through the underwriting of capital stock:**
  - Glomak, SGPS, S.A.
- **New companies added through the underwriting of initial capital offerings:**
  - ASC Bogazici Makina Yatirim Holding Anonim Sirketi, which has since switched its business name to Ascendum Makina Yatirim Holding Anonim Sirketi.
  - Art Hava Ve Ray Ekipmanlari Ltd.
- **Companies removed from consolidation:**
  - The company Volmaquinaria de Construcción España, S.A., which sold its shareholdings in Volrental Norte, S.A.

During the business year ending on Friday, December 31, 2010, the following changes in the makeup of the group's consolidation perimeter occurred:

- New companies added through the acquisition of corresponding corporate shares:

- Air Rail, S.L.
- ASC Turk Makina. Limited Sirketi
- Importadora, Distribuidora de Máquinaria Indústrial, ZEPHIR, S.L.

- New companies added through the underwriting of initial capital:

Iber Rail – Equipamentos para aeroportos, portos e ferrovias, Sociedade Unipessoal, Lda., which has since switched its business name to Air-Rail (Portugal), Sociedade Unipessoal, Lda.

- Companies removed from consolidation:

- Taking effect for accounting purposes on January 01, 2010, a merger operation was carried out which resulted in the merging of the companies ESCAT and AÇORCAT into the single company TRACTORRASTOS. Due to this merger, the two companies that were merged were removed from the consolidation perimeter in 2010, with all net assets held as of the date on which the merger was reported being incorporated into the balance sheet of the company TRACTORRASTOS.

6. INTANGIBLE ASSETS

In the business years ending on December 31, 2010 and 2011, the following covers all movements involving intangible assets, along with all corresponding amortizations and cumulative impairment losses:

2011	Installation Expenses	Development Expenses	Industrial Property and Other Rights	Computer Programs	Ongoing Intangible Assets and Other Assets	Total
Gross Assets:						
2011 Initial Balance	0	0	4 988 188	14 636	53 332	5 056 155
New Inclusions in Perimeter (Glomak)	0	0	365 365	0	2 276	367 641
Additions	0	0	0	577 338	8 022	585 360
Disposals	0	0	(733 172)	0	0	(733 172)
Transfers and Sales	0	0	113 080	61 354	(61 354)	113 080
Final Balance on Saturday, December 31, 2011			4 733 461	653 328	2 276	5 389 064
Amortizations and Losses Due to Cumulative Impairment:						
2011 Initial Balance	0	0	(601 950)	(396)	0	(602 346)
New Inclusions in Perimeter (Glomak)	0	0	(4 916)	0	(1 908)	(6 824)
Amortizations for Year of Business	0	0	(9 607)	(141 125)	152	(150 580)
Disposals, Sales and Transfers	0	0	0	0	0	0
Final Balance on Saturday, December 31, 2011	0	0	(616 473)	(141 521)	(1 756)	(759 750)
Net Value	**0**	**0**	**4 116 988**	**511 807**	**520**	**4 629 314**

2010	Installation Expenses	Development Expenses	Industrial Property and Other Rights	Computer Programs	Ongoing Intangible Assets	Total
Gross Assets:						
2010 Initial Balance	14.677	0	4.398.156	0	0	4.412.832
Additions	0	0	286.639	11.723	53.332	351.694
Disposals	0	0	0	0	0	0
Transfers and Sales	(14.677)	0	303.393	2.913	0	291.629
Final Balance on December 31, 2010	0	0	4.988.188	14.636	53.332	5.056.155
Amortizations and Losses Due to Cumulative Impairment:						
2010 Initial Balance	(11.211)	0	(389.284)	0	0	(400.495)
Amortizations for Year of Business	(1.733)	0	(201.927)	(396)	0	(204.056)
Disposals, Sales and Transfers	12.944	0	(10.739)	0	0	2.205
Final Balance on December 31, 2010	0	0	(601.950)	(396)	0	(602.346)
Net Value	**0**	**0**	**4.386.238**	**14.240**	**53.332**	**4.453.809**

Ongoing disposal activities occurring in the pool of Intangible Assets mainly stem from the disposal of the portion of the existing Dealership Agreement in the USA corresponding to the State of Alabama.
This disposal was effected within the broader context of the disposal of operations in the State of Alabama for the amount of 7.7 million dollars, which occurred in 2011 and generated a gain of 4.7 million Euros (Note 33).

During the 2011 business year, new purchases of computer programs were mainly comprised of software acquisitions purchased by ASC Turk, particularly for SAP software licenses, Office licenses and other software licenses, such as Symantec, for example.

7. FIXED TANGIBLE ASSETS

In the business years ending on December 31, 2010 and 2011, the following were the movements that occurred involving fixed tangible assets, along with all respective amortizations and cumulative impairment losses:

2011	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Tangible Fixed Assets	Ongoing Tangible Assets	Total
Gross Assets:								
2011 Initial Balance	17 293 607	36 766 513	56 163 247	7 447 645	16 689 667	7 369 862	3 697 813	145 428 354
New Inclusions in Perimeter (Glomak)	5 040 383	6 673 975	5 194 817	1 217 216	965 605	145 826	139 782	19 377 604
Additions	92 464	608 572	11 078 709	1 293 902	919 248	2 659 865	210 975	16 863 736
Disposals, Sales and Settlements	0	(227 583)	(13 742 577)	(1 629 084)	(473 802)	(10 260)	0	(16 083 304)
Transfers	0	3 135 768	0	0	0	30 344	(3 166 112)	0
Final Balance on December 31, 2011	22 426 454	46 957 245	58 694 196	8 329 679	18 100 719	10 195 637	882 459	165 586 389
Amortizations and Losses Due to Cumulative Impairment:								
2011 Initial Balance	0	(15 150 835)	(28 596 154)	(5 307 365)	(7 879 203)	(1 605 497)	0	(58 539 054)
New Inclusions in Perimeter (Glomak)	0	(1 698 579)	(1 340 299)	(944 880)	(760 121)	(30 369)	0	(4 774 248)
Amortizations for Year of Business	0	(2 074 393)	(12 961 112)	(1 024 371)	(1 064 867)	(382 021)	0	(17 506 764)
Disposals, Sales and Transfers	0	128 163	10 615 656	1 134 068	270 090	3 246	0	12 151 223
Impairment Loss	0	0	0	0	0	0	0	0
Final Balance on December 31, 2011	0	(18 795 643)	(32 281 909)	(6 142 549)	(9 434 100)	(2 014 641)	0	(68 668 843)
Net Value	**22 426 454**	**28 161 602**	**26 412 287**	**2 187 130**	**8 666 619**	**8 180 996**	**882 459**	**96 917 547**

2010	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Tangible Fixed Assets	Ongoing Tangible Assets	Total
Gross Assets:								
2010 Initial Balance	16.888.005	33.658.243	36.595.776	6.286.621	7.608.023	2.077.157	694.155	103.807.980
Additions	1.010.748	3.804.577	22.723.308	1.277.247	9.081.644	5.292.705	2.809.000	45.999.229
Disposals and Sales	(728.750)	(696.307)	(3.155.837)	(116.222)	0	0	194.658	(4.502.458)
Transfers	123.603	0	0	0	0	0	0	123.603
Final Balance on December 31, 2010	17.293.607	36.766.513	56.163.247	7.447.645	16.689.667	7.369.863	3.697.813	145.428.354
Amortizations and Losses Due to Cumulative Impairment:								
2010 Initial Balance	0	(12.833.591)	(16.316.993)	(4.163.029)	(5.217.599)	(1.284.468)	0	(39.815.679)
Amortizations for Year of Business	0	(2.752.622)	(11.060.178)	(1.144.337)	(2.661.604)	(321.029)	0	(17.939.770)
Disposals, Sales and Transfers	0	435.377	(1.218.983)	0	0	0	0	(783.606)
Final Balance on December 31, 2010	0	(15.150.835)	(28.596.154)	(5.307.365)	(7.879.203)	(1.605.497)	0	(58.539.054)
Net Value	**17.293.607**	**21.615.678**	**27.567.093**	**2.140.279**	**8.810.465**	**5.764.365**	**3.697.813**	**86.889.300**

8. INVESTMENT PROPERTIES

As of December 31, 2010 and 2011, the line "Investment Properties" corresponds to real estate assets held by the Group for the purpose of generating revenue by means of renting these properties or increases in property values. These assets are found recorded either at their cost of acquisition or at their cost as reassessed on the date when IFRS was first applied (01-01-2009).

Investment properties were subject to assessment performed by outside experts for the dates of December 31, 2010 and 2011. The overall values resulting from these assessments served to substantiate the values in the Group's consolidated statement of financial position on that date.

The bases for assessment used by the experts were comparative market values, or else the market value.

All investment properties appearing on the consolidated balance sheet for 2010 and 2011 represent real estate holdings that the group owns with the intent of capitalizing on future increases in property values.

The position of all investment properties as of the end of 2010 and 2011 is presented in the following chart:

		December 2010		December 2011
	Initial Balance	Increases	New Companies Included in the Perimeter	Final Balance
AIR RAIL, S.L.	0	8 065	0	8 065
Auto-Sueco Coimbra, S.A.	2 576 033	0	0	2 576 033
GLOMAK, S.G.P.S, Lda.	0	0	77 734	77 734
TEA ALOYA INMOBILIARIA, S.A.	0	78 260	0	78 260
Total	**2 576 033**	**86 325**	**77 734**	**2 740 092**

During the 2010 and 2011 business years, there were no earnings or expenses related with investment properties.

9. GOODWILL

During the 2011 year of business, the parent company – Auto Sueco (Coimbra) S.A., increased its shareholding in the capital stock of the company GLOMAK, SGPS, S.A., consequently resulting in a takeover of this company on the date of September 01, 2011.
This operation was recorded in the participant's books in accordance with the guidelines provided in IFRS 3 – Business Combinations, and no goodwill declarations resulted from the operation. This operation appears in detail in Note 33.
Nonetheless, the affiliate's net financial position as of the date of the takeover included acquired assets for an overall amount of 1,329, 953 Euros, including one with a well defined useful life and cumulative amortizations for the amount of 664,534 Euros, with these amounts being added to the goodwill line in the 2011 Consolidated Statement of Financial Position as results coming from changes in the corresponding perimeter. Goodwill received from the inclusion of GLOMAK also generated an amortization for the 2011 business year for an amount of 23,334 Euros.

In the 2011 business year, goodwill was further brought down to the amount of 3,387,046 Euros as a result of the adjustment to Goodwill (due to the effect of EUR/TL exchange rate variance) made in relation with the 2010 acquisition of the construction equipment unit that Volvo possessed in Turkey, which was later renamed ASC – Turk Makina, Limited, Sirketi, subsequent to the acquisition.

The variations occurring in the 2010 business year resulted from the following acquisitions:

AIR Rail, S.L.:

AIR RAIL, S.L. is a company under Spanish law that has the corporate mission of commercially distributing equipment for ports and harbors, airports, and railways.
In accordance with the conditions that were agreed upon, the position of chairman of the Board of Directors of AIR RAIL was thereupon occupied by the representative from Volmaquinaria, who also held the vote as chairman of the board during all board deliberations. The percentage of shareholdings owned by Volmaquinaria and the fact that it controls the position of chairman of the Board of Directors are sufficient to fulfill the requirements for AIR RAIL to be included within the perimeter of consolidation for the full consolidation method.
The acquisition was reported on March 30, 2010, with a special balance sheet also being prepared for this purpose, determining, with respect to the price paid for the acquisition, a Goodwill amount of € 6,053,838.

Importadora, Distribuidora de Maquinaria Indústrial, ZEPHIR, S.L.:

ZEPHIR, S.L. is a company under Spanish law that has the corporate mission of commercially distributing equipment for railways.
In accordance with the conditions that were agreed upon, the position of chairman of the Board of Directors of ZEPHIR was thereupon occupied by the representative from Volmaquinaria, who also held the vote as chairman of the board during all board deliberations. The percentage of shareholdings owned by Volmaquinaria and the fact that it controls the position of chairman of the Board of Directors are sufficient to fulfill the requirements for ZEPHIR to be included within the perimeter of consolidation for the full consolidation method.
The acquisition was reported on March 30, 2010, with a special balance sheet also being prepared for this purpose, determining, with respect to the price paid for the acquisition, a Goodwill amount of € 2,620,298.

ASC – Turk Makina Limited, Sirketi:

During the 2010 business year, the Group acquired two subsidiaries of Volvo Construction Equipment A.B (VTC Holding Holland N.V and Volvo Automotive Holding B.V), the business unit for construction equipment that this company was running in Turkey, which were combined into the company under Turkish law known as Volvo Otomotive Turk Limited Sirketi (VOT).
The date on which this acquisition was reported was 06/30/2010, with Auto-Sueco Coimbra, S.A., acquiring 99% of the capital stock and the remaining 1% being acquired by the subsidiary Cotiac, SGPS, Lda.

The acquisition was reported on 06/30/2010, with a special balance sheet also being prepared for this purpose, determining, with respect to the price paid for the acquisition, a Goodwill amount of 22,213 thousand Euros, which was brought down to the amount of 1,215,205 Euros as a result of an adjustment made due to the effect of EUR/TL exchange rate variance between the date of acquisition and the end of the business year.

The initial and final balances and all changes occurring in the accounting line for goodwill during the 2010 and 2011 business years are reported in the following table.

Goodwill	2011	2010
Gross Assets:		
Initial Balance	34 727 747	4 684 939
Additions	0	31 258 013
Disposals	0	0
Transfers and Sales and Adjustments	(3 387 046)	(1 215 205)
Variations in Perimeter	1 329 953	0
Final Balance	32 670 654	34 727 747
Amortizations and Losses Due to Cumulative Impairment:		
Initial Balance	(764 318)	(1 130 339)
Amortizations for Year of Business	(23 334)	0
Disposals, Sales and Transfers	0	366 021
Variations in Perimeter	(664 534)	0
Final Balance	(1 452 186)	(764 318)
Net Value	**31 218 468**	**33 963 429**

Immediately after, a detailed breakdown of the overall value for goodwill as of December 31, 2010 and 2011 is presented, along with the method and accounting guidelines employed in order to gauge the existence of any potential impairment associated with each of them.

2011	ASC Máquinas	ASC TURK	TRACTORRASTOS	ASCENDUM PORTUGAL	GLOMAK S.G.P.S	AIR-RAIL SPAIN	GRANADA SPAIN	ZEPHIR	VOLCATALAN (Barcelona)	Total
Goodwill	7.923	17.610.749	1.135.850	155.000	642.085	6.053.838	2.255.828	2.620.298	736.897	31.218.468
Period Used	Cash Flow Projections for 5 Years									
Rate of Growth (g) (1)	2%	2%	2%	2%	1%	2%	2%	2%	2%	
Discount Rate Used (2)	13,80%	11,02%	9,69%	13,80%	9,40%	10,83%	10,30%	10,83%	10,30%	

(1) Growth rate used to extrapolate cash flows beyond the period of consideration in the business plan
(2) Discount rate applied to projected cash flows

2010	ASC Máquinas	ASC TURK	TRACTORRASTOS	ASCENDUM PORTUGAL	AIR-RAIL SPAIN	GRANADA SPAIN	ZEPHIR	VOLCATALAN (Barcelona)	Total
Goodwill	7.923	20.997.795	1.135.850	155.000	6.053.838	2.255.828	2.620.298	736.897	33.963.429
Period Used	Cash Flow Projections for 5 Years								
Rate of Growth (g) (1)	2%	2%	2%	0%	0%	1%	0%	0%	
Discount Rate Used (2)	12%	12.92%	12%	8.8%	10.4%	10.4%	10.4%	10.4%	

(1) Growth rate used to extrapolate cash flows beyond the period of consideration in the business plan
(2) Discount rate applied to projected cash flows

The Board of Directors, basing its estimations on the value of anticipated cash flows, as discounted at a rate it considers to be applicable, has concluded that, as of December 31, 2011, the book value for net assets, including goodwill, does not surpass its recoverable value.

Cash flow projections are based on historical performance and prospects for improved efficiency. The head executives for these segments believe that any possible changes (within a normal range of scenarios) in the major guidelines and assumptions used to compute recoverable values will not generate any impairment losses.

10. FINANCIAL INVESTMENTS

10.1 FINANCIAL INVESTMENTS AVAILABLE FOR SALE

During the business years ending on December 31, 2010 and 2011, the group maintained the following portfolio of securities available for sale (no. of shares):

	2011	2010
BPI	7 878 702	7 162 457
BCP	82 648	71 234

The increase in the number of shares for BPI in 2011 derives from the decision voted upon by the shareholders at the General Meeting, who approved the increases in capital stock made by incorporating reserves and distributing new shares to shareholders at no additional cost to them.

Movements occurring in the line "Investments Available for Sale" for both business years were as follows:

	Dec-11	Dec-10
Fair Value on January 1	9 999 771	15 247 100
Acquisitions During the Year	0	0
Disposals During the Year	0	0
Increase/(Decrease) in Fair Value - Capital	(6 172 609)	(5 247 329)
Increase/(Decrease) in Fair Value - Results	(33 199)	0
Other Settlements	0	0
Fair Value on December 31	3 793 963	9 999 771
Noncurrent Assets	3 793 963	9 999 771
Current Assets	0	0
Total	**3 793 963**	**9 999 771**

In addition, the effects on equity and on impairment losses in the 2010 and 2011 business years generated by items recorded at their fair value as "Investments Available for Sale" may be summarized as follows:

	Dec-11	Dec-10
Allocation in Results for Disposals	0	0
Variation in Fair Value	(6 172 609)	(5 247 329)
Deferred Tax Assets	1 851 284	1 568 578
Effect on Equity	**(4 321 325)**	**(3 678 751)**
Impairment Loss	(33 199)	0

10.2 FINANCIAL HOLDINGS – OTHER METHODS

The amounts indicated in the above chart are included in the line "Financial Holdings – Other Methods" on the Balance Sheet, (2011 - € 4,081,671 and 2010 - € 10,174,511); these amounts also include all other residual shareholdings of a financial nature.

	% Shareholding	Dec-11	Dec-10
		Overall Value	Overall Value
Volrental Norte, S.A.U	33,33%	275 563	174 739
Amplitude Ibérica, S.L	47%		
Arnado, Lda	5%		
Garval - Soc. Garantia Mutua S.A	-		
Vortal, SGPS S.A.	1,23%		

10.3 OTHER FINANCIAL ASSETS

As of December 31, 2010 and 2011, this line had the following breakdown:

	2011	2010
Noncurrent	246 139	2 500 000
Current	6 542 588	0

The balance given in 2011 for noncurrent assets (246,139 Euros) corresponds in basic terms to a number of guarantor agreements made in connection with our facilities in Spain (Volmaquinaria and Air-Rail) and Turkey (Freezone). In 2010, the amount of 2,500,000 Euros was connected with transfers of supply materials for production to Glomak, S.G.P.S, Lda.

In the current year, the value in 2011 also refers to treasury bills issued by the Turkish government that were underwritten by the affiliate ASC Turk (2,102,025 Euros) for a term running longer than 3 months beyond the balance sheet date, even though these amounts will become payable within a 12-month period.

This line also includes a time deposit made for the amount of 4,440,563 Euros, which may not be withdrawn until after a term of 12 months. This deposit was established as collateral for a particular financing operation.

11. INVENTORY AND STOCK

As of December 31, 2010 and 2011, this line had the following breakdown:

	Dec-11	Dec-10
Materials-Raw, Auxiliary, and Consumption Materials	0	0
Product and Works In Progress	1 320 147	495 607
Finished and Intermediate Product	29 816	26 077
Merchandise	143 400 849	107 123 315
Losses Due to Cumulative Impairment in Inventory and Stock (Note 25)	(6 146 052)	(4 739 246)
Total	**138 604 760**	**102 905 754**

The cost of sales for the business years ending on December 31, 2010 and 2011, was determined as follows:

	Dec-11			Dec-10		
	Merchandise	Materials-Raw, Auxiliary, and Consumption Materials	Total	Merchandise	Materials-Raw, Auxiliary, and Consumption Materials	Total
Initial Inventory and Stock	107 123 315	0	107 123 315	91 864 942	0	91 864 942
Net Sales	390 862 810	0	390 862 810	274 102 624	0	274 102 624
Final Inventory and Stock	143 400 849	0	143 400 849	107 123 315	0	107 123 315
Total	**354 585 277**	**0**	**354 585 277**	**258 844 251**	**0**	**258 844 251**

Variation in production for the business years ending on December 31, 2010 and 2011 was determined as follows:

	Finished and Intermediate Products and Products and Works Underway	
	Dec-11	Dec-10
Final Inventory and Stock	1 349 962	521 684
Settlement of Existing Amounts	591 438	(344 508)
Initial Inventory and Stock	521 684	991 828
Total	**236 840**	**(125 636)**

12.CLIENTS

As of December 31, 2010 and 2011, this line had the following breakdown:

		ASSETS
	Dec-11	**Dec-10**
Clients, current accounts	74 767 719	76.942.449
Clients, receivables	10 760 782	2.819.882
Clients, doubtful debt	16 020 135	11.235.127
	101 548 636	90.997.458
Losses Due to Cumulative Impairment in Clients (Note 25)	(19 731 210)	-13.150.576
	81 817 426	**77.846.882**

All amounts appearing on the statement of financial position are presented net of cumulative impairment losses due to doubtful debt, according to estimates established by the Group and in compliance with all adopted and disclosed accounting policies, as based on assessments made for the economic context and conditions prevalent as of the date of the statement of financial position. Concentration of credit risk is limited, given that the client base is both extensive and non-relational. As such, it is the understanding of the Board of Directors that all book values for accounts receivable for clients are approximate equivalents of their fair value.

Client balance amounts recorded as assets remained unaltered by any advances made by clients for services or merchandise to be acquired at a future time; these advances are instead presented as liabilities on the line "Advances Made to Clients," which at the end of 2010 and 2011 were € 2,796,320 and € 3,120,116 respectively.
In consideration of the terms of sale applied by companies in the Group and the fact that transactions involving medium and long-term delayed payments are conducted via financial institutions, the overall amount in the line for clients only represents credited amounts with payment periods of no longer than 12 months.

13. OTHER ACCOUNTS RECEIVABLE

As of December 31, 2010 and 2011, this line had the following breakdown:

	Dec-11	Dec-10
Advances Made to Suppliers	1 248 744	1 795 376
Other Accounts Receivable	3 751 516	3 144 959
Increases in Income	1 013 911	180 209
Total	**6 014 171**	**5 120 544**

The line for increases in revenue predominantly covers interest, warranties, and bonuses.

In "other debtors," a value of 2,174,392 Euros is reported in relation with a balance for non-controlling interests originating with the Spanish affiliate Air-Rail.

14. DEFERRALS - (ASSETS)

As of December 31, 2010 and 2011, this line had the following breakdown:

Expenses to Be Included	Dec-11	Dec-10
Insurance	122 907	0
Yield	117 453	0
Other	470 345	804 263
Total	**710 705**	**804 263**

The group declares expenses according to the accrual method of accounting, independent of the time at which they are paid out. At the end of the business year, all expenses that have previously been paid but which will only bear economic effects in subsequent years of business are entered as deferrals on this accounting line. The amounts disclosed in the above table refer to insurance payments, rent payments, interest payments, etc. that, in keeping with the accrual principle of accounting, have purportedly not affected results in the respective years in which they were made.

15. DEFERRED TAXES

a) The breakdown of all amounts and the nature of all deferred tax assets and liabilities recorded in the consolidated financial statements on December 31, 2010 and 2011, may be summarized as follows:

2011	Dec-10	Variation in Perimeter	Impacto em resultados(Nota 28)	Impact on Equity	Dec-11
Deferred Tax Assets:					
Provisions Established and Not Allowable as Deductible Expenses	3 220 016	0	(1 293 249)	50 865	1 977 632
Reportable Tax Losses	575 601	1 754 792	54 733	0	2 385 126
Non-allowable Amortizations	295 213	0	0	0	295 213
Elimination of Intragroup Margins	14 099	530 511	317 424	0	862 034
Taxable Deferrals	0	0	0	0	0
Impairments in Investment Property Values	66 944	0	0	0	66 944
Impairments in Financial Investment Values	3 799 522	0	0	1 851 284	5 650 806
Costs of Business Mergers	180 822	0	0	(180 822)	0
	8 152 217	**2 285 304**	**(921 092)**	**1 721 327**	**11 237 756**
Deferred Tax Liabilities:					
Amortizations Resulting from Legally Required and Noncompulsory Revaluations	(783 998)	0	(464 105)	(82 992)	(1 331 095)
Effect of Reinvesting Generated Surpluses with disposals of fixed assets	(8 365 446)	0	(1 663 697)	(572 078)	(10 601 221)
Revaluations of Land / Fixed Assets	(1 231 709)	(61 899)	(1 281 475)	0	(2 575 083)
	(10 381 153)	**(61 899)**	**(3 409 277)**	**(655 070)**	**(14 507 399)**
Net Effect	**(2 228 936)**	**2 223 405**	**(4 330 369)**	**1 066 257**	**(3 269 642)**

2010	Dec-09	Variation in Perimeter	Impacto e resultados (Nota 28)	Impact on Equity	Dec-10
Deferred Tax Assets:					
Provisions Established and Not Allowable as Deductible Expenses	2.504.241	591.000	46.563	78.213	3 220 016
Reportable Tax Losses	0	0	575.601	0	575.601
Non-allowable Amortizations	366.467	0	(71.254)	0	295.213
Elimination of Intragroup Margins	23.522	0	(9.424)	0	14.099
Taxable Deferrals	0	0	0	0	0
Impairments in Investment Property Values	66.944	0	0	0	66.944
Impairments in Financial Investment Values	2.230.945	0	0	1.568.577	3.799.522
Costs of Business Mergers	0	0	180.822	0	180.822
	5.192.119	**591.000**	**722.309**	**1.646.790**	**8.152.217**
Deferred Tax Liabilities:					
Amortizations Resulting from Legally Required and Noncompulsory Revaluations	(473.409)	0	(207.886)	(102.703)	(783.998)
Effect of Reinvesting Generated Surpluses with disposals of fixed assets	(6.762.133)	0	(834.494)	(768.819)	(8.365.446)
Revaluations of Land / Fixed Assets	(1.231.709)	0	0	0	(1.231.709)
	(8.467.252)	**0**	**(1.042.380)**	**(871 522)**	**(10.381.153)**
Net Effect	**(3.275.133)**	**591.000**	**(320.071)**	**775 268**	**(2.228.935)**

In 2011, the Deferred Taxes presented above involve movements in Assets mainly connected with:
(i) Tax losses incurred by Glomak S.G.P.S;
(ii) A reduction in taxes on non-declarable provisions;
(iii) An increase in deferred tax assets connected with the depreciation of BPI shares.

On the side of deferred tax liabilities, the following moments occurred:
(i) An increase in deferred tax liabilities connected with reinvestments of surpluses;
(ii) Revaluation of land (Glomak S.G.P.S). The amount of 1.3 million Euros is reported here, deriving from the takeover operation involving this affiliate, which has been declared as a reduction in negative Goodwill (Note 33).

b) Tax loss carryforward:

Empresa	Claimable Tax Losses	Limite para a utilização do reporte do prejuízo
ASC - 2011	3 215 058	2015
AMTA - 2009	376 204	2024
AMTA - 2010	1 047 004	2025
ASC USA - 2010	11 024 669	2030
ASC USA - 2011	9 132 543	2031

No Deferred Tax Assets for tax loss carryforward were declared for ASC, S.A., in the 2011 business year, as some of the requirements established in Paragraph 34 of IAS – 12 were not fulfilled as of the date of the balance sheet.

According to the terms of the legislation currently in force in Portugal, tax losses may be carried forward for up to a period of five years (6 years for all years of business ending on or before December 31, 2009, and 4 years for the business years ending on December 31, 2010 and 2011) after their occurrence, from which any tax credits generated during this reporting period may be deducted, up to a maximum of 75% of all taxable earnings.

In Spain, tax losses may be carried forward for up to a 15-year period.
In the United States, tax losses may be carried forward for up to a 20-year period.
In Turkey, tax losses may be carried forward for up to a five-year period.

Companies in the AUTO – SUECO (COIMBRA) Group that are headquartered in Portugal and are held at a percentage greater than or equal to 90% for more than one year's time are subject to Corporate Income Tax according to the Regime Especial de Tributação de Grupos de Sociedades / Special Tax Regime for Corporate Groups ("RETGS"), as set forth in Articles 70 and 71 of the Corporate Income Tax Code. For all years of business starting on or after January 1, 2011, all taxable revenue in excess of € 2,000,000 incurs a Local Tax Levy of 2.5%.

In accordance of legislation currently in force, the tax declarations filed by the AUTO – SUECO (COIMBRA) Group and all companies headquartered in Portugal are subject to review and revision conducted by the tax administration at any time during a period of four years (five years for Social Security), except when these entities have suffered tax losses, been awarded tax benefits, or are already undergoing inspection, tax collection for past due amounts or penalization, in which case, these time periods may be extended or suspended entirely, depending on the circumstances. It is the understanding of the Board of Directors of the Group that any potential corrections that may result from reviews/inspections conducted by the tax administration to which these tax declarations have been made for any years of business still open to inspection should not bear any significant effect on the consolidated financial statements appearing in the appendix.

According to the terms of Article 88 of the Corporate Income Tax Code, all companies headquartered in Portugal are further subject to autonomous taxation on a separate set of charges established at the rates set in this article.

In the AUTO – SUECO (COIMBRA) Group, the companies headquartered in Spain that are taxed on a consolidated basis are as follows:
- Auto Maquinaria Tea Aloya, S.L.
- Tea Aloya Inmobiliaria S.A.U.
- Volmaquinaria de Construcción España, S.A.
- Volrental S.A.U.

The remaining companies in the group with headquarters in Spain make tax contributions on an individual basis, according to their respective taxable earnings.

In accordance of all legislation currently in force, all tax declarations filed by the AUTO – SUECO (COIMBRA) Group and all companies headquartered in Spain are subject to review and correction on the part of the tax administration at any time during a four-year period.

In the United States, tax declarations filed by the company in the group – ASC Construction Equipment Inc., are subject to review and correction on the part of the tax administration at any time during a three-year period.

In Turkey, tax declarations filed by the company in the group – ASC Turk Makina Limited Sirketi, are subject to review and correction on the part of the tax administration at any time during a period of 5 years.

Tax Rate by Country:	2011	2010
Portugal	26,50%	26,50%
Spain	25,00%	25,00%
United States of America	30,00%	30,00%
Turkey	20,00%	20,00%

16. CASH AND BANK DEPOSITS

As of December 31, 2010 and 2011, the breakdown for cash and cash equivalents was as follows:

	Dec-11	Dec-10
In Currency	143 478	93 858
Bank Deposits	23 146 679	25 424 608
Total	**23 290 158**	**25 518 466**

As of December 31, 2011, the Group has available lines of credit for an amount of approximately 122 million Euros, which may be potentially used for future operating activities or to meet its financial commitments, without any restrictions on the use made of these credit lines.

17. BREAKDOWN OF CAPITAL STOCK

As of December 31, 2011, the capital of the parent company – AUTO SUECO (COIMBRA), S.A., underwritten and paid for in its entirety, is issued for a total of 15,000,000 nominal shares of € 1.00 each, all underwritten and paid for in their entirety.

A list of legal entities with more than 20% of the total underwritten capital appears as follows:

- Ernesto Vieira & Filhos, S.A.	50%
- Auto Sueco, Lda.	50%

18. EQUITY OF THE PARENT COMPANY (AUTO-SUECO COIMBRA, S.A.)

Dividends

A política de dividendos é da competência da Assembleia The dividends policy is established according to the authority of the General Meeting of Shareholders.

In accordance with the deliberations conducted at the General Meeting of Partners held on June 30, 2011, dividends were distributed for an amount of 3,000,000 Euros.

In connection with the 2011 business year, the Board of Directors transferred the Net Income for the business year into the account for Retained Earnings up until the time when the shareholders were able to meet to deliberate and come to a decision about their final application.

None of the payable dividends that were decided upon by the shareholders will bear any effect of the Group's taxation.

Legal reserve

In compliance with commercial legislation in force, whenever the amount of annual net income is positive, at least 5% of this amount is legally required to be applied toward enlarging the legal reserve, up until the point when this legal reserve represents 20% of the company's capital. This reserve is not distributable other than in the event of liquidation of the company, but it may be employed for the purpose of absorbing losses after all other reserves have been depleted, or may be incorporated into the capital.

Valuation Surplus

Revaluation reserves concern the amount of revaluation reserves for Fixed Tangible Assets, net of all deferred taxes.

Other reserves

This covers the amount of any and all available reserves, which may be allocated as determined by the shareholders.

Fair value reserves

Fair values reserves are reflective of variations in the fair value of financial instruments available for sale.

Retained earnings and investment adjustments

This line records the net profit produced during the previous year of business. Changes are subsequently made in agreement with the allocation of earnings and/or coverage of losses that have been decided upon, along with appropriations of earnings from previous years established by using the equity method.

All reserves available for distribution to shareholders are determined on the basis of the individual Financial Statements of Auto-Sueco Coimbra, S.A.

19. NON-CONTROLLING INTERESTS

Movement in this line during the business years ending on December 31, 2010 and 2011 was as follows:

	Dec-11	Dec-10
Initial Balance on January 1	1 280 142	573 393
Income from Year of Business Attributed to Minority Interests	328 592	395 302
Variation Resulting from Acquisition of Shareholdings	2 492 831	311 446
Final Balance on December 31	**4 101 564**	**1 280 142**

20. OBTAINED FINANCING

For December 31, 2010 and 2011, the breakdown for the line "Obtained Financing" is as follows:

		Dec-11			Dec-10	
	Current	Noncurrent	Total	Current	Noncurrent	Total
Bank Loans	6 783 613	15 656 758	22 440 371	10 002 690	9 195 790	19 198 481
Guaranteed Current Accounts/ Overdrafts	50 277 212	0	50 277 212	27 788 900	0	27 788 900
Floor plan	4 176 911	8 568 927	12 745 838	10 489 019	29 530 862	40 019 881
Commercial Paper	14 782 800	40 264 286	55 047 086	7 198 531	52 951 239	60 149 770
Other Loans-Leasings, etc.	3 165 456	6 781 744	9 947 200	2 546 046	9 334 996	11 881 042
	79 185 992	**71 271 715**	**150 457 707**	**58 025 186**	**101 012 887**	**159 038 073**

For December 31, 2010 and 2011, the breakdown of all bank loans, overdraft amounts, other loans and Commercial Paper Programs is as follows:

		2011
Description	**Amount Used**	**Limit**
Noncurrent		
Bank Loans	15 656 758	
Guaranteed Current Accounts/Overdrafts	0	
Floor Plan	8 568 927	
Commercial Paper	40 264 286	
Other Loans	6 781 744	
Current		
Bank Loans	6 783 613	
Guaranteed Current Accounts/Overdrafts	50 277 212	102 798 008
Floor plan	4 176 911	69 557 153
Commercial Paper	14 782 800	16 782 800
Other Loans	3 165 456	5 500 000

		2010
Description/ Benefeciary Company	**Amount Used**	**Limit**
Noncurrent		
Bank Loans	9 195 790	
Guaranteed Current Accounts/Overdrafts	0	
Commercial Paper	52 951 239	
Other Loans	9 334 996	
Floor Plan	29 530 862	
Current		
Bank Loans	10 002 690	
Guaranteed Current Accounts/Overdrafts	27 788 900	67 178 719
Floor plan	10 489 019	90 000 000
Commercial Paper	7 198 531	
Other Loans	2 546 046	

The line for "Other Loans" (current and noncurrent) includes all responsibilities of the Group as a leaseholder in financial leasing agreements involving the acquisition of facilities and capital goods. A detailed breakdown of this line, along with all payment plans, is summarized as follows

				2011
Company	**Asset under Lease**	**Short Term**	**Medium/Long Term**	**Total**
VOLRENT, Aluguer de máquinas e equipamentos, Unipessoal, Lda.	Basic Equipment			
	Capital	1 602 746	2 116 992	3 719 738
	Interest	82 770	73 989	156 759
AUTO MAQUINARIA TEA ALOYA, S.L.	Facilities			
	Capital	1 555 000	2 154 000	3 709 000
	Interest	0	0	0
	Total of Capital	**3 157 746**	**4 270 992**	**7 428 738**
	Total of Interest	**82 770**	**73 989**	**156 759**

				2010
Company	**Asset under Lease**	**Short Term**	**Medium/Long Term**	**Total**
VOLRENT, Aluguer de máquinas e equipamentos, Unipessoal, Lda.	Basic Equipment			
	Capital	1.829.255	3.690.395	5.519.650
	Interest	105.656	145.634	251.290
AUTO MAQUINARIA TEA ALOYA, S.L.	Facilities			
	Capital	1.751.000	4.277.000	6.028.000
	Interest			0
	Total of Capital	**3 580 255**	**7.967.395**	**11.547.650**
	Total of Interest	**105.656**	**145.634**	**251.290**

The fair value of financial leasing responsibilities is comparable to the fair value of the assets under lease.

21. SUPPLIERS

As of December 31, 2010 and 2011, this line was made up of outstanding short-term balances payable to suppliers.

In keeping with the International Accounting Standards, financial risk refers to the risk of any possible future change in one or several interest rates, prices of financial instruments, prices of merchandise, exchange rates, price or rate indices, credit ratings or credit indices, and/or any other variable that may be specified, provided in the case of a non-financial variable that the variable is not specific to a party to the contract.

As of December 31, 2010 and 2011, the balance accrued in the suppliers line did not factor in payment plans in a way that incorporated payments of interest; as such, the financial risk association with changes in interest rates is residual here.

On the other hand, the relations that the various companies in the group keep with their main providers have been established in contractual agreements and protocols that have been duly formalized, so that credit risk and risk involving the price of merchandise are reasonably well controlled and monitored by the Group's Board of Directors, in this way guaranteeing regular continuity in the group's operations and development for all of its various activities and business endeavors.

22. OTHER ACCOUNTS PAYABLE

As of December 31, 2010 and 2011, this line had the following breakdown:

	Current Liabilities		Noncurrent Liabilities	
	Dec-11	Dec-10	Dec-11	Dec-10
Creditors Due to Increases in Expenses	8 537 900	8 895 174	0	0
Investment Providers - Rental Fleet	4 213 837	6 194 678	8 062 726	2 480 095
Other Creditors	2 180 392	3 815 459	17 319 258	2 239 179
	14 932 129	**18 905 311**	**25 381 984**	**4 719 274**

In 2011, the unpaid amount for the Floor Plan was newly included in the line for other creditors, in the noncurrent section, thereby generating a change in this line from 2010 to 2011.

The line for increased expenses includes all increases in staff-related payments and burdens, interest to be liquidated, taxes and duties, and other miscellaneous operating expenses.

23. GOVERNMENT AND OTHER PUBLIC AGENCIES

As of December 31, 2010 and 2011, the line for "Government and Other Public Agencies" may be broken down as follows:

	Assets		Liabilities	
	Dec-11	Dec-10	Dec-11	Dec-10
Income Tax Withholding	0	0	487 376	193.368
Value Added Tax	1 725 263	1.226.600	2 774 784	3.274.440
Corporate Income Tax	222 399	0	1 710 124	412.822
Social Security Contribution	0	0	621 929	289.052
Other	37 639	33.342	174 203	0
	1 985 301	**1.259.941**	**5 768 416**	**4.169.681**

24. DEFERRALS – (LIABILITIES)

As of December 31, 2010 and 2011, the line for "Deferrals" may be broken down as follows:

Earnings to Be Declared	Dec-11	Dec-10
Sales and Services Provided to Be Declared	2 441 573	2 494 499
Other		124 717
Total	**2 610 580**	**2 619 217**

The group determines its revenue in accordance with the accrual method of accounting, independent of the time when it is received as income. At the end of each business year, all previously billed transactions for which the requirements allowing them to be declared as earnings for the business year have not been met are entered in this line as deferrals, in particular whenever any of the rights inherent in ownership of the assets that are the object of the transaction have not yet been transferred as of this date.

25. PROVISIONS AND LOSSES DUE TO CUMULATIVE IMPAIRMENT

The total movement occurring in provisions during the business years ending on December 31, 2010 and 2011, was the following:

						2011
Line	Balance Initial	Variation in Perimeter	Increases	Reversals	Settlements	Total
Losses Due to Cumulative Impairment in Accounts Receivable (Note 12)	13 150 575	4 875 609	2 755 133	(246 492)	(803 615)	19 731 210
Losses Due to Cumulative Impairment in Inventory and Stock (Note 11)	4 739 246	466 587	3 321 618	(2 466 600)	85 200	6 146 052
Provisions	729 529	160 696	502 545	(208 053)	405 508	1 590 225

						2010
Rubricas	Balance Initial	Variation in Perimeter	Increases	Reversals	Settlements	Total
Losses Due to Cumulative Impairment in Accounts Receivable (Note 12)	11 448 753	709 390	1 285 762	(383 642)	90 312	13 150 575
Losses Due to Cumulative Impairment in Inventory and Stock (Note 11)	5 051 862	533 000	1 077 422	(1 096 494)	(826 544)	4 739 246
Provisions	1 325 393	0	73 653	(66 108)	(603 408)	729 529

As of December 31, 2010 and 2011, the breakdown for the "Provisions" line appearing on the front of the balance sheet was as follows:

	Dec-11	Dec-10
Provisions for Warranties	499 896	655 876
Legal Proceedings Underway	116 696	0
Other Provisions	973 633	73 653
Total	**1 590 225**	**729 529**

In the line for Provisions for Warranties, the Group discloses its most accurate estimates of all ongoing obligations of uncertain timing associated with warranties provided to clients as part of the normal course of operations.

On the line for Legal Procedures Underway, the most accurate estimates available for the overall amount of outflows potentially occurring in the future as a result of court actions undertaken by third parties are also disclosed.

In Other Provisions, a complete set of estimates for all other ongoing obligations of uncertain timing not included in either of the other two above-mentioned categories is displayed.

Given the unforeseeable nature of the exact moment when reversal of provisions will occur, as well as the nature of their intended use, the Group has not carried out any updates for these amounts.

26. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate derivatives

The Board of Directors regularly assesses the degree of the Group's exposure to various risks inherent in the activities of various companies, namely price risk, interest rate risk, and foreign currency risk.

As of the dates of December 31, 2010 and 2011, the Group did not sign contracts for any instruments establishing forward rate locks.

On the other hand, even though an increasingly larger portion of the Consolidated Balance Sheet was becoming subject to the impact of exchange rate variations (Euro/Dollar and Euro/Turkish Lira) (see Note 2.3.(u)(i)), exposure was still considered to be of a limited degree.

As such, as of the dates of December 31, 2010 and 2011, the group had not negotiated any sort of derivative financial instruments.

All the same, at the end of the 2011 year of business there did exist a loan taken out in USD for 4,950,000, which was designated as a natural hedge for liquid investments in the American affiliate ASC USA, whose equity as of December 31, 2011, was 43,538,670 USD.

					Dec-11
	Item Hedged		Hedging Instruments		
Accounting of Hedging for Each Kind of Risk that May Require Hedging	Description	Registered Amount	Description	Total	Portion Designated as Hedging Instrument
Accounting of Hedging for Each Kind of Risk that May Require Hedging	Investment in the Capital Stock of ASC USA, Inc.	11 900 000	Bank Loan from BPI Expressed in USD	4 950 000	4 950 000
Totals		**11 900 000**		**4 950 000**	**4 950 000**

					Dec-10
	Item Hedged		Hedging Instruments		
Accounting of Hedging for Each Kind of Risk that May Require Hedging	Description	Registered Amount	Description	Total	Portion Designated as Hedging Instrument
Accounting of Hedging for Each Kind of Risk that May Require Hedging	Investment in the Capital Stock of ASC USA, Inc.	11 900 000	Bank Loan from BPI Expressed in USD	9 950 000	2 150 000
Totals		**11 900 000**		**9 950 000**	**2 150 000**

The Board of Directors of the AUTO – SUECO (COIMBRA) Group regularly monitors the Group's level of exposure to the variability of foreign exchange rates, and has conducted analyses of technical reports on the subject that may potentially prove useful in the future in order to justify the negotiation of hedging instruments more adequately suited to the types of respective risks.

27. FINANCIAL COMMITMENTS OUTSTANDING AND NOT INCLUDED IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of December 31, 2010 and 2011, the AUTO – SUECO (COIMBRA) Group had the following outstanding financial commitments:

Obligations	Dec-11	Dec-10
for discounted bills	0	0
for open credits	0	0
for commitments to buy back sold equipment	11 909 517	9 637 514
for guarantees provided	0	0
Total	**11 909 517**	**9 637 514**

Types	Dec-11	Dec-10
Warranties granted to importers of represented brands	1 419 000	1 763 546
Warranties granted in public bids	366 730	34 371
Warranties for water, electricity, fuel or other similar utilities	78 418	77 018
Miscellaneous warranties	811 961	1 038 128
Total	**2 676 110**	**2 913 063**

28. INCOME TAXES

Income taxes declared for the business years ending on December 31, 2010 and 2011, are broken down as follows:

	Dec-11	Dec-10
Current Tax	6 596 807	1 520 746
Deferred Tax (Note 15)	3 030 457	320 071
Total	**9 627 264**	**1 840 818**

29. EARNINGS PER SHARE

Earnings per share may be expressed either as "basic earnings" or "diluted earnings."
Basic earnings per share are calculated by dividing all earnings and losses for the business year by the weighted average number of shares in circulation for the period.

Diluted earnings per share are calculated by dividing all earnings and losses for the business year by the weighted average number of shares outstanding for the period, and then adding the number of common stock shares that might possibly come to be issued as the result of all other instruments issued by the entity.

As deliberated by the partners on November 28, 2011, the parent company, Auto Sueco (Coimbra) was changed into a publicly-traded limited liability company, with capital stock in the amount of 15,000,000 Euros issued in 15,000,000 shares of a nominal value of 1 (one) Euro each.

During the 2011 year of business, no other movements involving the issuance/reduction or amortization of stock were verified, making the average number of ordinary shares in circulation during the year of business equal to 15,000,000.

Similarly, no other issues/amortizations of any kind of instruments capable of being converted into ordinary shares were issued.

There do not exist any shares with special rights and/or limited rights.
The statement for earnings per share is as follows:

	Dec-11	Dec-10
Net Income for Period	27 129 751	7 303 251
Average No. of Ordinary Shares	15 000 000	(a)
Average No. of Instruments Convertible into Shares	0	0
Basic Earnings per Share	**1,81**	**(a)**
Diluted Earnings per Share	**1,81**	**(a)**

(a) In the 2010 business year the company was a privately held company.

30. INFORMATION BY GEOGRAPHICAL MARKET AND BUSINESS

All major information concerning geographical markets and business activities as of December 31, 2010 and 2011, is disclosed in Note 32.

32. SALES AND SERVICES PROVIDED BY GEOGRAPHICAL MARKET AND BUSINESS

A detailed account of sales and services broken down by geographical market, as done by the companies in the group from each of their separate locations in the business years ending on December 31, 2011 and 2010, is as follows:

31. AVERAGE NUMBER OF STAFF MEMBERS

During the business years ending on December 31, 2010 and 2011, the average number of staff members hired by the Group was as follows:

Staff	Dec-11	Dec-10
Management + Management Staff	27	26
Administrative	312	241
Commercial	137	159
Aftersales	620	625
Total	**1 096**	**1 051**

It should be noted that, during the 2011 year, the acquisition of Glomak and its dependent companies represented an increase of 122 staff members in the group's average number of employees.

	Dec-11		Dec-10	
Market	**Value**	**%**	**Value**	**%**
Portugal	105 620 746	21,65%	112.062.089	31.93%
Spain	59 265 662	12,15%	61.388.442	17.49%
United States of America	127 240 677	26,08%	91.954.352	26.20%
Turkey	195 699 357	40,12%	85.536.892	24.37%
Total	**487 826 442**	**100%**	**350.941.775**	**100.00%**

In the following charts, we will present all major accounting lines from the Balance Sheet and Income Statement, likewise broken down for the year of 2011 according to the geographical markets in which the ASC Group operates :

2011	Portugal	Spain	United States of America	Turkey	Total
Noncurrent Assets					
Fixed Tangible Assets	31 140 539	27 413 742	35 567 127	2 796 138	**96 917 547**
Current Assets					
Inventory and Stock	41 816 111	18 862 476	48 801 950	29 124 223	**138 604 760**
Clients and Other Accounts Receivable	45 979 826	15 993 705	10 422 258	14 172 611	**86 568 399**
Noncurrent Liabilities					
Obtained Financing	50 843 415	11 836 554	8 568 927	22 819	**71 271 715**
Other Liabilities	5 130 372	767 993	35 581 243	0	**41 479 608**
Current Liabilities					
Suppliers and Other Accounts Payable	3 484 199	11 530 096	12 735 745	39 417 619	**67 167 659**
Obtained Financing	58 864 527	7 490 019	12 358 147	473 299	**79 185 992**

2010	Portugal	Spain	United States of America	Turkey	Total
Noncurrent Assets					
Fixed Tangible Assets	18 877 835	27 538 767	39 348 261	1 124 437	**86 889 300**
Current Assets					
Inventory and Stock	24 455 659	20 501 027	45 467 588	12 481 480	**102 905 754**
Clients and Other Accounts Receivable	38 959 172	16 607 024	13 108 029	12 497 825	**81 172 050**
Noncurrent Liabilities					
Obtained Financing	60 200 061	11 281 964	29 530 861	0	**101 012 887**
Other Liabilities	3 481 106	738 420	11 610 429	0	**15 829 955**
Current Liabilities					
Suppliers and Other Accounts Payable	16 483 306	10 170 678	17 913 149	7 905 256	**52 472 388**
Obtained Financing	28 148 154	11 678 610	18 078 296	120 126	**58 025 186**

2011	Portugal	Spain	United States of America	Turkey	Total
Sales and Services Provided	105 620 746	59 265 662	127 240 677	195 699 357	**487 826 442**
Cost of Merchandise Sold and Materials Consumed	(76 733 168)	(39 177 183)	(89 835 297)	(148 839 629)	**(354 585 277)**
External Supplies and Services	(12 562 500)	(11 054 363)	(4 352 455)	(15 330 903)	**(43 300 221)**
Staff-Related Expenses	(15 471 055)	(8 184 063)	(13 356 793)	(6 599 386)	**(43 611 297)**
Other Gains/ Losses	8 313 442	5 337 108	3 522 497	102 217	**17 275 264**
Net Income for Year of Business	800 447	765 644	5 700 955	19 862 705	**27 129 751**

2010	Portugal	Spain	United States of America	Turkey	Total
Sales and Services Provided	112 062 089	61 388 442	91 954 352	85 536 892	**350 941 775**
Cost of Merchandise Sold and Materials Consumed	(83 094 864)	(43 995 962)	(57 844 871)	(73 908 553)	**(258 844 251)**
External Supplies and Services	(10 888 597)	(6 698 269)	(5 146 342)	(5 272 608)	**(28 005 817)**
Staff-Related Expenses	(13 556 310)	(8 384 666)	(12 173 938)	(3 157 075)	**(37 271 988)**
Other Gains/ Losses	1 827 141	2 887 698	(838 904)	620 633	**4 496 567**
Net Income for Year of Business	1 592 321	893 394	1 052 849	3 764 688	**7 303 252**

In addition, the breakdown for sales and aftersales (parts and services) by business activity is as follows:

	Dec-11		Dec-10	
Activity	**Value**	**%**	**Value**	**%**
Construction Equipment	441 302 442	90,46%	289 511 775	82,50%
Vehicles	31 214 000	6,40%	45 227 000	12,89%
Trucks	15 310 000	3,14%	16 203 000	4,62%
Total	**487 826 442**	**100%**	**350 941 775**	**100%**

33. OTHER REVENUE AND GAINS

As of December 31, 2010 and 2011, the breakdown of the line for "Other revenue and gains" was the following: :

Description	Dec-11	Dec-10
Discounts for On Time Payment	28 751	13 934
Surplus Value from Disposal of Fixed Tangible Assets	4 886 282	796 119
Tax Estimate Surplus	0	218 471
Obtained Interest	0	1 040 873
Corrections Involving Prior Years of Business	50 749	0
Favorable Exchange Rate Differences	7 152 993	554 094
Gains in Inventory	0	79 678
Accidents	111 256	0
Other	13 211 943	3 741 007
Total	**25 441 975**	**6 444 176**

The increase in the overall value for this line in 2011 with respect to the amount witnessed in the previous year was fundamentally due to the following non-recurring situations:

(i) In the 2011 business year, the American subsidiary – ASC USA, sold of part of its dealership network in the State of Alabama for the total price of 7.7 million dollars, as a result of which a surplus value of 4.7 million Euros was achieved.

(ii) The entry for favorable exchange rate differences, which rose to 7.1 million Euros in the 2011 business year, fundamentally resulting from operating differences occurring in business operations in Turkey.

(iii) In 2011 the amount of 13 million Euros in the "Miscellaneous" line includes two non-recurring components:

a). 4.5 million Euros connected with negative Goodwill cleared against the takeover of the company GLOMAK, SGPS, S.A., as has already been mentioned in Note 9 of the appendix to this document.

This takeover of control resulted from the underwriting of a capital stock increase issued by this company for the amount of 7 million Euros, which was solely underwritten and paid for by Auto-Sueco Coimbra, S.A., as a consequence of which the shareholding of the ASC group in the capital stock of this company went up from 12% to 99.2%.

Concurrently with the takeover, the parent company prepared a special balance sheet to serve as an aid for all accounting made for the purchase. In this balance sheet, an adjusted equity value of 11.6 million Euros appeared, out of which Auto Sueco (Coimbra) S.A appropriated an amount of 11.5 million Euros, accordingly reporting a negative Goodwill in the amount of 4.5 million Euros.

b). 5.7 million Euros, in connection with a number of one-time offers of financial assistance received as credits from Volvo in order to help face adverse economic conditions in the Iberian peninsula, and support given for the development of business in Turkey.

34. OPERATING LEASES

Commitments taken on as of December 31, 2010 and 2011, for operating lease agreements were as follows:

Minimum payments for operating leases:	Dec-11	Dec-10
Up to one year	1 030 271	501 637
Over one year and less than five	2 579 118	544 516
Total	**3 609 388**	**1 046 153**

35. FINANCIAL RESULT

On December 31, 2010 and 2011, the financial result line had the following breakdown:

Expenses and Financial Losses	Dec-11	Dec-10
Interest Paid	7 334 738	5 369 026
Exchange Rate Differences	2 033 913	2 628 584
Total	**9 368 651**	**7 997 609**

Financial Revenue and Earnings	Dec-11	Dec-10
Obtained Interest	2 540 104	1 365 264
Other Financial Revenue and Earnings	0	558 672
Exchange Rate Differences	852 166	2 628 584
Total	**3 392 270**	**4 552 519**

36. RELATED ENTITIES

A related entity is a party that controls or is controlled by another party, or which has a significant influence over this party, has joint control, has a key role in management or as an inside member of legal entities that control the entity or of key management staff, or else a party that is a post-employment benefit plan for employees of the entity.

All balances and transactions between the parent company and its subsidiaries, or between subsidiaries, as related entities, are eliminated in the process of consolidation, and accordingly will not be disclosed in this Note. A detailed account of all balances and transactions between the AUTO – SUECO (COIMBRA) S.A. Group and its related entities may be summarized as follows:

Commercial and other debts	Receivable	Payable
Key Management	429 763	0

Pending balances with related parties	
In clients/other accounts receivable:	
Auto-Sueco, Lda	159 245
Ernesto Vieira & Filhos	0
In suppliers/other accounts payable:	
Auto-Sueco, Lda	2 055 168
Ernesto Vieira & Filhos	0

Transactions with related parties	
Auto-Sueco, Lda.	
Sales	212 135
Provided Services	836 945
Purchases	10 628 249
Other Expenses	696 978
Other Revenue	3 220

The group's relations with the entity Ernesto Vieira & Filhos are of an extremely scaled back importance, mainly consisting of the distribution of dividends, fund transfers for employee-related expenses, and withdrawals of funds for occupied rental space.

All sales and purchases of goods and services made with related entities were conducted at market prices.

37.CONTINGENT ASSETS AND LIABILITIES

In addition to the contingent liabilities and other contingent obligations disclosed in Notes 27 and 34, as of the end of 2011, all shares representing the capital stock of the company ASC TURK MAKINA were offered as collateral for the financing obtained from Banco Português de Investimentos (BPI) that was used to acquire this shareholding, for an overall amount of 32 million Euros.

38. REMUNERATION FOR MEMBERS OF CORPORATE BODIES

Total remuneration for all members of corporate bodies for the AUTO – SUECO (COIMBRA) S.A. Group in the 2010 and 2011 business years were as follows:

Corporate Bodies	Dec-11	Dec-10
Managing Board/ Directors		
Portugal	756 637	821 728
Spain	322 954	310 724
United States of America	384 457	280 606
Turkey	326 212	35 323
Total	**1 790 260**	**1 448 381**

39. REMUNERATION FOR CHARTERED PUBLIC ACCOUNTANT

Accounting fees paid to the accountancy firm PricewaterhouseCoopers & Associates Chartered Accountants, Ltd., in the 2010 and 2011 business years were as follows:

	Dec-11	Dec-10
Portugal	54 100	53 750
Spain	70 963	63 688
United States of America	129 067	113 148
Turkey	55 255	34 000
Total	**309 385**	**264 586**

40. EXTERNAL SUPPLIES AND SERVICES

On December 31, 2010 and 2011, the line for external supplies and services had the following breakdown:

	Dec-11	Dec-10
Subcontracts/ Specialized Work Projects	16 830 570	9 757 198
Publicity and Advertising	1 083 712	974 414
Safety and Security	487 564	173 931
Maintenance/Repairs/Tools	1 456 390	1 965 744
Office Materials/Technical Documentation	369 231	187 429
Electricity/fuel/water/other fluids	1 455 272	1 647 346
Travel and Accommodations/Staff	2 709 663	1 599 529
Shipment of Merchandise	1 015 853	1 674 732
Revenue and Leasing	7 158 250	6 482 038
Communications	966 984	619 021
Insurance	1 308 579	938 533
Cleaning, Hygiene and Comfort	654 783	407 361
Miscellaneous Supplies and Services	7 803 369	1 578 541
Total	**43 300 221**	**28 005 817**

41. STAFF

On December 31, 2010 and 2011, the line for staff had the following breakdown:

	Dec-11	Dec-10
Payroll	24 503 877	24 313 910
Social Charges	4 071 971	6 711 882
Employee Accident Insurance	623 576	76 622
Subsidies	1 492 906	0
Commissions	1 671 702	0
Awards and Bonuses	4 892 282	2 550 990
Compensation	1 990 738	524 599
Other Staff-Related Expenses	4 364 245	3 093 985
Total	**43 611 297**	**37 271 988**

42. OTHER EXPENSES AND LOSSES

On December 31 of 2010 and 2011, the line for other expenses and losses had the following breakdown:

	Dec-11	Dec-10
Unfavorable exchange rate differences	4 503 223	94 545
Taxes and Duties	1 266 294	692 817
Interest and Bank Fees	866 074	28 060
Tax Estimate Insufficiency	253 572	214
Corrections Involving Prior Years of Business	219 388	10 166
Donations	39 295	62 150
Distributions	10 132	6 649
Other Expenses	1 008 732	1 053 010
Total	**8 166 711**	**1 947 609**

43. INFORMATION ON ENVIRONMENTAL CONCERNS

The Group is adopting all necessary measures regarding environmental concerns in order to uphold all legislation currently in force.

The Board of Directors of the Group has deemed that in 2011 there do not exist any risks related with environmental protection and remediation, as it has not received any infractions regarding this subject at any time during the 2011 business year.

44. SUBSEQUENT EVENTS

On the 10th day of February, 2012, a new company was incorporated with tax residency in Mexico and its registered office in Mexico City. This company is entirely held by the group, with an initial capital of 50,000 Mexican pesos, underwritten and paid for by the following companies in the Group:

- Auto-Sueco Coimbra, S.A…………………… 49.000 Pesos
- Auto Maquinaria Tea Aloya, S.L………………..1.000 Pesos

This new company will serve as the representative for Volvo construction equipment for the entire Mexican territory, developing its business activities through a series of regional offices that will be progressively created as the company's activities are developed.

On April 13, 2012, an increase in the capital stock of this company was carried out for the amount of 21,540,000 Mexican pesos, entirely underwritten by Auto-Sueco Coimbra, S.A., for the purpose of providing the new company with the financial conditions necessary for it to develop its business.

45. APPROVAL OF THE FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on May 11, 2012. In addition, all appended financial statements from December 31, 2011, are pending approval at the next General Meeting. In the meantime, the Board of Directors of the Group expects that these statements will receive approval without any major alterations.

CONSOLIDATED STATUTORY AUDIT REPORT

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Consolidated Statutory Audit Report

(Free translation from the original in Portuguese)

Introduction

1 We have audited the consolidated financial statements of Auto-Sueco (Coimbra), S.A., comprising the consolidated statement of financial position as at December 31, 2011 (which shows total assets of Euro 410,091,164 and total shareholder's equity of Euro 139,810,872, including non-controlling interests of Euro 4,101,564 and a net profit of Euro 26,801,159), the consolidated statement of income by nature, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and the corresponding notes to the accounts.

Responsibilities

2 It is the responsibility of the Board of Directors to prepare the consolidated Directors' Report and the consolidated financial statements which present fairly, in all material respects, the financial position of the Company and its subsidiaries, the consolidated results and the consolidated comprehensive income of their operations, the changes in consolidated equity and the consolidated cash flows, as well as to adopt appropriate accounting policies and criteria and to maintain appropriate systems of internal control.

3 Our responsibility is to express an independent and professional opinion on these consolidated financial statements based on our audit.

Scope

4 We conducted our audit in accordance with the Standards and Technical Recommendations issued by the Institute of Statutory Auditors which require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement. Accordingly, our audit included: (i) verification that the Company and its subsidiaries' financial statements have been appropriately examined and, for the cases where such an audit was not carried out, verification, on a sample basis, of the evidence supporting the amounts and disclosures in the consolidated financial statements and assessing the reasonableness of the estimates, based on the judgements and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations; (iii) assessing the appropriateness and consistency of the accounting principles used and their disclosure, as applicable; (iv) assessing the applicability of the going concern basis of accounting; and (v) assessing the overall presentation of the consolidated financial statements.

5 Our audit also covered the verification that the consolidated financial information included in the consolidated Directors' Report is consistent with the consolidated financial statements.

6 We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda.
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Matriculada na Conservatória do Registo Comercial sob o NUPC 506 628 752, Capital Social Euros 314.000

Opinion

7 In our opinion, the consolidated financial statements referred to above present fairly in all material respects, the consolidated financial position of Auto-Sueco (Coimbra), S.A., as at December 31, 2011, the consolidated results and the consolidated comprehensive income of its operations, the changes in consolidated equity and the consolidated cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU.

Report on other legal requirements

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

June 1, 2012

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

Hermínio António Paulos Afonso, R.O.C.

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