2012

CONSOLIDATED ANNUAL REPORT AND FINANCIALS

ASCENDUM GROUP

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ASCENDUM GROUP

ONE OF THE WORLD'S LARGEST SUPPLIERS OF VOLVO CONSTRUCTION EQUIPMENT AND INFRASTRUCTURE.

- 54 YEARS OF HISTORY
- FAMILY-RUN CORPORATE GROUP
- MULTINATIONAL BASED IN PORTUGAL
- 1.100 EMPLOYEES
- PRESENT IN 5 GEOGRAPHIES: PORTUGAL, SPAIN, U.S., TURKEY AND MEXICO
- 25 000 MACHINES AROUND THE WORLD
- TURNOVER IN 2012: €500 MILLION

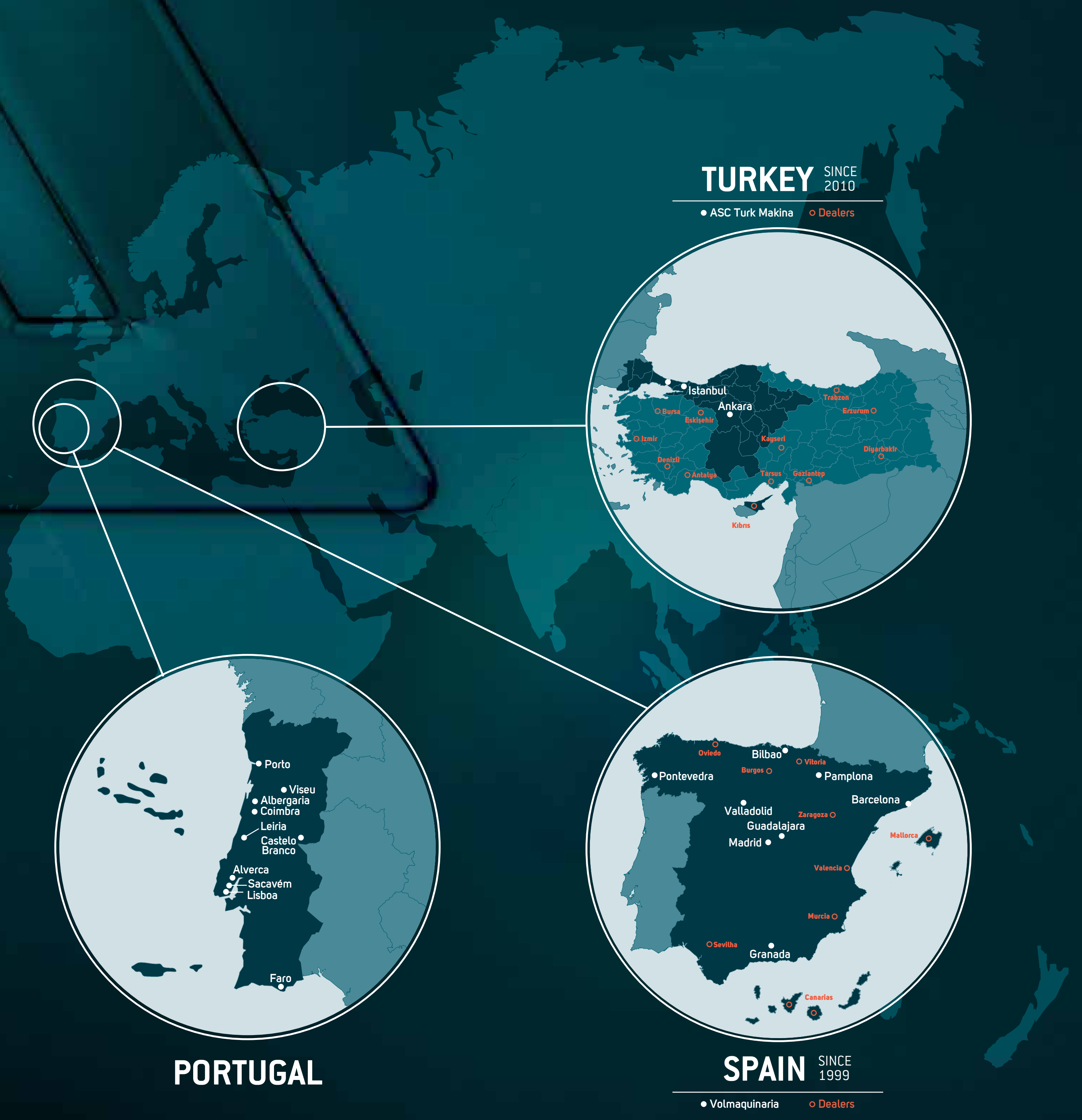
ASCENDUM GROUP AROUND THE GLOBE

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

MEXICO SINCE 2012

U.S. SINCE 2004

ASCENDUM GROUP



PORTUGAL

ASC MACHINERY
ASC 2 VEHICLES
VOLRENT

TRACTORRASTOS
AIR-RAIL (PORTUGAL)

Business areas: **Construction and Infrastructure equipment,cars and trucks**
Employees: **369**
Branches: **10**

SPAIN

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

Business areas: **Construction and Infrastructure equipment**
Employees: **142**
Branches: **17**

Volmaquinaria
Concessionários

U.S.

ASC CONSTRUCTION EQUIPMENT USA, INC.

Business areas: **Construction and Infrastructure equipment**
Employees: **173**
Branches: **16**

TURKEY

ASC TURK MAKINA
TRP
ART-HAVA

Business areas: **Construction and Infrastructure equipment**
Employees: **167**
Branches: **17**

ASC Turk Makina
Concessionários

MEXICO

ASCENDUM MAQUINARIA MEXICO

Business areas: **Construction and Infrastructure equipment**
Employees: **94**
Branches: **5 (20 until 2014)**

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MESSAGE FROM THE EXECUTIVE BOARD

Dear Shareholders,

Another year has ended, dominated by the international crisis. The markets of the Iberian peninsula recorded historic drops, situated at levels below the structural break-even point of our companies.
Despite this contingency, we managed to tighten our belts and react stoically, so that the "bill to be paid" was not even more painful.
In the United States, in spite of the results achieved, the economy is still far from providing the joys that we deserve, in light of the investment efforts made in the few years and the installed capacity, which under normal circumstances would not have allowed us to produce more than 50% of the revenue recorded.
Turkey, although continuing to be our star performer, suffered fiscal legislative changes, as well as the political risks inherent to its proximity with Syria, which did not allow us to take advantage of all of the potential that this market has to offer.
We have created a new business platform in Mexico. In nine months we managed to create a "work" of which we can all be proud, and we shall continue to grow, according to what we propose to do. The seeds that have been planted will, in the next few years, bear fruit which up to now we have been unable to harvest, which is understandable.
In 2013 we shall continue to invest, according to the Strategic Plan that we have set out, projecting the acquisition of new markets, according to the opportunities that present themselves, i.e., we shall pursue short-and medium-term growth and volumes, and expect the return on capital invested in the medium-and long-term.
A word for all of the 1,100 employees who have been with us this year, human capital which is vital for our success. To them, our thanks.
Finally, a special thanks for all of the Shareholders of the ASCENDUM Group, and especially our shareholders who have stayed with us and continue to support us.
We hope that in the future the ASCENDUM Group is strengthened and consolidated, for the benefit of everyone who believes in us.

March 22, 2013
The Executive Board of the ASCENDUM Group

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

CORPORATE BODIES AND GOVERNANCE STRUCTURE


02

CURRENTLY, THE STRUCTURE OF THE ASCENDUM GROUP IS SEPARATED INTO EXECUTIVE AND NON-EXECUTIVE DUTIES, BEING PERFORMED BY THE FOLLOWING BODIES:

ASCENDUM S.A.

Board of Directors
↓
General Assembly
↓
Executive Board

From left to right: Paulo Mieiro, João Mieiro, Ricardo Mieiro, José Leite de Faria, Angela Vieira, Carlos Vieira, Ernesto G. Vieira, Paulo Jervell, Tomás Jervell, Rui Faustino.

CORPORATE BODIES AND GOVERNANCE STRUCTURE

BOARD OF DIRECTORS:

- Ernesto Gomes Vieira **- President / *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 BOARD:

- 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 ASSEMBLY:

- 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

Represented by José Pereira Alves (Statutory Auditor) or by Hermínio António Paulo Afonso (Statutory Auditor)

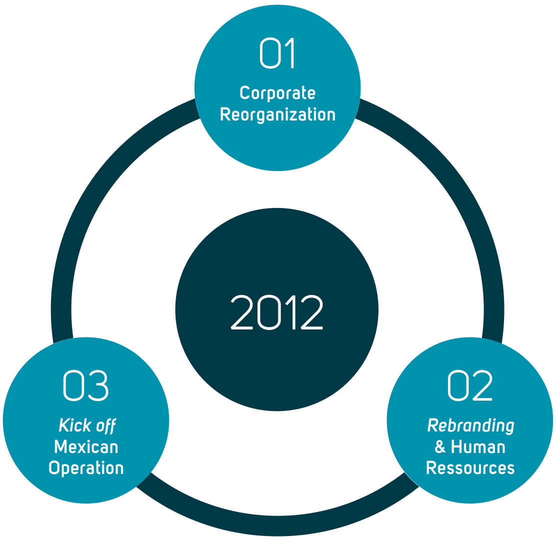
Alternate Auditor: António Joaquim Brochado Correia (Statutory Auditor)

HIGHLIGHTS

03

THE YEAR 2012 WAS FULL OF IMPORTANT EVENTS FOR THE ASCENDUM GROUP, FIRST, DUE TO ITS NAME CHANGE. THIS FACT, ALONG WITH A SET OF BROADER ORGANIZATIONAL CHANGES – REORGANIZATION OF THE EQUITY INVESTMENTS AND IMPLEMENTATION OF A NEW MODEL OF GOVERNANCE – WILL ALLOW THE GROUP TO BE PREPARED FOR AN EVEN MORE DEMANDING FUTURE, WHILE NOT FORGETTING THE LEGACY AND HISTORIC VALUES.

IN ADDITION TO THESE LANDMARKS FOR THE GROUP, WE SHOULD LIKE TO HIGHLIGHT THREE ASPECTS:



03.1.1 - 1. COMPANY REORGANIZATION

The year 2012, from a company standpoint, was one of consolidating the reorganization process in its two components (i) reorganization of equity investments of the ASCENDUM Group and (ii) adoption of a new transversal model of governance by the companies in the Group.

Company reorganization
With regard to the first component of the company, the most complex process was in Portugal, where the strategic management duties of the entire ASCENDUM Group were separated, now concentrated in the ASCENDUM, S.A. company and the different businesses of the Portuguese geographic platform - construction and industrial equipment and vehicles (cars and trucks).
Thus, over 2012 the following stages were completed:

- **Portugal:**
  - Concentration of equity investments in the geographic platforms of ASCENDUM, S.A. (an aspect to be completed in 2013, in the case of the ASC USA company);
  - Rearranging the equity investments in Portugal so that each business unit corresponds to a company: (i) industrial and construction equipment / ASC Máquinas e Equipamentos Industriais, Lda. and (ii) vehicles / ASC 2 Vehicles, Lda.
  - Concentration of all companies / business units in Portugal previously held by ASCENDUM, SA in the geographical platform of Portugal / ASCENDUM Portugal.

- **Spain:**
  - Concentration of all companies / business units in Spain previously held by VMCE in the geographical platform of Spain (to be completed in 2013).

- **Turkey:**
  - Concentration of all companies / business units in Turkey previously held by ASCENDUM, SA in the geographical platform of Turkey.

New model of governance
The new dual model of governance was successfully implemented throughout 2012, allowing a growing strategic coordination of the Group, supported by a separation of executive / non-executive duties (with the creation and operation of the Board of Directors and the Executive Board), while retaining the flexibility, focus and accountability of these responsible for operating each business.

At this level, the geographic platforms also completed the dissemination of the new governance model for the Group.

03.1.2 - REBRANDING AND HUMAN

03.1 - RELEVANT FACTS

RESOURCES

~~In 2012, a project was implemented in the Group developed~~ together with the Hay Group in the area of human resources, with three main objectives:

- Managing wages and performance – mapping duties and defining quantitative/qualitative variables for the respective assessment;
- Assessment of middle managers lines – diagnosis of skills and management of training needs;
- Preparing individual development plans and specific coaching programs based on the diagnostic made of skills.

As a corollary to a set of broader changes at the level of the ASCENDUM Group, namely the company reorganization and new model of governance, 2012 is marked by rebranding and a new corporate image of the Group, and by the development and structuring of an integrated policy at the level of human resources.

Thus, as part of the changes described previously, the time has come to change the designation of the Group, transmitting its real dimension from the viewpoint of business areas and geographic context, while respecting and perpetuating the values and culture that led us to where we are now:

- Business area (AUTO-Sueco Coimbra) – despite being the genesis of the Group, the vehicles segment is not currently the core area of the Group, which is why the association with AUTO is limiting;
- Geographic context (Auto-Sueco COIMBRA) – association with a Portuguese city does not allow us to project the current international dimension of the Group.

In this sense, based on the assumption of safeguarding the values that originated the Group (culture of excellence / overcoming), while not, however, failing to transmit an image that is more appealing and in line with the objectives of international growth, appears the name **ASCENDUM**.

This new name simultaneously allows (i) projecting the international dimension of the Group, and (ii) may be communicated in the different geographic regions that make up the Group, while maintaining the genesis of the Group (ASC).

03.1.3 - MEXICAN KICK OFF OPERATION

As a follow-up to the work developed in 2011, the ASCENDUM Group began in March 2012 the distribution of machinery and industrial equipment by Volvo Construction Equipment throughout the Mexican territory. This operation, contrary to previous growth operations by the ASCENDUM Group , was not merely an acquisition, but the establishment of a new operation, a fact that gives it a distinct complexity. In this sense, 2012 was a critical year for the development of the basic structure of the entire operation, namely: (i) at the level of establishing a distribution network – in the year the operation was launched, the ASCENDUM Group had 5 bases to challenge the market – Mexico, Guadalajara, Monterrey, Vera Cruz and San Luis Potosi (a number identical to the based held by the previous dealers in production), with the opening of 20 bases planned for 2014 – in the component of human resources with setting up and training the team (currently the ASCENDUM Maquinaria México has about 94 employees) (ii) with the development and harmonization of support processes / business information systems, and (iii) with the sharing of best business practices, with training given in the different areas (commercial, after sale, corporate duties) by employees of the different companies in the Group, steps which, taken together, will allow us to achieve a positive operating result in this first year and lead the Group to face the future of this operation with growing enthusiasm.

THE MAIN ECONOMIC-FINANCIAL AND OPERATIONAL INDICATORS ARE THE FOLLOWING:

MAIN ECONOMIC, FINANCIAL AND OPERATIONAL INDICATORS Figures expressed in thousands of euros	2012	2011R [5]	2011	Δ(12/11)	Δ(12/11R)
TURNOVER	500 391	487 826	487 826	3%	3%
EBITDA [1]	44 790	51 086	64 072	-30%	-12%
EBITDA Margin	9%	10%	13%	-4,2 pp	-15%
EBIT [2]	26 136	33 429	42 733	-39%	-22%
Net income without non-controlling interest	11 495	17 496	26 801	-57%	-34%
Equity without non-controlling interest	141 198	-	135 709	4%	-
Net Debt / EBITDA [3]	3,0x	-	1,9x	-	-
Net Debt / Equity [3]	0,9x	-	0,9x	-	-
Equity / Assets [4]	34%	-	34%	-0,5 pp	-
Number of employees	1 104	1 096	1 096	1%	1%

[1] Earnings before interest, taxes, depreciation and amortization
[2] Earnings before interest and taxes
[3] Net debt excluding amount of unpaid financial liabilities
[4] Quotient between average equity with non-controlling interest and average net asset
[5] 2011 adjusted for non-recurring items, for example, the sale of the Alabama dealership rights

03.2 - MAIN ECONOMIC-FINANCIAL AND OPERATIONAL INDICATORS

From an economic and financial viewpoint, and in an extremely difficult context, in 2012 the ASCENDUM Group, achieved a turnover of EUR 500 million and a net result of EUR 11.5 million, not compromising its financial soundness:

- Operating performance - In 2012, the ASCENDUM Group increased its volume of business by 3%, remaining only 7% below the amounts recorded in 2007, which was about EUR 538 million. The EBITDA decreased about 12% compared with the recurring EBITDA seen in 2011, due, essentially, to the increased operating expenses and unfavorable exchange rates (+2.2x compared with 2011). Despite the aforementioned, the efforts to implement the measures for optimization of the structure allowed us to obtain an EBITDA margin of 9% (decrease of 1pp in light of the recurring EBITDA margin shown in 2011) and a net result on the order of EUR 11 million.

- Financial soundness – along with the effort to optimize structure, and always careful to safeguard its financial situation, the ASCENDUM Group maintained its ratio of Net Debt/Equity on the order of 0.9x and financial autonomy on the order of 34%. The deterioration of the ratio Net Debt / EBITDA (from 1.9x in 2011 to 3.0x in 2012) arose, essentially, from legislative changes in Turkey that negatively influenced the cycle of working capital / cash flow of the company, which entails a peak effort by the treasury at the end of the year: (i) alteration of the rate of settled VAT from 18% to 1% for equipment sold with financing through leasing (it is important to note that for purposes of payment to the supplier the rate of VAT - settled VAT - remains at 18%), the reimbursement of which is only realized in February/March of the following year, and (ii) the need for payment of all machines acquired throughout the year up to the end of the calendar year. The increase in the level of equity capital resulted essentially from th positive variation (+ EUR 3.9 million compared with the previous year) of the fair value of investments available for sale.

THE ASCENDUM GROUP ORGANIZATION

04

04.1 - VISION

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

04.2 - CORPORATE VALUES

THE EVOLUTION OF ASCENDUM GROUP THROUGHOUT 2012 ALSO WENT THROUGH THE PROCESS OF SYSTEMATIZING THE CORPORATE VALUES CAPABLE OF EXPRESSING THE NATURE AND MISSION THAT GUIDE THE GROUP EVERY DAY. AS SUCH, THE GROUP DEFINED THREE ESSENTIAL CORPORATE VALUES THAT BEST REFLECT ITS REALITY:

A

ACHIEVING RESULTS

OUR NATURE

- Ability to execute and deliver results, with excellence and quality;
- Exigency and continuous improvement, revealing a sense of responsiveness and professionalism in everything we do;
- Entrepreneurial spirit, anticipating opportunities, innovating in the solutions and acting with initiative and pro-activity;
- Determining in the decision-making and resilience in times of adversity;
- Ambition and a desire to grow, seeking new challenges to continually build a better future.

S

SUSTAINABILITY

THE AMBITION FOR SUSTAINABLE GROWTH

- Long-term vision based on the endless search for sustained growth;
- Value creation for all our stakeholders (shareholders, customers, partners, employees and society);
- Financial strength of our business;
- Actions guided by the strictest principles of ethics, transparency and citizenship;
- Respect for our history and for the multicultural diversity that characterizes us.

C

COMMITMENT

THE PASSION FOR WHAT WE DO

- Commitment to our customers, acting in order to maximize their satisfaction;
- Commitment to our suppliers and partners, developing solid relationships based on trust and mutual gain;
- Commitment to shareholders, creating value in the delivery and continuos improvement for the business results;
- Commitment between all, marked by mutual trust, respect and team spirit;
- Commitment with the Organization, manifested by dedication, pride and sense of belonging to a multinational Group that aims to grow.

04.3 - ASCENDUM GROUP'S CHARACTERIZATION AND STRATEGY

04.3.1 - CHARACTERIZATION

Founded in 1959, the ASCENDUM Group is an international benchmark in the automotive sector, providing Construction and Industrial Equipment, Cars, Trucks and Parts, as well as technical assistance, complementing its offering with equipment leasing and logistics. In addition, the Group's business lines also extend to equipment for seaports, airports and railways, as well as the segment of multi-brand parts for industrial applications. With currently over 1,000 employees, the ASCENDUM Group is one of the largest distributors of Volvo Construction Equipment worldwide, with a direct presence in markets such as Portugal, Spain, the US, Turkey, Mexico and Africa.

At the same time, the Group developed a "follow the customer" solution that allows monitoring customers, extending this method to its presence in the African continent and in Eastern Europe and which, in light of it good results, is being evolved to an even stronger level which translates into what we call: to be with the customer. Being present throughout the entire value chain of the automotive sector, the ASCENDUM Group presents a portfolio of products / brands that is extensive and of superior quality with applications for such diverse industries as construction and public works, the mining industry, logistics, etc.

The excellent performance of the ASCENDUM Group in the markets where it operated have brought it to an outstanding position among VCE dealers, being currently recognized as one of the largest and best dealers worldwide. At the same time, the Group had achieved, in a recurring manner, superior performances – translated in terms of recognition, invoicing and market quotas – those of the Volvo CE itself as a dealer in the markets where it was established.

04.3.2 - PRODUCT PORTFOLIO

ASCENDUM Group operates under various trademarks, in different business areas (Construction Equipment, infrastructures, trucks and cars), with the following matrix:

		IMPORT	RETAIL	RENTING	AFTERMARKET	REMARKETING
PORTUGAL	Construction Equipment	**Thwaites Sandvik Visa Gomaco Yale Tremix Ponsse Perlini Sennebogen Rubble Master**	**Thwaites Sandvik Visa Gomaco Yale Tremix Ponsse Perlini Sennebogen Rubble Master** ASC MEI directly present throughout the entire country (4 locations)	**Volvo Rents** Volvo rental agencies in Lisbon, Porto and Pombal	**Tractorrastos**	**ASC Máquinas e Equipamentos Industriais**
PORTUGAL	Truks		**Mitsubishi** ASC 2 Vehicles directly present in 4 locations			
PORTUGAL	Cars		**Land Rover Jaguar Mazda Mitsubishi** ASC 2 Vehicles directly present in 4 locations			
PORTUGAL	Infrastructure Equipment	**Air-Rail**	**Air-Rail**	**Air-Rail**		
SPAIN	Construction Equipment	**Sandvik Lännen Solmec Taurus A-Ward**	**Sandvik Lännen** Via VMCE active both in 12 sub-dealerships and directly in Madrid, Catalunha, Galiza, Andaluzia and Valladolid	**Volmaquinaria**		**Volmaquinaria Multi brand**
SPAIN	Infrastructure Equipment	**Air-Rail Zephir**	**Air-Rail Zephir**	**Air-Rail Zephir**		
U.S.	Construction Equipment		**Sennebogen Doosan Konecranes LB Performance Sandvik ASC USA** in 5 states, active through 15 of its own branch offices	**ASC USA** in 5 states, active through 13 rental agencies	**ASC USA** in 5 states, active through 15 of its own branch offices	**ASC USA**
TURKEY	Construction Equipment	**Sandvik Chicago Pneumatic**	**Sandvik Chicago Pneumatic**		**TRP**	
TURKEY	Infrastructure Equipment	**Air-Rail**	**Air-Rail**	**Air-Rail**		
MEXICO	Construction Equipment	**Sennebogen**	**Sennebogen AMM** present throughout the country with 5 branches	**AMM** present throughout the country with 5 branches		**AMM** present throughout the country with 5 branches

04.3.3. - STRATEGY

The ASCENDUM Group has clearly defined a strategy based on two fundamental pillars of growth – on the one hand, to consolidate and expand the business segment of construction and industrial equipment, trucks and cars in order to maintain leadership in the markets where it has a presence, seeking, on the other hand, to diversify its activity through participation in new business lines and extending the product portfolio:

I - CONSOLIDATION AND EXPANSION OF THE BUSINESS (CE, TRUCKS AND CARS)

- Optimize current business;
- Launch business in other geographical platforms / emerging markets, and
- Expand core product portfolio to other brands.

II - DIVERSIFICATION OF THE BUSINESS BY PARTICIPATING IN NEW VENTURES / WIDENING PRODUCT PORTFOLIO

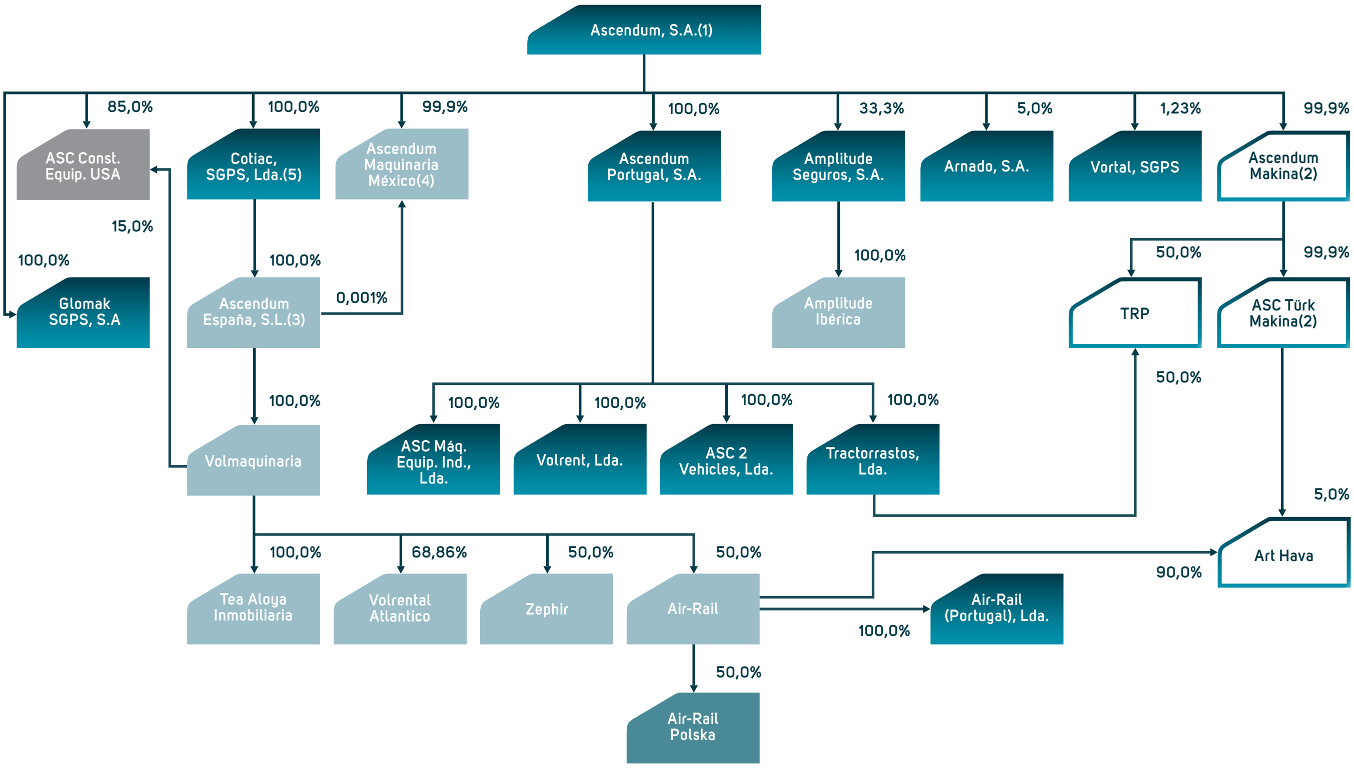
- Amplify product portfolio through the inclusion of infrastructure and agriculture equipment;
- Increase the presence in the segment of logistics equipment;
- Boost after sales multi brand business, and
- Expand service to include "turnkey" clients.

In 2010, important steps were taken to attain these objectives, through the acquisition of ASC Türk and the Air-Rail and Zephir companies, and, in 2012, the ASCENDUM Group achieved entry into Mexico, a market with size and growth potential.

In the future, the ASCENDUM Group will proceed with the process of internationalization, bearing in mind the two pillars of growth referenced above, representing markets such as Latin America, Africa and other emerging markets that are preferential targets for the Group, in order to operate counter-cyclically compared with the more mature markets where the Group already has a presence.

04.4 - ASCENDUM GROUP'S ORGANIZATIONAL CHART

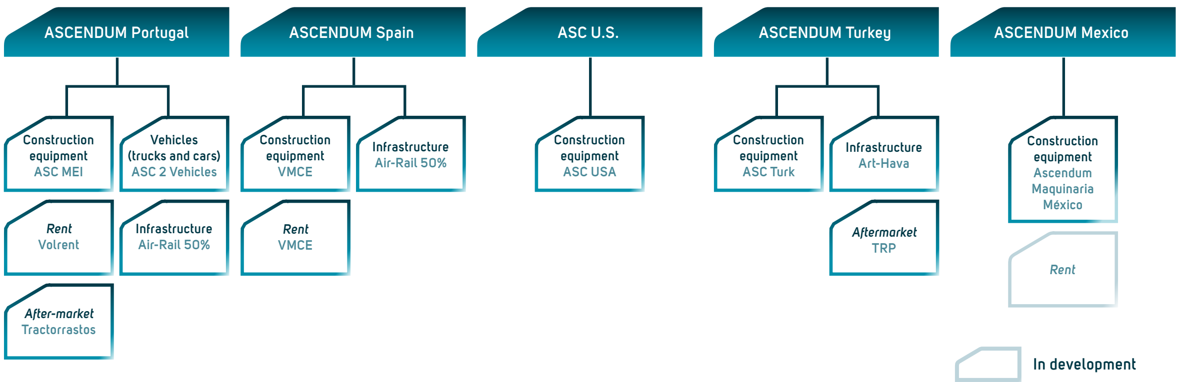
04.4.1 - COMPANY ORGANIZATIONAL CHART



(1) Ascendum, S.A. holds a 0,5% participation in Espirito Santo Financial Group (ESFG);
(2) Companies with 5 shareholders. The shareholders with residual participations are the following Ascendum Group companies: Cotiac, Ascendum Portugal, Tractorrastos and Volrent;
(3) Ascendum España, S.L. holds a 0,8% participation in BPI.
(4) Participations in ASC Maquinaria Mexico after capital increase completed in April and December 2012;
(5) Cotiac holds a small participation in BCP Bank.

04.4.2 - BUSINESS ORGANIZATIONAL CHART

At the same time, from an organizational viewpoint, the Group developed a management model based on the concept of geographic platform, aimed at maximizing existing synergies among different businesses:



04.5 - HUMAN RESOURCES

THE EMPLOYEES OF THE ASCENDUM GROUP HAVE BEEN A FUNDAMENTAL PART OF OUR SUCCESS DURING THE LAST 53 YEARS OF ACTIVITY.

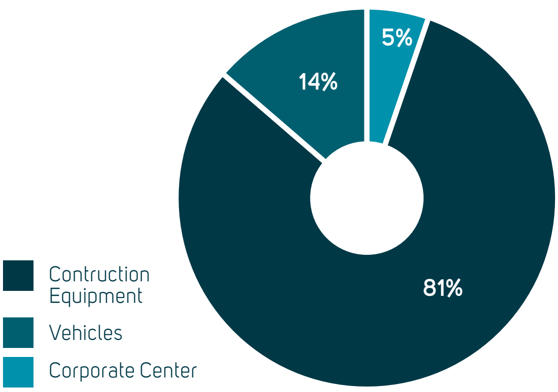
The Group seeks, through transversal Human Resources policies, adapted, however, to the specific reality of each geographic platform, to respond to the needs of the Group, always maintaining the objective of developing skills, motivation and self-confidence of the employees, promoting their training and continuing learning, as well as the alignment of the objectives of the employees and teams with the strategic objectives of the company.
For this reason, the ASCENDUM Group seeks to develop Human Resources policies that:

- Give value to the merits of results and the commitments made;
- Promote the unique culture of the ASCENDUM Group;
- Pay attention to employees, providing them with a high level of satisfaction;
- Convey internal equity;
- Contribute to the professional development of its employees;
- Create opportunities for career development.

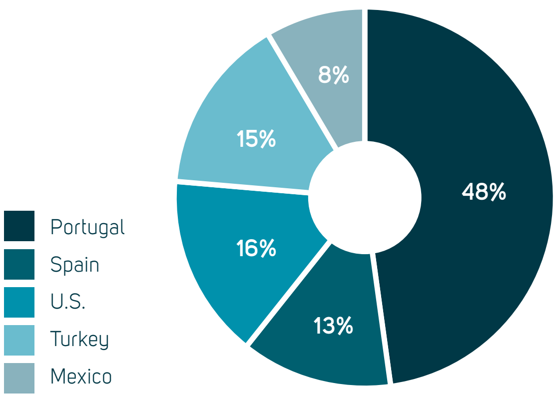
Who are the employees of ASCENDUM?

The ASCENDUM team is youthful, whose average age is 40 years among the 1,104 employees scattered throughout the world, who seek to respond to the challenges of business and the organization.

TOTAL EMPLOYEES (2012) - 1.104



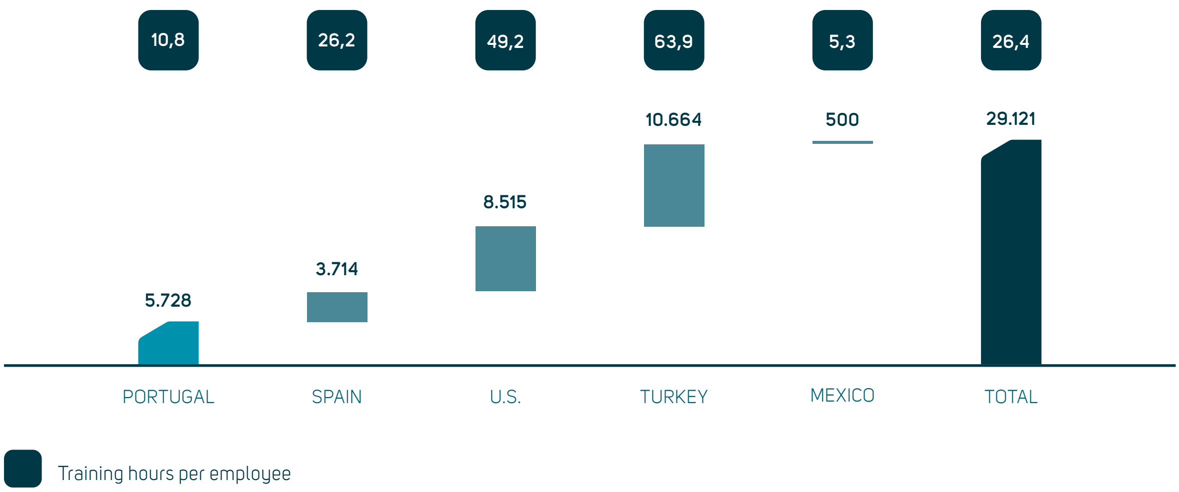
TOTAL EMPLOYEES (2012) - 1.104



The business area of construction equipment accounted for most of the operations of ASCENDUM, and included about 81% of all employees of the Group.
In light of the retail presence in three business areas – cars, trucks and construction and industrial equipment – Portugal has about 48% of the employees of the ASCENDUM Group.

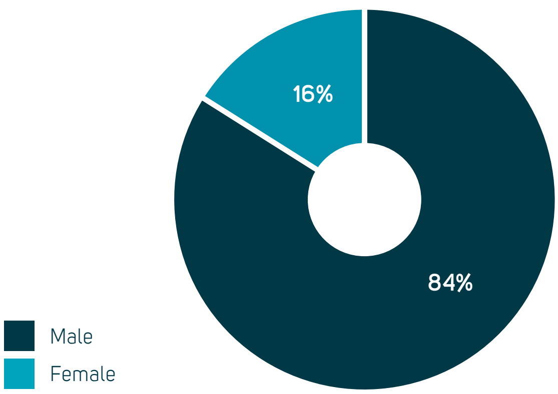
In terms of training, it is important to note the plan put into practice at each of the geographic platforms, which totaled, in consolidated terms, about 29 thousand hours of training, or an average of 26.4 hrs./year per employee. This investment in training arises, essentially from the qualification required of employees of the ASCENDUM Group at the level of services provided to the end client, and is reflected in the systematic recognition by the company, through the attribution of numerous awards to company employees at the international level, namely in the category of mechanical improvements of the Volvo CE - "Volvo Masters Cup".

Total training hours of ASCENDUM Group

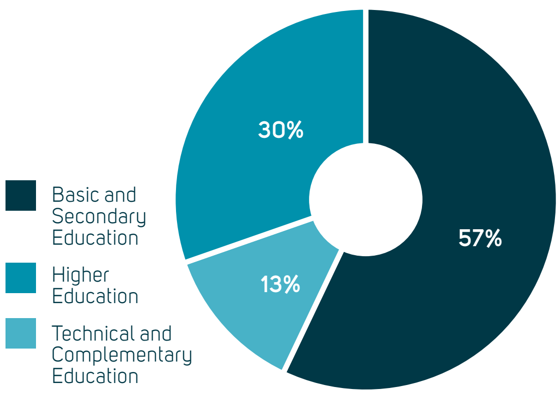


In terms of division by gender, on December 31, 2012, the structure of human resources of ASCENDUM Group consisted mainly of male employees, representing about 84% of the total of the structure.

TOTAL EMPLOYEES IN 2012 (1.104) BY GENDER



TOTAL EMPLOYEES IN 2012 (1.104) BY LEVEL OF EDUCATION



With respect to the literary skills of the employees of the Group, about 57% completed primary and secondary education, 30% attended higher education and 13% completed complementary and technical education.

The satisfaction of ASCENDUM employees

The ASCENDUM Group is dedicated to the satisfaction of its employees and their professional development. According to the Organizational Climate Study, 68% of employees showed a favorable tendency towards the ASCENDUM Group: a positive result, above average in the market.

In the same sense, according to the study, 81% of the employees are proud to be a part of the company. The integration of the employees and the training activities are also strong points in the organizational culture of ASCENDUM.

Value proposal from the ASCENDUM Group to the employees

The ASCENDUM Group, as a multinational company, focused on transversal growth in all geographical areas where it operates, offers its employees a value proposal that allows the development of skills, providing career opportunities to who who are part of it. In this sense, the employees of the ASCENDUM Group can expect:

- Being integrated in a solid project with a future, being part of a Group with ambition and perspectives for overall growth, with a history of proven financial soundness;
- Opportunities for development, learning and geographic mobility, due to the diversity of the markets where they operate and the constant need to maintain its most talented people, recognizing their performance. The ASCENDUM Group values international experience, sponsoring opportunities for the international mobility of its employees, in the belief that this is an advantage for its staff and for the company;
- Reputation in the market, as a privileged partner with its clients, with ample recognition in the markets where it operates for its consolidated experience, and for its partnership with one of the best brands of the sector in the world: Volvo;
- Recognition: opportunities for recognition and compensation for its employees, aligned with the best practices of the markets where it operates;
- A culture of individual and team appreciation: promoting good performance and the achievement of individual and team results, contributing to long-term sustainability and commitment by all to clients, business partners and employees.

SUMMARY OF INDICATORS	2012	2011R [9]	2011	Δ(12/11)	Δ(12/11R)
Turnover	500.391	487.826	487.826	2,6%	2,6%
EBITDA [1]	44.790	51.086	64.072	-30,1%	-12,3%
EBIT [2]	26.136	33.429	42.733	-38,8%	-21,8%
Net income with non-controlling interest	10.622	17.825	27.130	-60,8%	-40,4%
Net income without non-controlling interest	11.495	17.496	26.801	-57,1%	-
Net income margin	2,1%	3,7%	5,6%	-3,4 pp	-1,5 pp
Cash flow [3]	27.584	-	45.648	-100%	-
Cash flow without sales	5,5%	-	9,4%	-9,4 pp	-
Net Assets	436.007	-	410.091	6,3%	-
Financial liabilities [4]	147.187	-	150.458	-2,2%	-
Equity with non-controlling interest	143.777	-	139.811	2,8%	-
Equity without non-controlling interest	141.198	-	135.709	4,0%	-
Invested capital [5]	290.964	-	290.269	0,2%	-
Net income to equity [6]	7%	-	19%	-12,0 pp	-
Equity / Assets [7]	34%	-	34%	-0,5 pp	-
Return on capital [8]	9%	-	15%	-6,0 pp	-
Number of employees	1.104	1.096	1.096	0,7%	-

Figures expressed in thousands of euros

[1] Earnings before interest, taxes, depreciation and amortization
[2] Earnings before interest and taxes
[3] Net income with non-controlling interest, amortization and depreciation of the period and variation of provisions
[4] Total financial liabilities excluding unpaid financial liabilities
[5] Equity with non-controlling interest, financial liabilities and other obligations off-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
[9] 2011 adjusted for non-recurring items, for example, the sale of the Alabama dealership rights

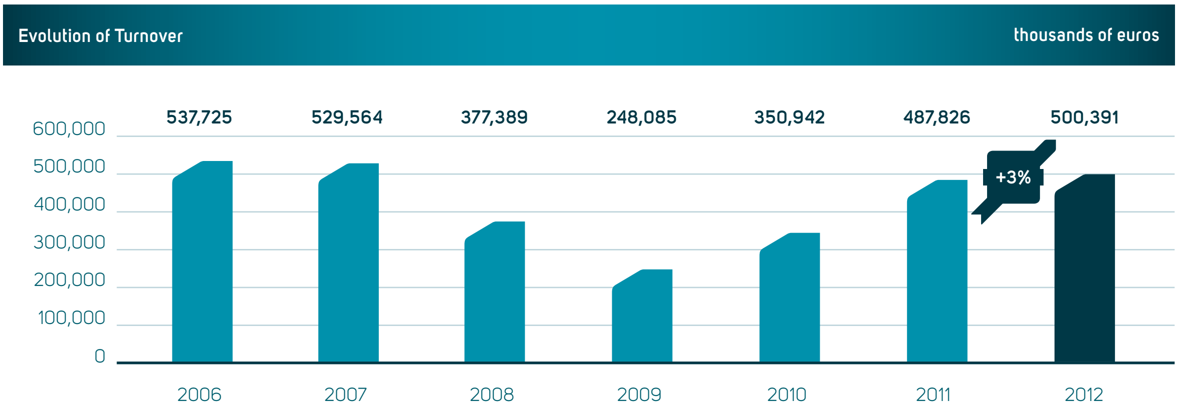
In terms of performance, despite adverse market conditions – which in the group consisting of Portugal, Spain and the USA, fell about 70% compared with the peak year (2006) –, the Group showed positive performance that translated into a volume of business of EUR 500 million, an EBITDA of EUR 45 million (EBITDA margin of 9%) and a net result of EUR 11 million.

The positive performance shown by the ASCENDUM Group throughout 2012, results not only from all of the efforts made in the last two years related to optimizing the structure and consequent improvement of the levels of efficiency, but also from the consolidation of its position in the markets where it operates and the consideration of a new market – Mexico. Thanks to the success of its growth strategy, and the sharing of the best practices in all of the geographic regions where it operates, the ASCENDUM Group achieved a track record of trust and the creation of exceptional value, that translates, year after year into positive economic and financial performance.

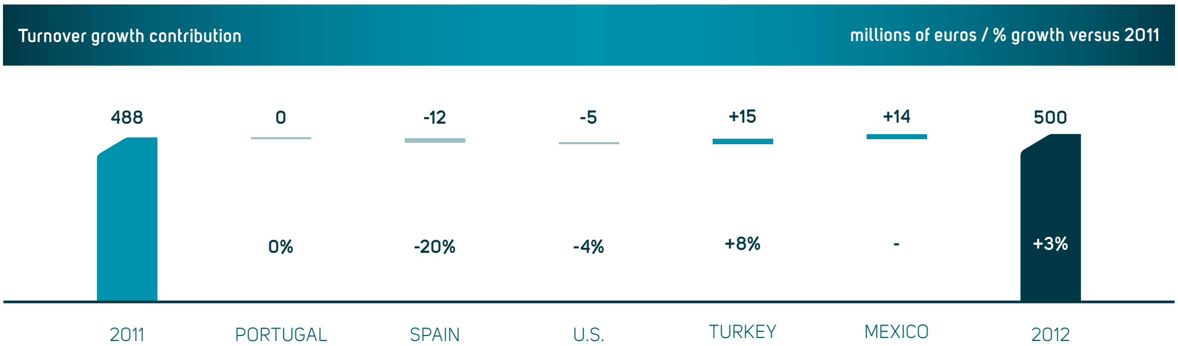
04.6 - MAIN CONSOLIDATED INDICATORS

04.6.1 - TURNOVER

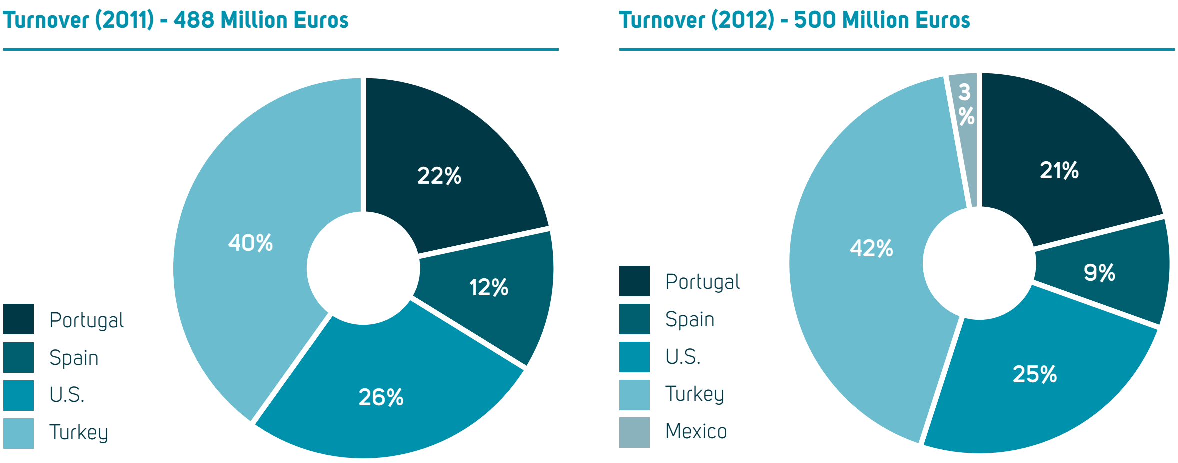
In 2012, the turnover of the ASCENDUM Group increased 3% compared with 2011, to about EUR 500 million, resulting, essentially, from the contributions of the revenue generated by the international operations of Turkey and the US.



In individual terms, the positive contributions of Turkey and Mexico compensated for the negative impact of the Iberian peninsula market, that derived essentially from the adverse economic outlook that was felt and that strongly affected activity in Portugal and Spain.

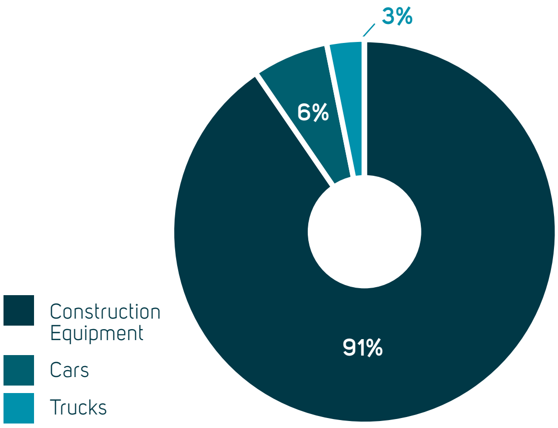


As was seen in 2011, the external markets assumed a weight relative to the consolidated volume of business of the Group (Spain, US and Turkey) of 79%.

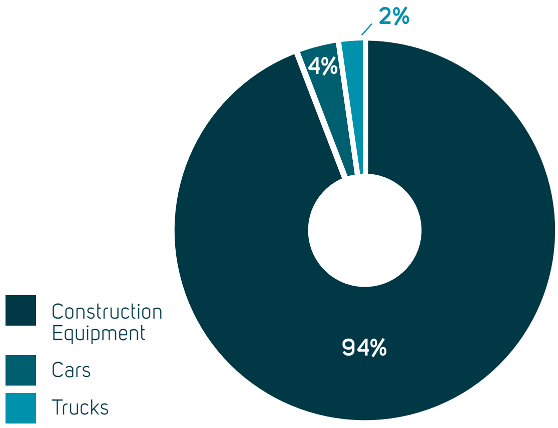


With respect to the business areas, the segment of construction equipment, the preponderant area in ASCENDUM operations, increased its weight compared with 2011, representing, at the end of 2012, 94% of the volume of business of the ASCENDUM Group. The business area of Cars saw its relative importance decrease compared with 2011 by virtue of the strong decrease in the market, of about 4%. Also, the area of Trucks saw a decrease in its weight in the volume of business of the ASCENDUM Group, representing 2%, compared with the 3% recorded in 2011.

Turnover (2011) - 488 Million Euros



Turnover (2012) - 500 Million Euros



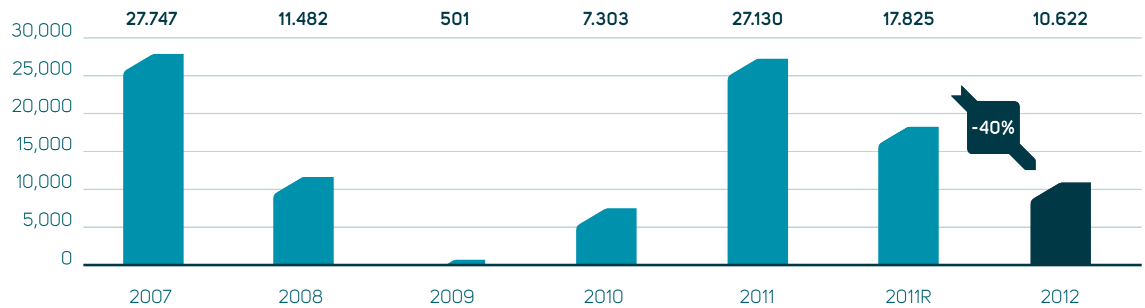
04.6.2 - EBIT

In 2012, the EBIT of the ASCENDUM Group rose to EUR 26.1 million, showing a decrease of 22% compared with the recurring EBIT for 2011.
This decrease is explained, along with the negative impact of the macroeconomic and sectoral context in the results for the ASCENDUM Group, by the increase in differences in unfavorable exchange rates (+2.2x compared with the previous year) and expenses related to supplies and external services (+18% compared with 2011).

04.6.3 - NET INCOME

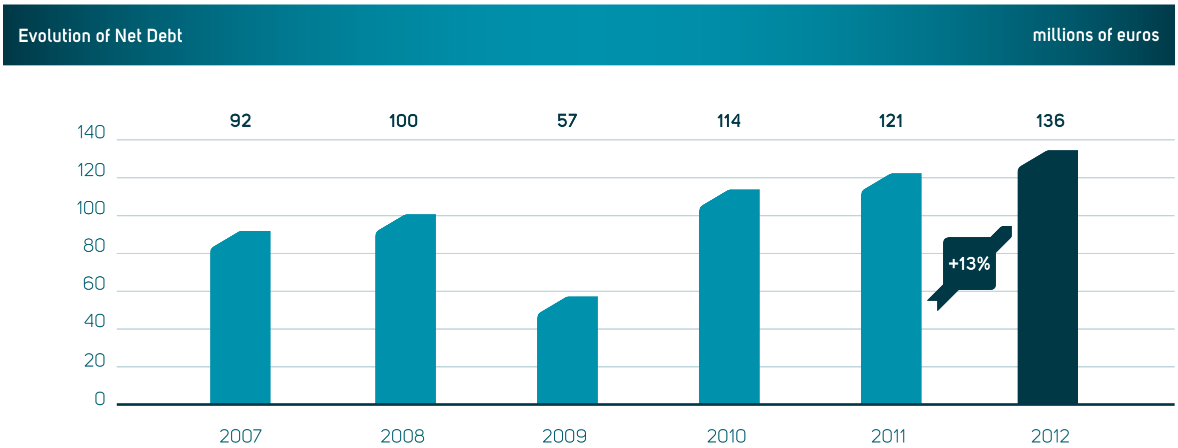
In 2012, the efforts of the ASCENDUM Group in the sense of stimulating their activity and optimizing its structure were not enough to mitigate the negative impact of market evolutions, essentially in the Iberian peninsula, in the net consolidated result of the Group (with non-controlled interests). In this sense, the results for the Group decreased about 60% compared with 2011 (40% compared with the recurring net result of 2011) standing at about EUR 10.6 million.

Evolution of Net Income thousands of euros



04.6.4 - CONSOLIDATED NET DEBT

On December 31, 2012, the consolidated net debt rose to EUR 136 million compared with EUR 121 million on December 31, 2011.



In turn, the consolidated gross debt rose to EUR 147 million, of which 48% were medium- and long-term (equal to EUR 71 million) and 52% were short-term (equal to EUR 76 million). At the end of the year, the ratio of coverage of the EBITDA for net debt was 3.0x, while the ration of coverage for Equity Capital for net debt was about 0.9x.

The increase in net debt had as its main driver the legislative changes in Turkey that negatively influenced the cycle of working capital / cash flow of the company, which entails a peak effort by the treasury at the end of the year: (i) alteration of the rate of settled VAT from 18% to 1% for equipment sold thorough financing through leasing, the reimbursement of which is only realized in February/March of the following year, and (ii) the need for payment of all machines acquired throughout the year up to the end of the calendar year.

04.6.5 - NET ASSET AND EQUITY CAPITAL

In 2012, the Net Asset of ASCENDUM Group totaled EUR 436 million, representing an increase of approximately EUR 26 million compared with 2011, essentially in the following headings:

- ### Goodwill (+EUR 2 million)
  During the fiscal year 2012, a new company was set up in Mexico, for which the ASCENDUM Group acquired from the local distributor, the representation rights of Volvo for the entire United Mexican States for USD 1,650,000, equal to EUR 1,232,183. Under its contractual conditions this amount was recognized as an asset with an indeterminate lifespan. In addition, still in the fiscal year 2012, goodwill was increased by EUR 752,620 as a result of the adjustment, due to the exchange variation EUR/TRL, from the goodwill associated with the acquisition in 2010 of ASC Türk.

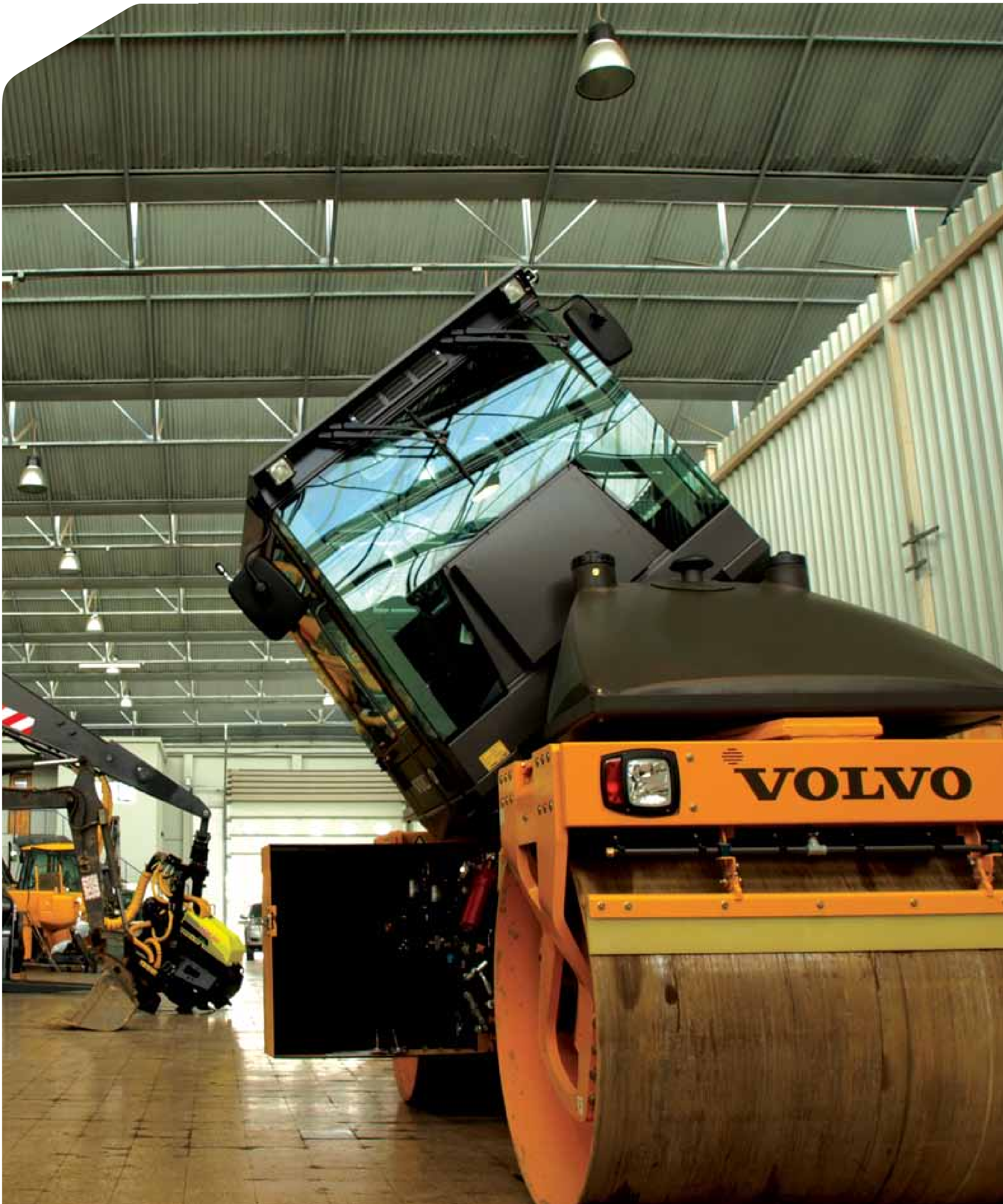
- ### Financial holdings (+EUR 12 million)
  The increase in the heading for financial holdings compared with 2011 is bound, essentially, to the purchase by ASCENDUM, S.A., in 2012, of 1,020,000 shares of Espírito Santo Financial Group, S.A. (ESFG) for the price of EUR 4,998,000 and of 3,206,032 shares of Banco Português de Investimentos, S.A. (BPI) for the price of EUR 1,603,016. At the same time, in the fiscal year 2012, financial investments held for sale were set in motion by the valuations that occurred in the fiscal year in the overall amount of EUR 5,422,458.

- ### Inventories (+ EUR 15 million)
  With regard to the level of inventories, the decreases seen on the Iberian peninsula (EUR 11 million) as a result of the slowdown in activity were compensated by the increase seen in the US, Turkey and Mexico (EUR 26 million). The inclusion of ASCENDUM Maquinaria México in the consolidation perimeter of the ASCENDUM Group had an impact of about EUR 4.0 million on the total inventories for the Group.

In turn, the Equity Capital (with non-controlled interests) rose to EUR 144 million in 2012, representing an increase of 3% compared with 2011, equal to EUR 4 million, explained by the positive variation (+ EUR 3.9 million compared with the previous year) of the fair value of the assets held for sale (ESFG and BPI).

MACROECONOMIC FRAMEWORK

05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05.1 - GLOBAL ECONOMY

IN 2012, THE GLOBAL ECONOMY SHOWED A RHYTHM OF GROWTH LOWER THAN IN 2011, WITH AN ESTIMATED RATE OF REAL GROWTH OF THE GROSS DOMESTIC PRODUCT (GDP) OF AROUND 3.3% IN 2012, COMPARED WITH 3.8% IN 2011.

As in previous years, the countries with emerging economies reaffirmed their importance on a global scale, by contributing on average with a rhythm of growth greater than countries with advanced economies. However, 2012 was also marked by a series of occurrences with a negative impact on a global scale, such as the sovereign debt crisis in the euro area, and the inability of the American economy to show a solid recovery after the recession of 2009. Indeed, we saw a slowdown in the growth of the advanced economies, from 1.6% in 2011 to 1.3% in 2012, as well as emerging economies that recorded a decrease from 6.2% in 2011 to 5.3% in 2012.

MACROECONOMIC INDICATORS	Units	World	China	Japan	Euro Zone	Portugal	Spain	U.S.	Turkey	Mexico
Population										
2012E	Millions	7 000	1 354	128	333,5	10,7	46,3	314,3	74,9	114,9
CAGR (2013-2016E)	%	n.a	0,5%	-0,3%	0,2%	0,1%	0,4%	1,0%	1,2%	1,0%
Gross Domestic Product										
2012E - nominal	B USD	71 277	8 250	5 984	12 065	211	1 340	15 653	783	1 163
2012E - growth	%	3,3%	7,8%	2,2%	-0,4%	-3,0%	-1,5%	2,2%	3,0%	3,8%
CAGR (2007-2012E)	%	2,9%	18,7%	6,6%	-0,2%	-1,3%	-0,9%	0,6%	3,2%	1,6%
CAGR (2013E-2016E)	%	4,4%	10,0%	2,6%	1,5%	1,6%	1,4%	3,2%	4,2%	3,4%
Other Indicadors (2012E)										
Inflation	%	4,0%	3,0%	0,0%	2,3%	2,8%	2,4%	2,0%	8,7%	4,0%
GFCF - growth	%	n.a	n.a	4,1%	-1,2%	-14,9%	-8,9%	6,7%	0,6%	6,9%
Unemployment rate	%	n.a	4,1%	4,5%	11,2%	15,5%	24,9%	8,2%	9,4%	4,8%
Gross Public Debt (% do GDP)	%	n.a	22,2%	236,6%	93,6%	119,1%	90,7%	107,2%	37,7%	43,1%
Corporate income tax (or equivalent)	%	n.a	25%	38%	n.a	25%	30%	40%	20%	30%
VAT (or equivalent)	%	n.a	17%	5%	n.a	6/13/23%	4/10/21%	n.a	1/8/18%	11%/16%
Reference int. rates (Central Banks)	%	n.a	6,0%	0,1%	0,75%	0,75%	0,75%	0,25%	9/12/5,5%	4,5%

Notes: i) world population data is merely a rough estimate; ii) Reference interest rates of the Turkish Central Bank refer to the "Overnight interest rate", "Late liquidity window" and "1-week repo rate", respectively.

Sources: IMF (Economic Outlook - October 2012), AMECO (for GFCF), KPMG (for Corporate income tax and VAT rates), Central Banks (for the respective reference interest rates)

In the framework of the euro area, em 2012, we witnessed a broadening of tensions in the sovereign debt markets of countries such as Italy and Spain, presenting a growing challenge to the monetary union given the weight of these economies. Indeed, the difficulties in the Spanish banking system required the assistance of the European Financial Stability Facility, which financed a bailout of about EUR 100 billion to Spanish banks. From a global perspective, the crisis in the euro area continues to affect the growth of its main economic partners.

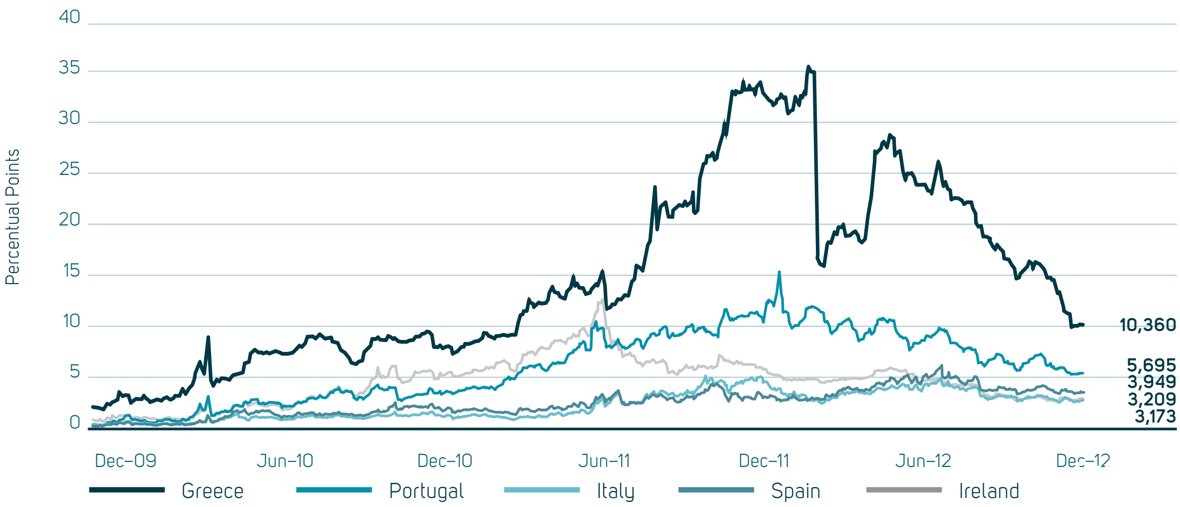
Within this adverse contest, 2012 was a year of unconventional methods by the Central Banks of some of the world's main economies, notably for the activity by the activity of the European Central Bank (ECB) and the US Federal Reserve (FED), who opted to carry out diverging measures.

In the euro area plan, and in order to ensure the survival of the euro itself, the ECB decided to start a policy of purchasing sovereign debt in the secondary market in order to break the link between sovereign debt and banking risk and restore the proper operation of the transfer mechanism of the monetary policy. This measure had a notable impact in mitigating the existing pressure on the countries in the euro area, relieving the yields of the 10-year sovereign debt for the countries where interventions occurred or who were at risk for them.

(as of December 31st 2012)	GREECE	PORTUGAL	ITALY	SPAIN	IRELAND
10-year sovereign bond yields (%)	11,7%	7,0%	4,5%	5,3%	4,5%
Spreads *versus* Germany (p.p.) (*)	10,4 p.p.	5,7 p.p.	3,2 p.p.	3,9 p.p.	3,2 p.p.

(*) Corresponds to the difference between the 10-year sovereign bond yields of each country and the 10-year sovereign bond yield of Germany as of the 31st of December of 2012 and which amounted to 1,3,16%.

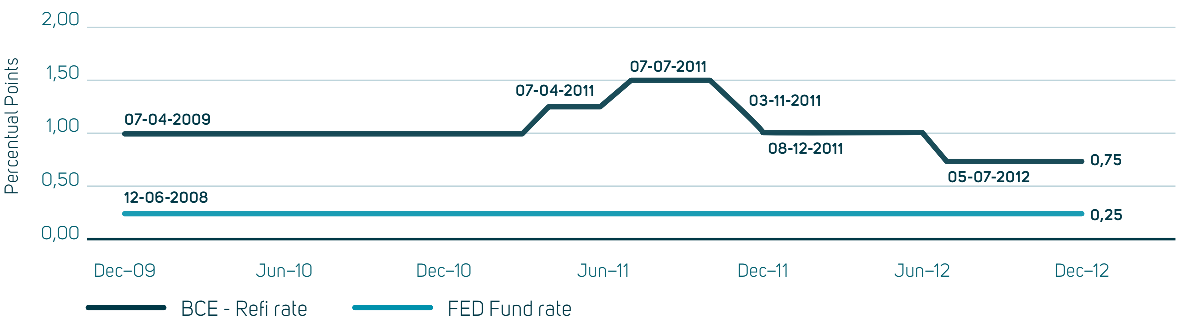
Spreads of the 10-year sovereign bond yields *versus* Germany (%) Source: Bloomberg



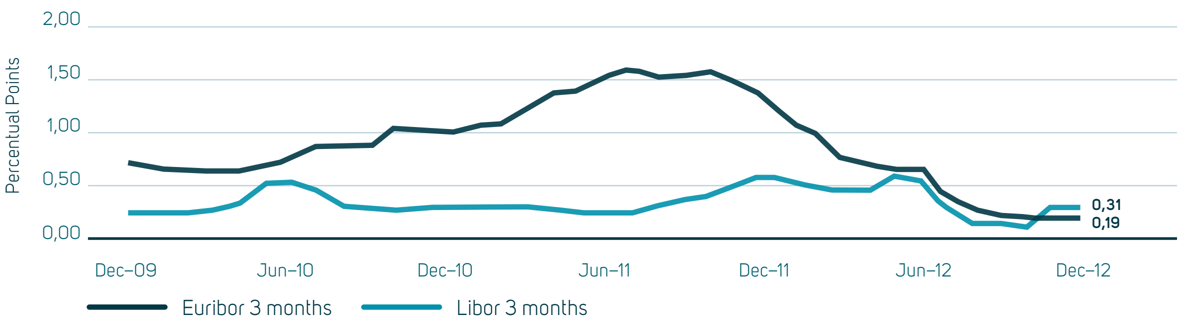
On the other hand, in light of the weak performance of the US economy, namely in the recovery of the labor market after the 2009 recession, the FED decided to implement a program of purchasing assets. It is expected that the program to inject liquidity into the US economy will be maintained until there is a substantial improvement in the labor market, especially the rate of unemployment.

Having begun 2012 with a reference rate of 1%, the Central European Bank lowered this same rate, at the beginning of July, to a level of 0.75%. This reduction to the lowest amount since the creation of the euro was justified in order to provide liquidity to the banking system and reduce the tensions noted in the peripheral markets.

Evolution of ECB and FED reference rates Source: Bloomberg



Evolution of Euribor 3M and Libor 3M interest rates — Source: Bloomberg

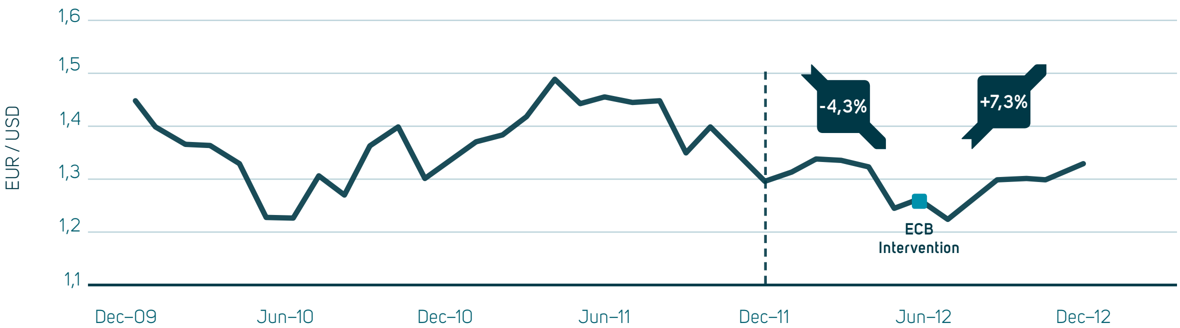


Euribor 3M	2010	2011	2012
MAXIMUM	1,050	1,615	0,997
AVERAGE	0,814	1,417	0,469
MINIMUM	0,634	1,006	0,181
CLOSE	1,006	1,356	0,187

Libor 3M	2010	2011	2012
MAXIMUM	0,539	0,581	0,591
AVERAGE	0,338	0,337	0,363
MINIMUM	0,249	0,245	0,133
CLOSE	0,303	0,581	0,306

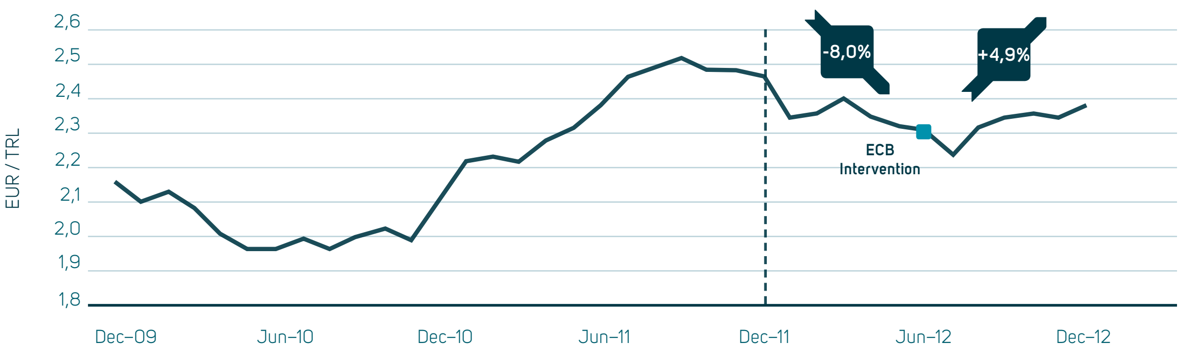
At the same time, in 2012, the euro recorded an appreciation of 2.0% compared with the dollar, depreciating 3.8% compared with the Turkish lira and 4.6% compared with the Mexican peso, quoted at 1.319 EUR/USD, 2.355 EUR/TRL and 17.185 EUR/MXN, respectively, on December 31, 2012. However, the evolution of the foreign currencies compared with the euro showed two distinct phases in 2012, with the intervention by the ECB in July defining the two periods.

Evolution of the EUR/USD exchange rate — Source: Bloomberg



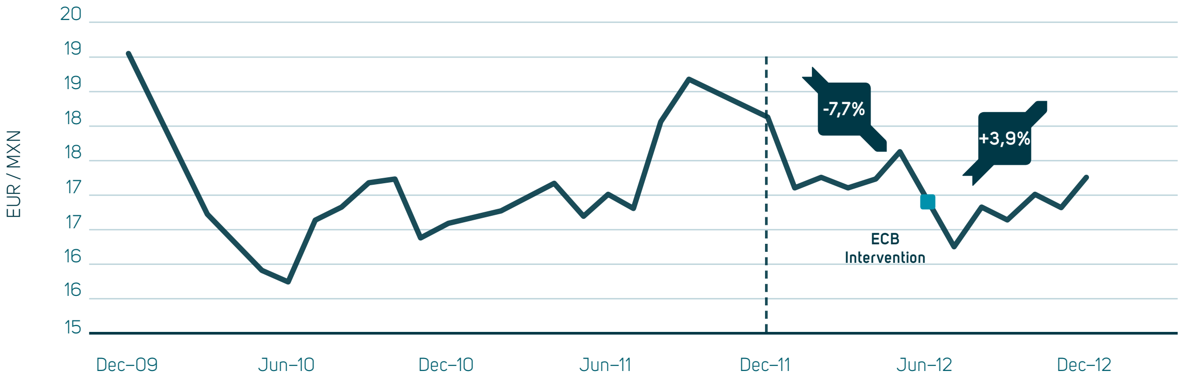
Since the beginning of the year the Euro recorded a downturn compared with the Dollar of 6.5% until the last week of July, when it reached a minimum of 1.209 EUR/USD. Since this time, the euro began a cycle of appreciation the averaged 9.1% to the end of 2012.

Evolution of the EUR/TRL exchange rate — Source: Bloomberg



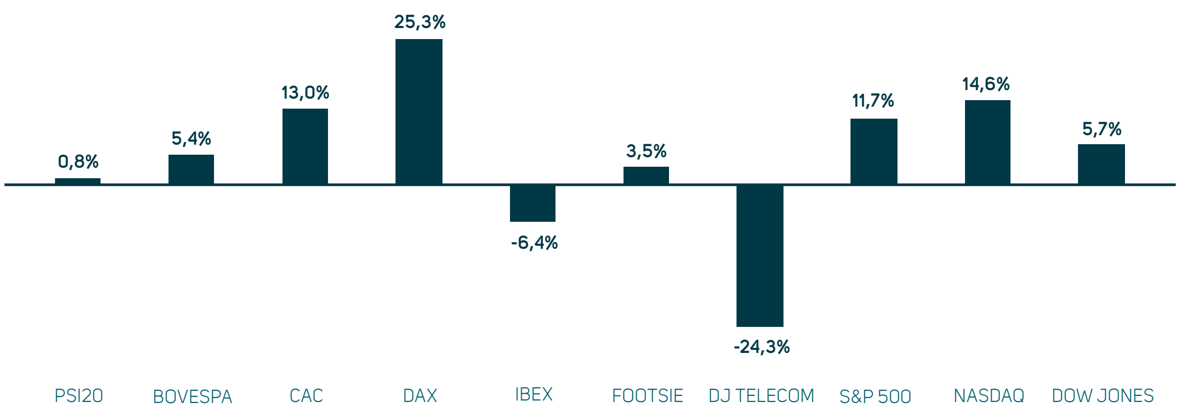
Having started 2012 with near-record highs, the euro declined in value against the Turkish lira by about 10.6% until the beginning of August, and then reached 2.190 EUR/TRL. The recovery that followed to the end of 2012 was around 7.6%, thus closing the year below the amount recorded at the start of 2012.

Evolution of the EUR/MXN exchange rate Source: Bloomberg



The evolution of the euro compared with the Mexican peso was characterized in 2012 by a depreciation of 10.5% between the beginning of the year and the end of July. As in other foreign exchanges, the second half of 2012 brought a valuation of the euro of about 6.6% from the minimum achieved in July until the end of the year.
Contrary to 2011, the main capital markets showed a notable level of valuation in 2012. In the euro area, stock markets for the two main economies saw the DAX climbing about 25.3% and the CAC valued at 13.0%. In contrast, the IBEX devalued about 6.4%, affected by the deterioration of economic activity in Spain, while the PSI20 recorded an increase of less than 1.0%. In the US, Nasdaq, S&P500 and Dow Jones valued about 14.6%, 11.7% and 5.7%, respectively.

Evolution of the main stock market indexes in 2012 Source: Bloomberg



05.2 - PORTUGAL

According to the estimate by the International Monetary Fund, in 2012, Portugal recorded a contraction of GDP of around 3.0%, due essentially tot the aggravation of the country's risk and the introduction of measures with contractionary effects, namely (i) the effort of budget consolidation and implementation of austerity measures, as well as (ii) the deleveraging of the Portuguese financial sector and the difficulties of access to financing by companies and individuals. The reflection of the adverse macroeconomic context was especially felt in private consumption and the in investment of companies, public administration and families, that contracted 5.8% and 14.9%, respectively. However, the tendency of recovery of trade balance was maintained in 2012 with imports falling 9.3 percentage points above exports, a reflection of the policies adopted that reduced internal demand.

PORTUGAL					
REAL GROWTH RATE (%)	2008	2009	2010	2011	2012
GDP	0,0%	-2,9%	1,4%	-1,7%	-3,0%
PRIVATE CONSUMPTION	1,3%	-2,3%	2,5%	-3,8%	-5,8%
GOVERNMENT SPENDING	0,3%	4,7%	0,1%	-4,3%	-4,1%
GFCF	-0,3%	-8,6%	-3,1%	-10,7%	-14,9%
EXPORTS	3,0%	-12,1%	0,3%	8,9%	-3,0%
IMPORTS	5,1%	-12,4%	-4,4%	-4,4%	-12,3%
INFLATION (CPI)	2,7%	-0,9%	1,4%	3,6%	2,8%
UNEMPLOYMENT RATE (% LABOUR FORCE)	7,6%	9,5%	10,8%	12,7%	15,5%
GROSS PUBLIC DEBT (% GDP)	71,6%	83,1%	93,3%	107,8%	119,1%

Source: IMF (Economic Outlook - October 2012), AMECO (February 2013).

BEGINNING OF THE YEAR		
MOODY'S	S&P	FITCH
Ba2	BBB-	BB+

CHANGES					
MOODY'S	C	S&P	DATE OF CHANGE	FITCH	DATE OF CHANGE
Ba3	13-02-2012	BB	13-01-2012	n.a	

Source: Bloomberg

Despite the contractionary tendency, explicit in most of the macroeconomic indicators, Portugal managed, throughout 2012, to reduce the spread (difference between yields) of the public debt to 10 years compared with Germany by 583 base points.

Spread of the Portuguese 10-year sovereign bond yields *versus* Germany (%) Source: Bloomberg

In September 2012 and in the context of the fifth evaluation of the Economic and Financial Assistance Program, the objectives established for Portugal referring to public administration deficits were reviewed for the periods of 2012 to 2014. Relative to the fiscal year 2012, the deficit goal went from 4.5% to 5.0% of the GDP, while in 2013 the review translated into a passage from 3.0% to 4.5%. Despite the loosening of the conditions of the program, it is still uncertain whether the goal for 2012 was achieved, despite the adoption of s series of restrictive measures: (i) increase in the tax burden, namely with regard to the IRS, VAT and extraordinary income tax (supertax), (ii) reduction in the salaries of civil servants namely at the level of the 13th and 14th month, (iii) freezing public administration admissions, (iv) cuts in social expenses and (v) cuts i investment (vi) extraordinary measures, including privatizations (measures that should not be accepted for purposes of calculating the deficit).

Budget Goals under the Assistance Program (2011)		
2011	2012	2013
5,9%	4,5%	3,0%

Budget Goals Revision (2012)		
2012	2013	2014
5,0%	4,5%	2,5%

Source: *Memorandum de Entendimento*, Bank of Portugal

In overall terms, despite the implementation of the program of budget consolidation, the Portuguese public debt continued to grow in 2012, reaching 119.1% of the GDP.
The year 2012 recorded a deterioration on the labor market which, similar to economic activity, has persisted for several years. This deterioration translated into a sharp drop in the level of employment, a structural increase in the level of unemployment and a decrease in the working population, with an unemployment rate of about 15.5% in 2012.
In average annual terms, the rate of inflation remained at 2.8%, close to the objective of the Bank of Portugal.

05.3 - SPAIN

In 2012, we saw an increase in tensions in the sovereign debt markets in a growing number of countries, including Spain. In this context, it is estimated that the gross domestic product of Spain recorded a contraction on the order of 1.5% in 2012, a contributing factor being the decrease in private and public consumption of 1.9% and 4.1% respectively. In addition, the investment by companies, public administration and families suffered the largest drop since 2009, falling about 8.9% as a result, essentially, of the drop recorded in the construction sector. However, despite the recessive climate, the increase in exports of 2.4%, as well as the decrease in imports of 5.7% mitigated part of the negative impact on the Spanish GDP.

SPAIN					
REAL GROWTH RATE (%)	2008	2009	2010	2011	2012
GDP	0,9%	-3,7%	-0,3%	0,4%	-1,5%
PRIVATE CONSUMPTION	-0,6%	-3,8%	0,7%	-1,0%	-1,9%
GOVERNMENT SPENDING	5,9%	3,7%	1,5%	-0,5%	-4,1%
GFCF	-4,7%	-18,0%	-6,2%	-5,3%	-8,9%
EXPORTS	6,7%	-10,0%	11,3%	7,6%	2,4%
IMPORTS	8,0%	-17,2%	9,2%	-0,9%	-5,7%
INFLATION (CPI)	4,1%	-0,2%	2,0%	3,1%	2,4%
UNEMPLOYMENT RATE (% LABOUR FORCE)	11,3%	18,0%	20,1%	21,7%	24,9%
GROSS PUBLIC DEBT (% GDP)	40,2%	53,9%	61,3%	69,1%	90,7%

Source: IMF (Economic Outlook - October 2012), AMECO (February 2013).

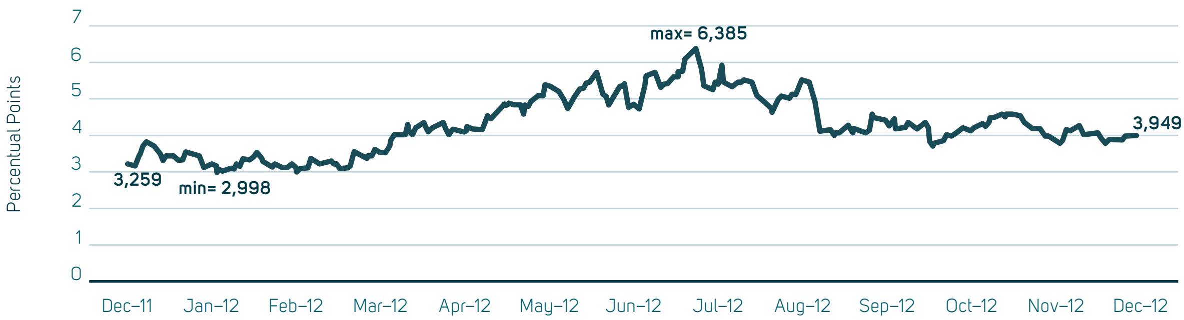
In the context of uncertainty and deceleration of the global economy, the pressure on the Spanish banking system increased in 2012, culminating in a bailout on the order of EUR 100 billion destined for Spanish banks and granted by the European Financial Stability Facility. Although the bailout did not have the same shape as the bailouts for the other European countries where an intervention occurred, the Spanish government was forced to strengthen austerity measures in order to ensure the budget consolidation demanded by established supervisors. As a result of the adverse climate, the public debt in Spain stood at about 90.7% in 2012 (about 21.6 percentage points above 2011). In the framework of deterioration of economic activity in Spain and with the continuation of the sovereign debt crisis in the euro area, the rating agencies lowered the Spanish debt rating on several occasions throughout 2012, finally ending up on the threshold of investment grade (Baa3 and BBB-). At the same time, this cost of financing increased until the middle of the year since, after the bailout given to the Spanish banking system and the new measures announced by the ECB in July, the cost of financing started a downward tendency with the spread of the 10-year sovereign debt yields compared with Germany at 3.949% compared with the peak of 6.385% in July, an amount still greater than that at the beginning of the year.

BEGINNING OF THE YEAR		
MOODY'S	S&P	FITCH
A1	AA-	AA-

CHANGES					
MOODY'S	DATE OF CHANGE	S&P	DATE OF CHANGE	FITCH	DATE OF CHANGE
A3	13-02-2012	A	13-01-2012	A	27-01-2012
Baa3	13-06-2012	BBB+	26-04-2012	BBB	07-06-2012
n.a		BBB-	10-10-2012	n.a	

Source: Bloomberg

Spread of the Spanish 10-year sovereign bond yields *versus* Germany (%) Source: Bloomberg



The impact of the economic degradation was felt right away in the labor market, with the rate of unemployment reaching 24.9% in 2012, according to the estimate by the International Monetary Fund. In addition, in average annual terms, the rate of inflation increased slightly compared with 2011, to about 2.4%.

05.4 - U.S.

According to the International Monetary Fund, the US recorded a growth in GDP of 2.2% in 2012, with a positive contribution made by the increase of private consumption of 1.9%, the investment by companies, public administration and families of 6.7% and exports of 4.3%. On the other hand, the reduction in public consumption by 1.4% and the increase in imports of 3.5% penalized growth of the American economy.

U.S.					
REAL GROWTH RATE (%)	2008	2009	2010	2011	2012
GDP	-0,3%	-3,1%	2,4%	1,8%	2,2%
PRIVATE CONSUMPTION	-0,6%	-1,9%	1,8%	2,5%	1,9%
GOVERNMENT SPENDING	2,6%	4,4%	0,9%	-2,6%	-1,4%
GFCF	-5,8%	-16,1%	-0,5%	4,0%	6,7%
EXPORTS	6,1%	-9,1%	11,1%	6,7%	4,3%
IMPORTS	-2,7%	-13,5%	12,5%	4,8%	3,5%
INFLATION (CPI)	3,8%	-0,3%	1,6%	3,1%	2,0%
UNEMPLOYMENT RATE (% LABOUR FORCE)	5,8%	9,3%	9,6%	9,0%	8,2%
GROSS PUBLIC DEBT (% GDP)	76,1%	89,7%	98,6%	102,9%	107,2%

Source: IMF (Economic Outlook - October 2012), AMECO (February 2013).

Fiscal Cliff – impact on 2013:

Following the bankruptcy of Lehman Brothers in 2008, the US economy plunged into a deep recession with notable consequences to the government's budget deficit, which went from 2.6% in 2007 to 6.7% in 2008. With significant drops in the level of revenue and with the need to stimulate a shocked economy, the American Administration launched, among other incentive programs, the American Recovery and Reinvestment Act in 2009 – a year in which the deficit reached 13.3% of the GDP. Despite the efforts of the Barack Obama administration, the budget deficit remained high, and the main US political parties have not managed to achieve agreement on how to reduce the expense.

MAIN COMPONENTS OF THE FISCAL *CLIFF*	B USD
FROM THE REVENUES' SIDE	
Reduction of Bush Adminstration's taxes	320
Reduction of payroll tax	115
Fiscal incentives to investment	40
New taxes - Affordable Care Act	25

MAIN COMPONENTS OF THE FISCAL *CLIFF*	B USD
FROM THE EXPENDITURES' SIDE	
Budget Control Act	95
Emergency unemployment benefits	50

In addition, in 2013, a series of automatic measures would go into effect on the revenue side (eliminating the tax benefits of the Bush era) and on the expense side (the end of supports and incentives granted) with an impact of USD 600 billion on the budget deficit. Although this sudden change of budget structure allowed an immediate reduction of the deficit from 7.3% to 4% in 2013, the fiscal cliff would have as a consequence a contraction of 0.3% of the GDP and an increase in unemployment of 1 percentage point (from 8.2% to 9.1%).

With the November elections, the expectations of resolving the fiscal cliff dissipated in the short term, since Obama was re-elected as President at the same time as more Republicans were elected to Congress.

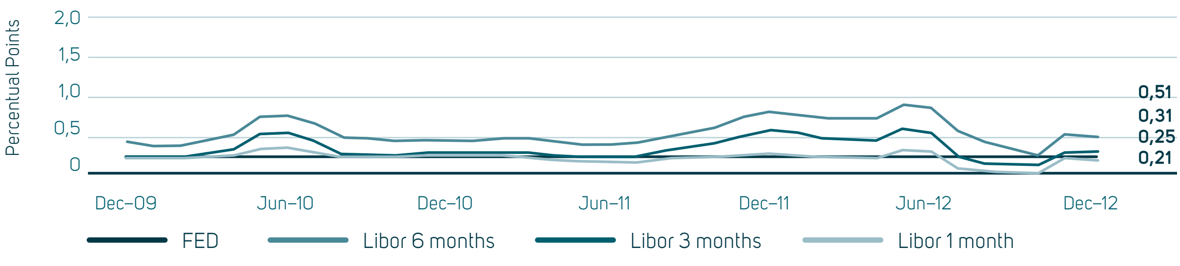
RATINGS 2012		
MOODY'S	S&P	FITCH
Aaa	AA+U	AAA

Source: Bloomberg

The US Federal Reserve decided in September to implement a new program to purchase assets – the third program to be announced since the start of the financial crisis – contemplating purchases of USD 40 billion per month of securities guaranteed by mortgages. What motivated the decision was the absence of a sustained improvement in the labor market due to the weak rhythm of grown of the economy. In 2012, the unemployment rate was 8.2%.

However, right after the reelection of Barack Obama, Congress allowed an increase in public debt, in order to mitigate the short-term consequences, and making a more definitive decision on the spending sequester was delayed until 2013. At the end of the year the US public debt had reached 107.2% of the GDP.

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



It should also be noted that the rate of inflation stood at 2.0%, significantly influenced by the increase in fuel prices in 2012.

05.5 - TURKEY

Despite the sovereign debt crisis being experienced by the neighboring countries of the euro area, in 2012, Turkey displayed a growth in its gross domestic product of around 3.0%. However, this situation reflects a deterioration in economic activity in the country, since the growth in GDP remained below that of 2010 and 2011 (9.2% and 8.5%, respectively). At the heart of the deterioration was the weak contribution of private consumption, which had grown only 0.4% as well as exports and the investment by companies, pubic administration and families which had recorded a growth of only 0.6% compared with 2011. On the other hand, public consumption recorded a growth of 3.7% and imports increased 4.0% supported by the growing access to credit by Turkish companies.

TURKEY					
REAL GROWTH RATE (%)	2008	2009	2010	2011	2012
GDP	0,7%	-4,8%	9,2%	8,5%	3,0%
PRIVATE CONSUMPTION	-0,3%	-2,3%	6,7%	7,8%	0,4%
GOVERNMENT SPENDING	1,7%	7,8%	2,0%	4,5%	3,7%
GFCF	-6,2%	-19,0%	30,5%	18,5%	0,6%
EXPORTS	7,2%	-8,1%	5,1%	6,4%	0,6%
IMPORTS	-1,4%	-12,4%	20,9%	11,9%	4,0%
INFLATION (CPI)	10,4%	6,3%	8,6%	6,5%	8,7%
UNEMPLOYMENT RATE (% LABOUR FORCE)	10,9%	14,0%	11,9%	9,8%	9,4%
GROSS PUBLIC DEBT (% GDP)	40,0%	46,1%	42,4%	39,3%	37,7%

Source: IMF (Economic Outlook - October 2012), AMECO (February 2013).

In 2012, the Central Bank of Turkey followed an unconventional monetary policy marked by the choice of an interest rate corridor instead of a single reference rate. This policy was started in 2010 with the intent of mitigating the risks associated with the current balance deficit, which is widely recognized as one of the main structural problems of the Turkish economy. However, this decision showed positive results, providing a controlled landing of growth of the Turkish GDP in 2012, in spite of various tension points that could affect its economy, which includes the euro area crisis.

During the year, both Moody's and Fitch announced an upgrade of the Turkish sovereign debt rating since, contrary to the other main agencies, Moody's still places Turkey with a rating below investment grade level. The perspectives for next year point to a potential rise in the agency ratings, given the possible success of the new measures announced by the Central Bank of Turkey aimed at reducing the leverage of the Turkish banking system. In the same way, Turkey's national debt decreased to 37.7% in 2012.

BEGINNING OF THE YEAR		
MOODY'S	S&P	FITCH
Ba2	BBB-	BB+

CHANGES					
MOODY'S	DATE OF CHANGE	S&P	DATE OF CHANGE	FITCH	DATE OF CHANGE
Ba1	20-06-2012	n.a		BBB-	05-11-2012

Source: Bloomberg

In addition, it should be noted that, in 2012, Turkey continued to show a high level of unemployment, with the unemployment rate at about 9.4%.

At the end of the year, inflation remained high, at 8.7%, driven by food prices.

05.6 - MEXICO

In 2012, the Mexican economy experienced growth of 3.8%, similar to 2011, when it grew about 3.9%. Although the growth in private consumption remained below the previous year, at 3.4% compared with 4.5% in 2011, the performance of the trade balance improved for the first time in the last few years by recording a growth in exports of 4.4% - higher than the growth in imports, which remained around 4.0%. As for public consumption, this remained at the same level as 2011, equaling a growth of 0.7% while investment by companies, public administration and families remained at around 6.9%.

MEXICO					
REAL GROWTH RATE (%)	2008	2009	2010	2011	2012
GDP	1,2%	-6,0%	5,6%	3,9%	3,8%
PRIVATE CONSUMPTION	1,7%	-7,3%	5,3%	4,5%	3,4%
GOVERNMENT SPENDING	1,1%	3,2%	2,1%	0,6%	0,7%
GFCF	5,5%	-11,8%	6,4%	8,9%	6,9%
EXPORTS	0,5%	-13,5%	21,7%	6,7%	4,9%
IMPORTS	2,9%	-18,5%	20,7%	6,8%	4,4%
INFLATION (CPI)	5,1%	5,3%	4,2%	3,4%	4,0%
UNEMPLOYMENT RATE (% LABOUR FORCE)	4,0%	5,5%	5,4%	5,2%	4,8%
GROSS PUBLIC DEBT (% GDP)	43,0%	44,5%	42,9%	43,8%	43,1%

Source: IMF (Economic Outlook - October 2012), AMECO (February 2013).

Although the Mexican economy depends significantly on the macroeconomic context of the US, the uncertainty surrounding the fiscal cliff did not affect the growth of Mexico during 2012. However, thanks to the weak growth of the American economy, remittances (which in 2012 represented about 2.3% of the GDP) fell about 1.6% affecting private consumption negatively.
In 2012, the Central Bank of Mexico managed to maintain the inflation level within the desired range of 2%-4% without making major adjustments to the reference rate during the year.
Throughout 2012, the sovereign debt rating remained unchanged with the three rating agencies pointing towards a stable perspective which was maintained until the beginning of 2013.

The national debt for Mexico has remained at moderate levels, reaching 43.1% at the end of 2012.

RATINGS 2012		
MOODY'S	S&P	FITCH
Baa1	BBB	BBB

The rate of unemployment in Mexico recorded a decrease in 2012, at 4.8% compared with 5.2% in 2011.

ANALYSIS TO THE ASCENDUM GROUP BUSINESS AREAS

06

THE ASCENDUM GROUP OPERATES IN THREE MAIN BUSINESS AREAS WHICH, IN 2012, DISPLAYED THE FOLLOWING TURNOVERS:

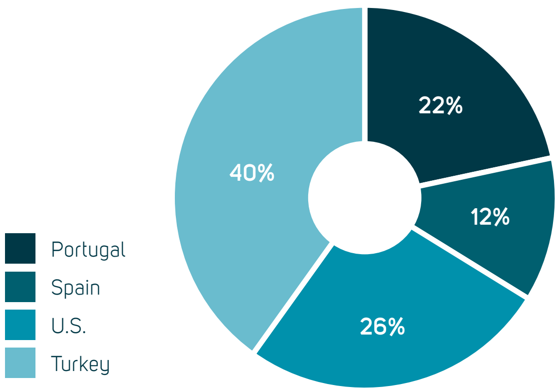
BUSINESS AREAS	PORTUGAL	SPAIN	U.S.	TURKEY	MEXICO	TOTAL
CONSTRUCTION EQUIPMENT	76 254	47 119	122 623	211 147	14 150	471 293
CARS	17 810	n.a.	n.a.	n.a.	n.a.	17 810
TRUCKS	11 288	n.a.	n.a.	n.a.	n.a.	11 288
TOTAL	105 353	47 119	122 623	211 147	14 150	500 391

Unit: Thousands of Euros

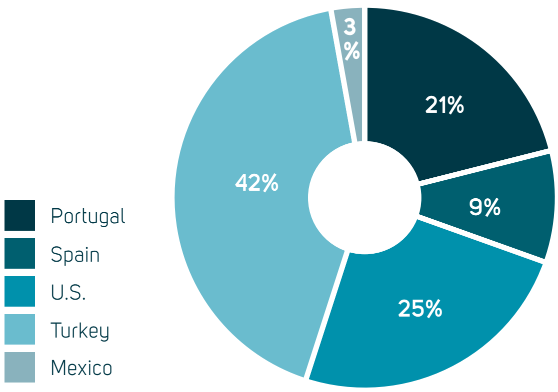
06 - ANALYSIS TO THE ASCENDUM GROUP BUSINESS AREAS

THE WEIGHT OF EACH GEOGRAPHIC PLATFORM IN THE UNIVERSE OF THE ASCENDUM GROUP MAY BE SEEN IN THE FOLLOWING GRAPHICS:

Turnover (2011) - 488 million euros

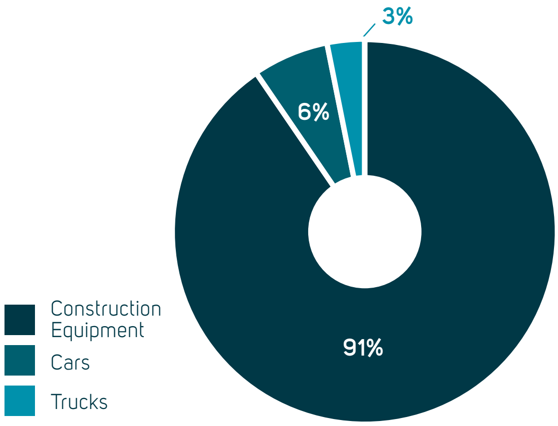


Turnover (2012) - 500 million euros

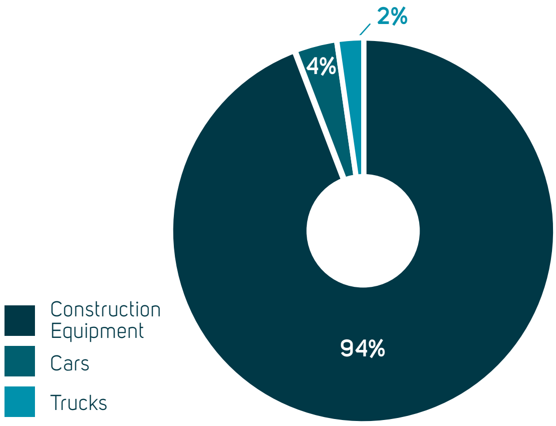


With regard to the business areas, the Construction Equipment segment is again the most important business area in the operations of ASCENDUM (94%), followed by the Cars area (4%) and the Trucks segment (2%).

Turnover (2011) - 488 million euros



Turnover (2012) - 500 million euros



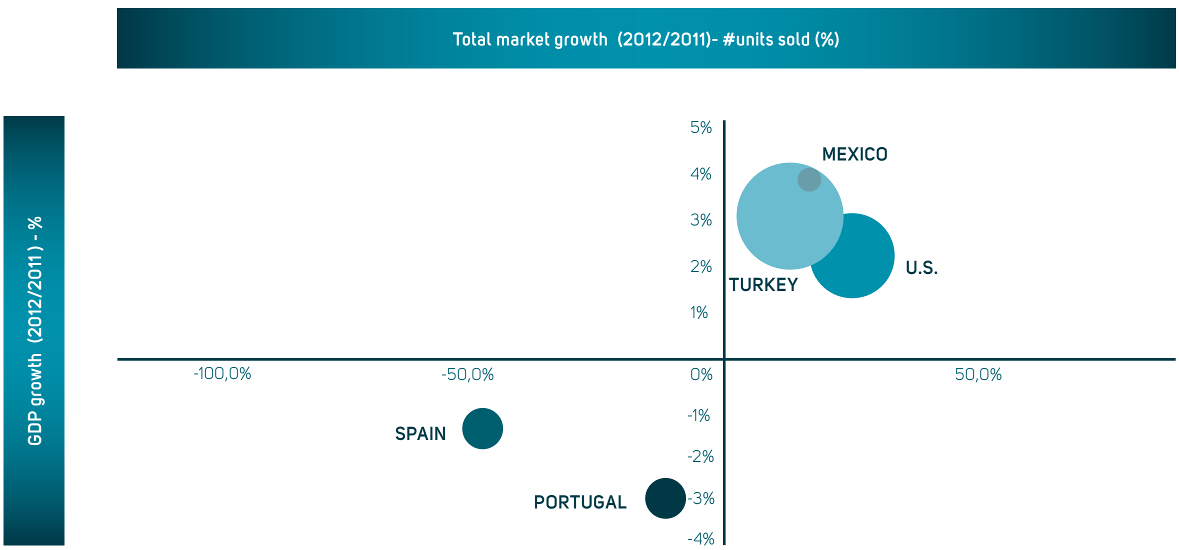
In 2012, the construction equipment business area remained the most expressive in turnover of the ASCENDUM Group, representing about 94% of consolidated turnover (equal to EUR 471 million). In Portugal, its weight went from 63%, recorded in 2011, to 72%, thanks mainly to the decreased weight of the Automobile business area.

In terms of volumes, and with respect to the GPE, CSE and Road Machinery sections, the ASCENDUM Group showed the following number of units sold and respective market shares in 2012, in each of the geographic platforms:

2012	PORTUGAL	SPAIN(*)	U.S.	TURKEY	MEXICO	TOTAL(**)
TOTAL MARKET	705	739	8.427	9.524	3.005	22.400
UNITS SOLD ASCENDUM	81	80	680	1.088	62	1.991
GPE	54	59	312	762	27	1.214
CSE	22	20	280	217	15	554
ROAD MACHINERY	5	1	88	109	20	223
MARKET SHARE	11,5%	10,8%	8,1%	11,4%	2,1%	8,9%
GPE	22,0%	17,7%	14,7%	16,2%	3,0%	14,7%
CSE	5,0%	6,3%	4,8%	5,1%	1,0%	4,4%
ROAD MACHINERY	6,0%	1,1%	19,4%	18,2%	4,0%	9,8%

Note: the figures presented refer to new machines.
(*) Data referring to Volmaquinaria
(**) Average figures for the market share in each segment

Compared with 2012, the market on the Iberian Peninsula showed a small number of units sold, due essentially to the existing correlation between the growth of the GDP and the growth of demand for construction equipment.



Note: the size of the bubbles corresponds to the turnover derived from the construction equipment segment in 2012

06.1 - CONSTRUCTION EQUIPMENT

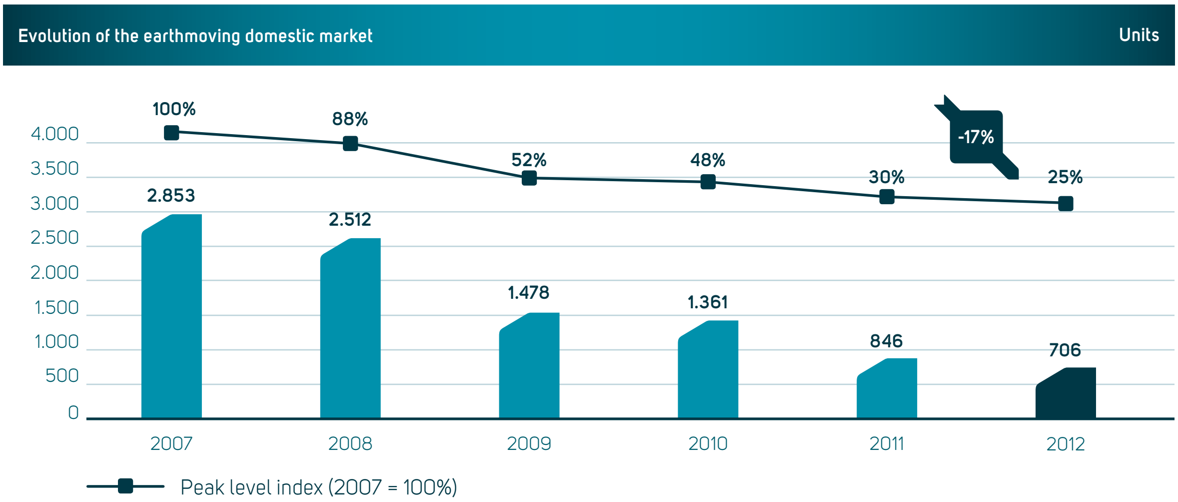
06.1.1 - PORTUGAL

With regard to the civil construction and public works sector, 2012 translated into a series of troubling indicators:

- The consumption of cement in the domestic market recorded a drop of 26.9% compared with 2011, equal to about 3,329 tons, amounts that are only parallel with consumption prior to 1973;
- Investment in construction in the last quarter of 2012 compared with the same period the previous year suffered a drop of 21.6%;
- The residential sector, whose crisis began in 2002, has been hurt the most, and according to the AECOPS estimates, showed a sharp drop between 2000 and 2012,of approximately 72.5%;
- In the non-residential sector, the contraction was around 10% in the last decade, with the components of private and public construction recording drops of 13% and 10%, respectively (in this last case, the suspension of work on the Parque Escolar program contributed strongly to the drop recorded). It is estimated that this sector showed an accumulated drop of 31% between 2009 and 2012;
- Civil engineering work showed a decline of 15% in 2012, the consequence essentially of policies to reduce the budget deficit, which resulted in cuts in public investment;
- The gross value of production in construction recorded a drop of 15.5% in 2012 compared with 2011 (-9,4% in 2011 compared with 2010);
- Unemployment in construction in November 2012 increased about 34.4% compared with the same period the year before, representing 15.9% of the total number of unemployed persons registered until the end of November.

According to the entrepreneurs, the activity was conditioned by insufficient demand (the portfolio of orders decreased 44.4% compared with 2011) and by financial aspects, namely financial charges and a high tax burden.

In this context of a high restriction on investments in the construction sector and public works, the national market of earthmoving equipment showed a decrease, compared with 2011, of 17% (equal to 140 fewer units sold). Light equipment recorded the sharpest drop, of 32.6%, due to the decrease in sales of mini wheel loaders (-40%) and mini crawler excavators (-28.2%). With regard to heavy equipment, the main drop recorded was in the segment of hydraulic excavators, with the drop totaling 10% compared with 2011.



In addition, despite the growth recorded for sales of heavy compacting machinery (+35.5% compared with 2011), the decrease in sales of road pavers and light compacting machines, from 58.3% and 18.2%, respectively, resulted in a decrease in the compacting and paving market, compared with 2011, of 12,3%.

As a result, the turnover of ASC MACHINERYrecorded a drop of 11% compared with 2011 (equal to EUR 4.3 million), situated in 2012, at around EUR 34.2 million.

The commercial area recorded a decrease of 15%, ending the year with a turnover of EUR 20 million. In terms of volume, ASC MACHINERYsold 81 units in 2012 (-28% compared with 2011), excluding light equipment and moving cargo. By type of equipment, the decreases recorded were 28% for GPE, 27% for CSE and 29% for RM, compared with 2011. The excavators and the loaders showed drops of 28% and 35%, respectively. With respect to CSE equipment, the mini excavators kept up with the tendency of the market, recording a decrease in the number of units sold, compared with 2011, of 50%. Backhoes ran counter to the behavior of 2011 (positive variation of 47%), having recorded a decrease of 23% in 2012. Notable in the Road Machinery segment were motor graders with a 67% decrease (from 3 units in 2011 to 1 unit in 2012).

As a result, ASC MACHINERYended 2012 with market share in the GPE segment of 22% (24% in 2011), CSE of 5% (7% in 2011) and RM of 6% (7% in 2011).

The area of after-sales business showed, in 2012, a turnover of EUR 14.7 million, 5% less than recorded in 2011 (EUR 15.5 million). The policy of ASC MACHINERYknown as Follow the customer, allied with reconditioning the equipment of its customers, contributed to mitigating the effects of recession felt during the year. The turnover associated with guarantees has been decreasing and showed, in 2012, a decrease of 44% compared with 2011, due to less equipment sold and the constant improvement in its quality. On the other hand, over-the-counter turnover recorded an increase of around 5%.

In summary, the following chart shows the performance in terms of billings of ASC MACHINERYin Portugal:

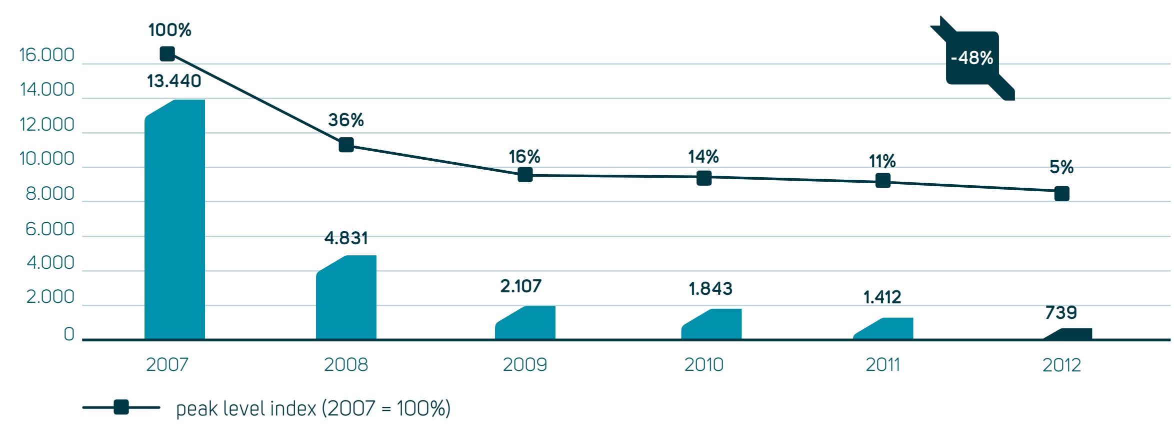
CONSTRUCTION EQUIPMENT	2011	2012	% (2012/2011)
NEW MACHINES	16,2	16,0	-1%
USED MACHINES	6,9	3,4	-50%
AFTER SALES SERVICE	15,5	14,8	-4%
TOTAL REVENUES	38,6	34,2	-11%

Unit: Millions of euros

06.1.2 - SPAIN

In Spain, the civil construction and public works section has been negatively affected by the adverse macroeconomic scenario that has continued for four years in the country, recording a drop of 95% in the number of construction equipment units sold compared with 2007 (739 machines in 2012 vs. 13,440 machines in 2007).

Evolution of the Spanish market, where Volmaquinaria operates | Units



In this business framework, and similar to 2011, Volmaquinaria centered its efforts on three major activity lines:

1. MAINTAINING MARKET SHARE;

2. REDUCING OPERATING COSTS, AND

3. CONTROLLING FINANCIAL RISK.

With regard to market share, Volmaquinaria managed to maintain the market penetration levels in line with the historic level recorded by the company, except in the segments of CSE and road machinery (-1pp and -5 5 pp compared with 2011, respectively):

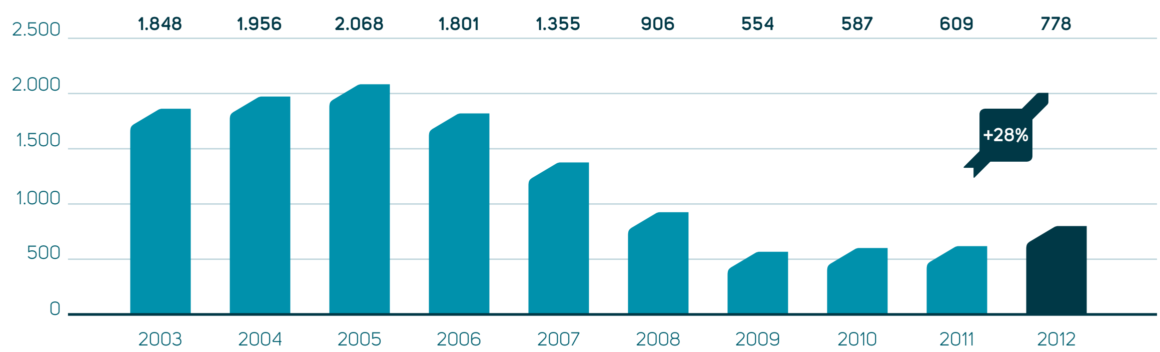
MARKET SHARE	2011	2012
GPE	18%	18%
CSE	7%	6%
ROAD MACHINERY	6%	1%

As a result, the turnover of Volmaquinaria suffered a drop of 24.5% compared with 2011, from EUR 46 to EUR 35 million.

06.1.3 - U.S.

In 2012, the US construction equipment market recorded a strengthening of activity, due mainly to the demand related to equipment directed to the mining industry, agriculture, forests and landfills. In the construction sector, the segment related to multi-family housing was the strongest in most of the country, with commercial, industrial and highway construction also showing an increase compared with 2011, although on a smaller scale than multi-family housing. In the residential sector, the reduction in mortgage rates proved to be a stimulus for demand, and in 2012, 778 thousand new constructions were recorded compared with 609 thousand seen in 2011 (+28%). Despite the growth seen, the number of new constructions represented, in 2012, only 38% of the amount achieved in 2005 (peak year).

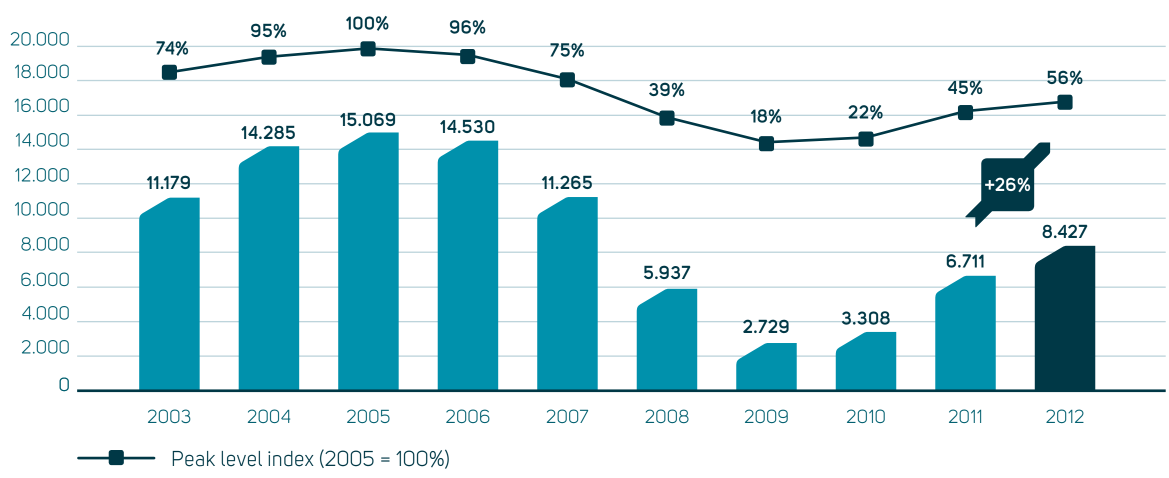
Evolution of the number of Housing Starts — Units (thousands)



With regard to the territory where ASC USA operates, the number of units sold in 2012 increased about 26% compared with 2011, with demand rising by about 8,427 units, due, essentially, to the increase in demand by leasing companies which, encouraged by the overall increase in the leasing activity, decided to replace their leasing fleet.

Despite the growth seen, the market still remains distant from the levels of sales recorded in the period between 2004 and 2007, with the number of units sold in 2012 representing 56% of the amount achieved in 2005 (peak year).

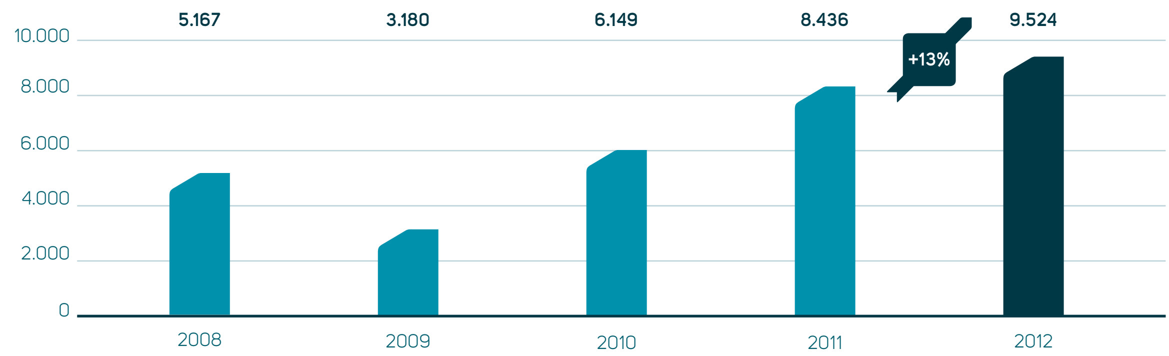
Evolution of the North American market, where ASC USA operates — Units



06.1.4 - TURKEY

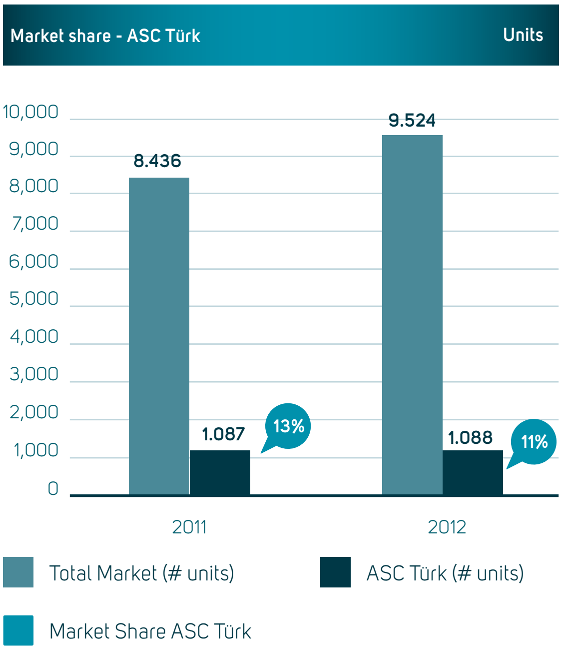
The Turkish market continued to show growth potential, with demand for construction equipment, comparable to the portfolio of products marketed by ASC Türk in this market, rising to 9,524 units sold, representing an increase of approximately 13% compared with 2011.

Evolution of the Turkish market, where ASC Türk operates — Units



In terms of product types, notable in terms of growth were backhoe loaders and excavators, which showed an increase in the number of units sold of approximately 29% and 14% compared with 2011, respectively. With regard to the weight of each type of product in the total market, the backhoe loaders segment was once again the dominant segment in the market (42%), followed by excavators (35%) and wheel loaders (12%).

Despite the growth recorded in the market, the number of units sold by ASC Türk in 2012 remained in line with that seen in 2011, resulting in a decrease of market share of approximately 1.5 percentage points, from 12.9% in 2012 to 11.4%. This drop results essentially from the increase in demand for backhoe loaders, a segment in which the local producer has a stronger presence than ASC Türk. Nevertheless, ASC Türk maintained its position in the ranking of dealers present in the sector, remaining, as in 2011, in 4th place.



With regard to the GPE segment, in 2012, 4,934 machines were sold, 96 more units compared the number of units sold in 2011 (4,841), with ASC Türk achieving a market share of 16.8% (equal to 831 GPE units sold).

06.1.5 - MEXICO

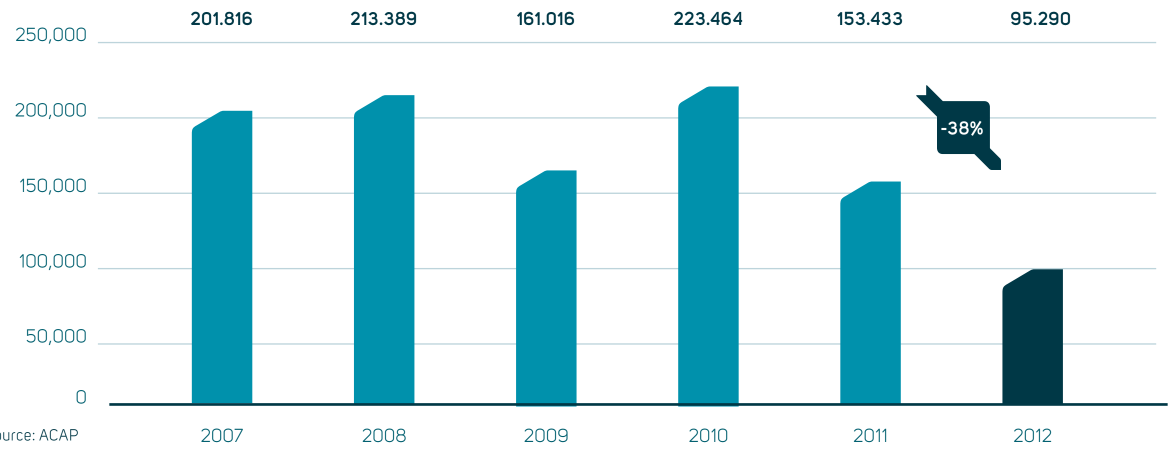
In 2012, in keeping with the growth tendency of the Mexican economy, the construction equipment market reached 3,005 units sold, an amount 17% above that recorded in 2011. Notable among the units sold are sales of equipment from the CSE segment, representing about half of the total units sold in Mexico, followed by the GPE segment with 965 units sold, and finally the Road Machinery segment, whose sales reached a total of 524 units.

The ASCENDUM Group sold about 62 units, reaching an overall market share of 2.1% in 2012. In spite of the difficulties associated with entering a new market and the grass roots creation of a network of infrastructures adapted to the territory and the business, the evolution of the number of units sold recorded a steady growth throughout the year (monthly average went from 3 to 13 units sold). In 2012, about 27 GPE units were sold, 15 CSE units and 20 Road Machinery units (new Volvo units).

06.2 - CARS

2012 was a dramatic year for the vehicles European sector. If in Germany, the largest vehicles market in Europe, the drop was about 3%, in Portugal, according to the Portuguese Automobile Association (ACAP), the market for passenger vehicles fell about 38% (the worst result in the last 27 years). The drop in family income arising from the crisis and the austerity measures aggravated the already difficult situation of the Portuguese light passenger cars market.

Evolution of the light passenger cars market Units



Source: ACAP

At the national level, Subaru and Land Rover were the only brands that recorded a growth in sales. Subaru maintained its marginal status with 3 automobiles sold in 2012, while Land Rover strengthened its presence with 461 units sold, recording an increase of about 70% compared with 2011, as a result of the Evoque effect. In the total of brands marketed by ASC 2 Vehicles, the drop in the national market was 44.5% (4,496 units in 2012 compared with 8,101 units in 2011).

Compared with the successive drops recorded in the market and the expectations for 2013, in which predictions point to amounts similar to those seen in 2012, or even a decrease in the market, ASC 2 Vehicles began a plan of readjustment of resources to the level of activity of the markets where it operates. In this sense, during 2012, two cars business units were closed (Castelo Branco and Caldas da Rainha), since it was felt that, in the current context, they no longer added value.

In economic terms, ASC 2 Vehicles showed a turnover in 2012 of EUR 18 million, recording a decrease of 42% compared with 2011. Commercial activity sales totaled EUR 12.3 million, which represents a drop of 49% compared with 2011. In after-sales service – parts and assistance – the turnover was EUR 5.7 million (18% less compared with 2011).

In summary, the following chart shows the performance in terms of billings in the cars business area of ASCENDUM in Portugal:

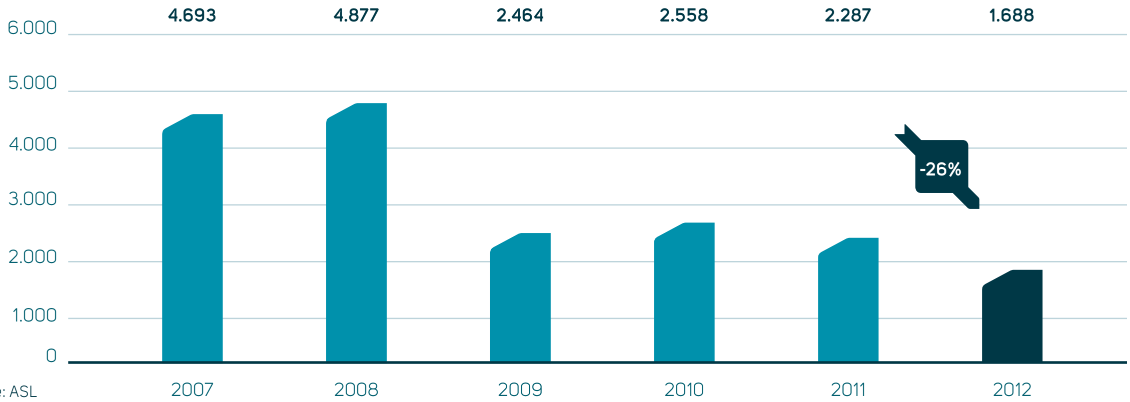
CARS	2011	2012	% (2012/2011)
NEW CARS	19,2	10,3	-47%
USED CARS	5,1	2,1	-59%
AFTER SALES SERVICES	6,9	5,7	-18%
TOTAL REVENUES	31,2	18,0	-42%

Unit: Millions of euros

06.3 - TRUCKS

The domestic truck market – gross weight over 10 tons – recorded a drop of 26% in 2012 compared with 2011. If in 2011 the market had already regressed compared with 2010, with 2,287 trucks registered compared with 2,558 (-10,6%), in 2012, the situation worsened with the market totaling 1,688 units registered.

Evolution of the domestic truck market (gross weight > 10 ton.) — Units



Source: ASL

Over the course of five years, the national truck market, dropped two-thirds, from about 4,900 units in 2008 to less than 1,700 in 2012. The decrease in economic activity in the area of distribution, public works and construction, along with credit restrictions, penalized the sale of new vehicles. Only the activity of international transport managed to maintain the levels of the previous year, thanks to the positive evolution of the export activity. This is reflected in a significant increase in the weight of high-end tractors (87%).

In terms of market share, Volvo registered 238 vehicles at the national level in 2012 (34% less compared with the previous year), having achieved a market share of 14.9% in the high range (16.2% in 2011) and 5% in the medium range (12.4% in 2011).
With regard to the economic performance of ASC 2 Vehicles, the commercial activity showed a strong decrease in sales, having invoiced 35 new Volvo trucks (53% fewer than in 2011). After-sales activity also recorded a decrease in sales of approximately 10% compared with the year before, arising from the reduction of the fleet of trucks and adverse economic conditions. Thus, the sales for the truck business totaled EUR 11.3 million in 2012, which represents a decrease of 26% compared with the previous year.
In summary, the following chart shows the performance in terms of billings in the Trucks business area of ASCENDUM in Portugal:

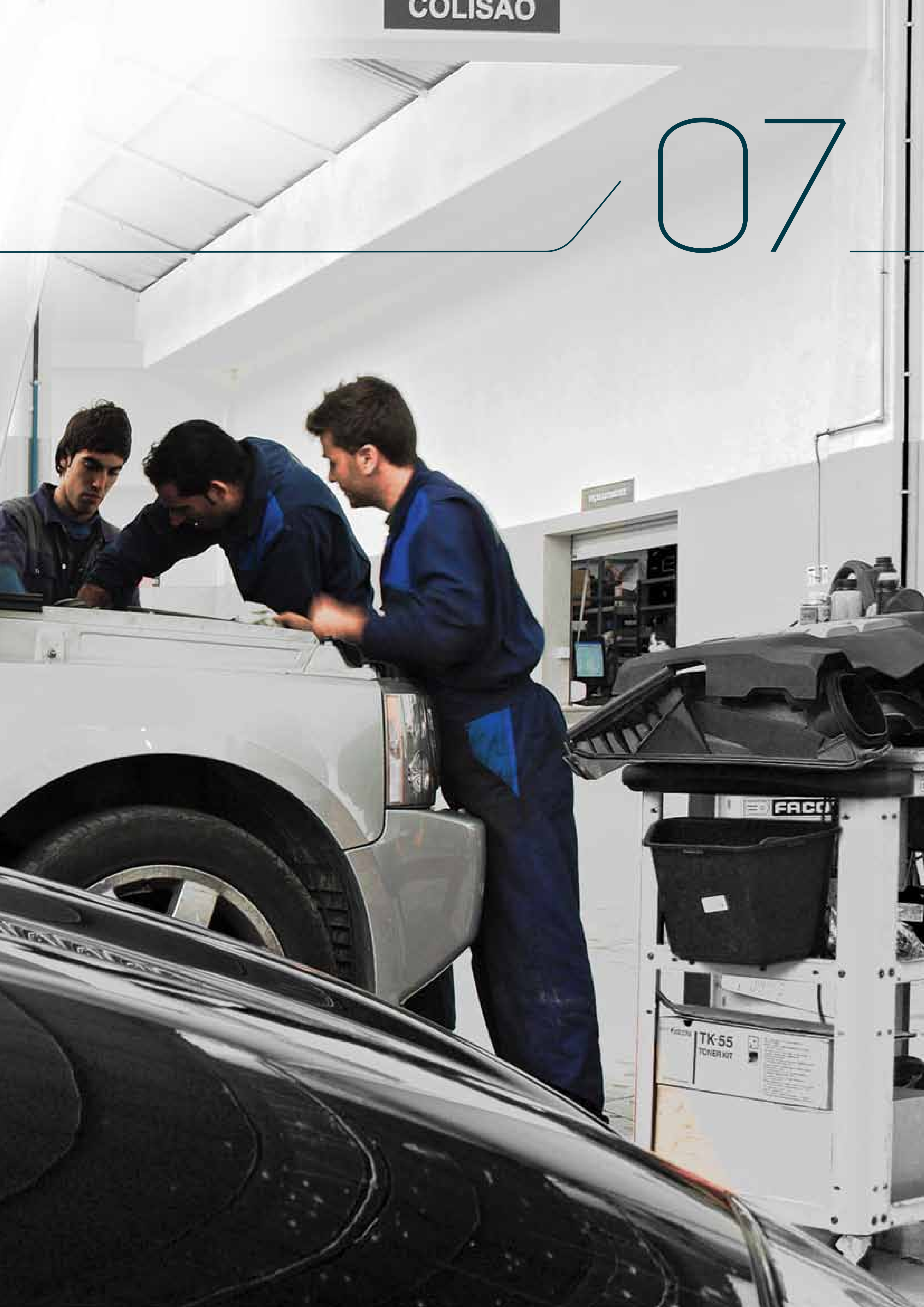
TRUCKS	2011	2012	% (2012/2011)
NEW TRUCKS	6,2	3,1	-51%
USED TRUCKS	0,4	0,4	-10%
AFTER SALES SERVICE	8,7	7,9	-10%
TOTAL REVENUES	**15,3**	**11,3**	**-26%**

Unit: Milhões de Euros

In 2013, we hope for an increase in the number of new trucks sold, as a result of the increase in the portfolio of orders for the last quarter of 2012.

FINANCIAL PERFORMANCE OF THE ASCENDUM GROUP COMPANIES IN 2012

07




ASC
ASCENDUM GRUPO

07.1 - ASCENDUM PORTUGAL

07.1.1 - ASCENDUM PORTUGAL

ASCENDUM Portugal is the holding company for the ASCENDUM Group in Portugal, thus holding 100% of the share capital of the following companies: ASC MACHINERY, ASC 2 Vehicles, Tractorrastos and Volrent.

Next are presented the financial statements for 2012 for ASCENDUM Portugal:

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	-	89
INTANGIBLE ASSETS	-	999
INVESTMENTS	-	22.945
OTHER NON CURRENT ASSETS	-	250
CURRENT ASSETS		
INVENTORY	-	0
THIRD-PARTY RECEIVABLES	-	1 178
OTHER CURRENT ASSETS	-	585
TOTAL ASSETS	**-**	**26 046**
LIABILITIES AND EQUITY		
EQUITY	-	23 981
NON CURRENT LIABILITIES	-	0
CURRENT LIABILITIES	-	2 065
TOTAL LIABILITIES AND EQUITY	**-**	**26 046**

Thousand Euros

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	-	0
OPERATING INCOME	-	247
FINANCIAL RESULT	-	5
EARNINGS BEFORE TAX	-	252
INCOME TAX	-	-81
NET INCOME	**-**	**171**

Thousand Euros

07.1.2 - ASC MACHINERY

In Portugal, ASC MACHINERY distributed and marketed construction equipment and Volvo industrial machinery directly throughout the country, to such diverse sectors as construction and public works, forestry, recycling, load handling, etc. At the same time, ASC MACHINERY also provides its customers with leasing services and after-sales assistance.

In 2012, the retraction felt in the civil construction and public works sector resulted in a decreased turnover of 11% compared with 2011, situated at EUR 34.2 million. In the same way, the number of new machines sold (excluding light equipment and moving cargo) showed a decrease of about 29% compared with 2011, corresponding to 81 units invoiced (compared with 114 units invoiced in 2011). Per type of equipment, and in relation to 2011, the decreases seen were 28% in GPE, 27% in CSE and 29% in Road Machinery. In the GPE segment, the main drops were seen in excavators and loaders, respectively of 28% and 35%. In CSE, mini excavators followed the market trend by recording a decrease of 50% and backhoes went counter to the behavior in 2011 (positive variation of 47%) and had a drop of 23%. Notable in the Road Machinery segment was the decrease seen in motor graders of 67%.

ASC MACHINERY ended the year with a market share in the GPE segment of 22% (- 2pp in relation to 2011), having shown, in the various products, a market share slightly lower than recorded the previous year.

As a result of the conditioning factors of the sector, the performance of the after-sales business area was also negative, having shown a decrease of 5% compared with 2011, corresponding to a turnover of EUR 147 million. The policy of ASC MACHINERY of Follow the customer, allied with reconditioning the equipment of its customers, allowed us to mitigate the effects of recession felt during the year. Management that is very much focused on the customer through regular monitoring of his needs and seeking solutions to better serve his interests continues to be the mission of ASC MACHINERY. Leveraging this strategy is the development of a CRM project (customer relationship management) transversal to all business area that provides a global vision of the customer.

BALANCE SHEET	2011	2012
ASSETS	-	-
NON CURRENT ASSETS	-	-
TANGIBLE FIXED ASSETS	-	1 017
INTANGIBLE ASSETS	-	21
INVESTMENTS		0
OTHER NON CURRENT ASSETS	-	317
CURRENT ASSETS	-	-
INVENTORY	-	10 278
THIRD-PARTY RECEIVABLES	-	17 823
OTHER CURRENT ASSETS		2 183
TOTAL ASSETS	-	31 683
LIABILITIES AND EQUITY	-	-
EQUITY	-	12 318
NON CURRENT LIABILITIES	-	5 035
CURRENT LIABILITIES	-	14 285
TOTAL LIABILITIES AND EQUITY	-	31 638

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	-	34 249
OPERATING INCOME	-	1 664
FINANCIAL RESULT	-	-593
EARNINGS BEFORE TAX	-	1 071
INCOME TAX	-	-463
NET INCOME	-	608

Thousand Euros

07.1.3 - ASC 2 VEHICLES

In addition, the ASCENDUM Group is also present in the business areas of marketing and after-sales assistance of Trucks and Passenger Automobiles, through its affiliate ASC 2 Vehicles.

In 2012, the turnover of automobiles showed a decrease compared with 2011 on the order of 42%, situated at EUR 18 million. The fall in family income arising from the crisis and the austerity measures aggravated the already difficult situation of the Portuguese automobile market, causing a retraction in demand and a drop in automobile sales of ASC 2 Vehicles.

In terms of volumes, ASC 2 Vehicles invoiced 332 new automobiles (655 in 2011), having closely followed the evolution of the brands represented (the drop in the national market was 44.5%). This result did not result merely from the drop recorded in the market, but also from the effort of reducing the structure that led to the closure of two peripheral business units (Caldas da Rainha and Castelo Branco).

In after-sales automobile service, the turnover was EUR 5.7 million, recording a decrease of 17% compared with 2011.

With regard to the business area of trucks, the decrease in economic activity in the area of distribution, public works and construction, along with credit restrictions, penalized the sale of new units. Only the activity of international transport managed to maintain the levels of the previous year, thanks to the positive evolution of the export activity.

In this sense, the commercial truck activity of ASC 2 Vehicles showed a strong decrease in sales, having invoiced 35 new Volvo trucks, 53% less than the previous year. After-sales activity also recorded a decrease in sales of approximately 10% compared with 2011, arising from the reduction of the fleet of trucks and adverse economic conditions. Thus, overall, ASC 2 Vehicles recorded a decrease of its activity relative to trucks of approximately 26% compared with 2011, with turnover situated around EUR 113 million.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	-	456
INTANGIBLE ASSETS	-	0
INVESTMENTS	-	0
OTHER NON CURRENT ASSETS	-	269
CURRENT ASSETS		
INVENTORY	-	5 613
THIRD-PARTY RECEIVABLES	-	8 626
OTHER CURRENT ASSETS	-	2 955
TOTAL ASSETS	-	17 918
LIABILITIES AND EQUITY		
EQUITY	-	7 699
NON CURRENT LIABILITIES	-	3 366
CURRENT LIABILITIES	-	6 854
TOTAL LIABILITIES AND EQUITY	-	17 918

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	-	29 286
OPERATING INCOME	-	248
FINANCIAL RESULT	-	-122
EARNINGS BEFORE TAX	-	125
INCOME TAX	-	-86
NET INCOME	-	40

Thousand Euros

07.1.4 - VOLRENT

Volrent began operating in 2004 and is the company of the ASCENDUM Group specializing in the leasing of equipment for civil construction and public works in Portugal.

As of December 31, 2012, the Volrent leasing fleet represented EUR 2.4 million in acquisition value (net value of approximately EUR 900 thousand), corresponding to 167 units, essentially Volvo, although Volrent also offers equipment in other brands in segments where Volvo does not operate.

2012 was a year of change and redesign of the business for Volrent. The reality of the market where the company operates is overwhelming and, since the activity of the company is restricted to the national market, Volrent felt it necessary to make its resources suitable to the reality of the market.

The first months of activity were marked by the decision of the company to close the leasing station in Pombal, rationalizing the means at its disposal according to the size of the leasing markets in Portugal.

In this context, Volrent redirected its activity towards specific customers and a different type of machinery than customary in Renting companies (larger sized machines such as loaders, dumpers and backhoes,...) concentrating their efforts and their fleet on this market niche. In this sense, Volrent proceeded with the sale of part of its fleet, making it suitable to the target market. Thus, in 2012, the fleet was reduced by about 63% compared with 2011.

This action plan allows us to obtain added value that enables balancing the operation and obtaining a reduction at the level of operating expenses, without deterioration in the quality of service and the focus on the end client. In addition, the level of debt of the company and the financial expenses associated with financing the fleet decreased, creating liquidity and making the company more flexible.

At the same time, Volrent implemented a more restrictive credit policy which, despite creating a drop in invoicing, created positive results in financial terms. However, the volume of bad loans from previous years, as well as the immeasurable number of companies that declared bankruptcy in 2012 or that resorted to the PER, led Volrent to strengthen the balance of impairments of debts receivable by about EUR 288 thousand.

Despite efforts to adapt to the market, given the current macroeconomic context, the turnover of Volrent decreased about 9.8% compared with 2011, situated at about EUR 3,921 thousand.

The containment measures adopted by Volrent proved insufficient to compensate the reduction in income of some of the fleet referenced above, as well as strengthening the impairments of debts receivable (EUR 288 thousand). In this sense, the Company recorded a negative net result of EUR 167 thousand.

With regard to the structure of capital, the total of Assets declined about 50% (EUR 3.0 million compared with 2011) due to the need to reduce the Volvo leasing fleet, in order to keep up with market tendencies. As a result, the Financial Liability of the Company also decreased about EUR 2.9 million (-64% compared with the previous year).

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	2 922	1 162
INTANGIBLE ASSETS	0	0
INVESTMENTS	0	0
OTHER NON CURRENT ASSETS	116	136
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	2 712	1 230
OTHER CURRENT ASSETS	395	563
TOTAL ASSETS	6 145	3 091
LIABILITIES AND EQUITY		
EQUITY	1 656	1 489
NON CURRENT LIABILITIES	2 117	710
CURRENT LIABILITIES	2 372	893
TOTAL LIABILITIES AND EQUITY	6 145	3 091

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	4 347	3 921
OPERATING INCOME	-801	-164
FINANCIAL RESULT	-113	-60
EARNINGS BEFORE TAX	-915	-224
INCOME TAX	246	57
NET INCOME	-669	-167

Thousand Euros

07.1.5 - TRACTORRASTOS

Founded in 1985, a Tractorrastos is a company dedicated to marketing parts and services for construction, industrial and agricultural equipment, the operating areas of which are as follows: (i) marketing of parts and components, (ii) providing technical assistance services and (iii) producing complementary equipment. Guaranteeing a geographic coverage in line with the objectives of proximity and service to the customer, the company has two business units – Leiria and the Azores.

The management of the company is oriented by the following business development strategies: (i) concentration of means and reduction of operating expenses, (ii) increase in the portfolio of offices, and (iii) internationalization of the business.

In the context of the internationalization process, 2012 was marked by the start of operations in Angola and Turkey.

With regard to the economic and financial performance of Tractorrastos, the turnover decreased by 21.3% compared with the previous year, essentially as a result of the drop recorded in the national market. The end of the Doosan concession and the weak business performance in Angola contributed to the decrease of turnover, an effect partially compensated by the TRP and by marketing equipment. Business for external markets increased about 5% compared with 2011, having achieved a turnover of EUR 659 thousand, which made up for the drop in the market in Portugal.

In the segmentation of sales by OEM brand, products from over 60 brands were marketed, with emphasis on the importance of the representations ESCO and ITR which, together, represented 26% of the turnover of parts and components.

Notable also is the growth in weight of genuine JCB and Caterpillar parts in the turnover of the company, with about EUR 220 thousand in parts having been marketed in these brands.

In terms of application, the products of the application Caterpillar, Komatsu and JCB represented approximately 5% of the turnover of parts and components.

In 2012, Tractorrastos showed a negative net result of around EUR 439 thousand, due essentially to the following: (i) extraordinary costs associated with restructuring the Company, (ii) "investment" made at the level of prospecting new markets and (iii) unusual level of impairments of debts receivable.

In 2012 there was also an increase in financing costs (more than double compared with 2011), provoked by the increase in investment – especially supported in the need to strengthen working capital, arising from the start-up of the operation in Angola – and by the general increase in spreads by financial operators. In fiscal terms, there was a tax refund of EUR 81 thousand, supported by the tax consolidation of the mother company.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	334	231
INTANGIBLE ASSETS	199	177
INVESTMENTS	12	26
OTHER NON CURRENT ASSETS	98	110
CURRENT ASSETS		
INVENTORY	2 631	2 441
THIRD-PARTY RECEIVABLES	2 486	2 510
OTHER CURRENT ASSETS	524	400
TOTAL ASSETS	**6 286**	**5 896**
LIABILITIES AND EQUITY		
EQUITY	2 054	1 615
NON CURRENT LIABILITIES	2 422	2 237
CURRENT LIABILITIES	1 809	2 043
TOTAL LIABILITIES AND EQUITY	**6 286**	**5 896**

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	6 048	4 757
OPERATING INCOME	-245	-366
FINANCIAL RESULT	-90	-154
EARNINGS BEFORE TAX	-335	-519
INCOME TAX	86	81
NET INCOME	**-249**	**-439**

Thousand Euros

With respect to the financial situation of Tractorrastos, total assets were reduced by 6.2%, remaining below EUR 6 million, this variation being explained by the decrease in value of inventories and the reduction of the non-current fixed asset.

In turn, the Equity Capital suffered a negative variation of EUR 439 thousand, reflecting the net result for the fiscal year. The liability of the company remained in line with the amounts recorded in 2011, with the reduction in financing obtained, of credit from suppliers and debts to the state compensating the increase in the category of other liabilities, substantially justified by the increase in the balance of debts to partners.

07.1.6 - AIR RAIL (PORTUGAL)

Air Rail Portugal, is a company of the ASCENDUM Group dedicated to marketing infrastructure equipment in Portugal.

In 2012, Air Rail Portugal recorded a turnover of EUR 479 thousand and closed the fiscal year with a negative net result of EUR 29 thousand. For 2013, the main objectives of the company are to continue the growth of activity in the Seaport and Airport sectors, and enter the Railway sector in Portugal, Angola and Mozambique.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	19	12
INTANGIBLE ASSETS	0	0
INVESTMENTS	0	0
OTHER NON CURRENT ASSETS	0	0
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	17	98
OTHER CURRENT ASSETS	25	19
TOTAL ASSETS	**62**	**130**
LIABILITIES AND EQUITY		
EQUITY	-37	-32
NON CURRENT LIABILITIES	0	0
CURRENT LIABILITIES	99	162
TOTAL LIABILITIES AND EQUITY	**62**	**130**

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	229	479
OPERATING INCOME	-101	-27
FINANCIAL RESULT	0	0
EARNINGS BEFORE TAX	-101	-27
INCOME TAX	0	-2
NET INCOME	**-101**	**-29**

Thousand Euros

07.1.7 - COTIAC

Cotiac is a company managing financial and social participations, and developed, throughout 2012, activities directly related to its social objective.

The portfolio of financial participations of Cotiac remained stable during the fiscal year 2012, noting only the alienation of the position that the company held in the Glomak – SGPS, S.A. company and the acquisition of all of the shares that the company did not have in ASCENDUM España. As a result of these operations, Cotiac no longer has any participation in Glomak and now holds 100% of ASCENDUM España.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	0	0
INTANGIBLE ASSETS	0	0
INVESTMENTS	64 558	67 341
OTHER NON CURRENT ASSETS	0	0
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	3 258	0
OTHER CURRENT ASSETS	6 657	3 777
TOTAL ASSETS	74 473	71 118
LIABILITIES AND EQUITY		
EQUITY	68 303	71 093
NON CURRENT LIABILITIES	0	0
CURRENT LIABILITIES	6 169	25
TOTAL LIABILITIES AND EQUITY	74 473	71 118

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	0	0
OPERATING INCOME	2 375	-517
FINANCIAL RESULT	193	0
EARNINGS BEFORE TAX	2 568	-517
INCOME TAX	-48	0
NET INCOME	2 519	-517

Thousand Euros

The main variations that occurred on the balance sheet of Cotiac in 2012 were as follows: (i) increase in the heading of financial participations in the overall amount of EUR 2,787,840 as a result, essentially, of the positive effect arising from the allocation of the results of the fiscal year and other asset variations of its affiliate ASCENDUM España (EUR 2,791,961), (ii) decrease in the current asset in the amount of EUR 6.1 million, fundamentally justified by the regularization of the debt to Glomak in the amount of EUR 9.2 million, amount to be received from ASCENDUM, S.A. of EUR 1.4 million and realization of supplements to the affiliate ASCENDUM España in the amount of EUR 1.6 million, (iii) reduction in the current liability in the amount of EUR 6 million, as a result of payment of the debt to ASCENDUM, S.A and (iv) increase in equity capital of about EUR 2.8 million (associated with variations in assets in ASCENDUM España).

The net result of the fiscal year was negative by EUR 517 thousand due to the application of the MEP, i.e., through incorporation of the negative results of ASCENDUM España.

07.2 - SPAIN

07.2.1 - ASCENDUM ESPAÑA

ASCENDUM España (formerly known as Auto Maquinaria Tea Aloya, S.L) is a company managing social participations, founded in 2000 according to Spanish tax legislation, and may also practice other commercial activities.

ASCENDUM España has all of the share capital of Volmaquinaria de Construcción de España, S.A. (VMCE), a company of the Group in charge of importing and distribution of Volvo construction equipment throughout Spain, holding, in turn, Volvo for the entire Spanish territory, holding, in turn, participations in various companies in Spain.

Notable among the assets of ASCENDUM España, a financial participation in Banco BPI, of about 0.8%, corresponding to 11,084.735 shares.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	0	0
INTANGIBLE ASSETS	0	0
INVESTMENTS	33 011	39 993
OTHER NON CURRENT ASSETS	6 182	5 077
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	179	0
OTHER CURRENT ASSETS	157	46
TOTAL ASSETS	39 529	45 116
LIABILITIES AND EQUITY		
EQUITY	38 702	42 144
NON CURRENT LIABILITIES	0	0
CURRENT LIABILITIES	827	2 972
TOTAL LIABILITIES AND EQUITY	39 529	45 116

Thousand Euros

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	0	0
OPERATING INCOME	5 377	-463
FINANCIAL RESULT	1	0
EARNINGS BEFORE TAX	5 378	-462
INCOME TAX	141	139
NET INCOME	5 518	-324

Thousand Euros

07.2.2 - VOLMAQUINARIA

Volmaquinaria is the company of the ASCENDUM Group responsible for the importation and distribution of Volvo construction equipment throughout Spain. Through a vast network of agents, and working directly in Madrid and Barcelona, Volmaquinaria pursues its activity by offering a wide range of products and services, and is considered by its largest customers as having the best quality in Spain.

Today, Volmaquinaria represents the nucleus of the cluster of Spanish companies belonging to the Group, consisting of Tea Aloya Inmobiliaria, S.A., Volrental Atlántico, S.A., Air-Rail, S.L. and Zephir, S.L. In 2012, Volmaqinaria proceeded with the alienation of the 47% participation it held in the insurance broker Amplitude Ibérica, S.A.

In terms of activity, in 2012 Volmaquinaria found itself effected, for the fourth consecutive year, by the adverse economic conditions, reflected in the weak signs of recovery by the Spanish economy.

Despite efforts to adapt to the market carried out by Volmaquinaria, the turnover suffered a decrease of 24.5% compared with 2011, situated at EUR 34.9 million, thus reflecting the downward tendency of the activity of construction and public works throughout 2012.

The division of the turnover shows an increase in the relative weight of the sale of used equipment (from 8% in 2011 to 17% in 2012) and the maintenance of leasing equipment (3%), having witnessed, on the other hand, a decreased in weight of new equipment (from 43% in 2011 to 36% in 2012) and after-sale (from 46% in 2011 to 43% in 2012).

The net result of Volmaquinaria is situated around EUR 3 million, recording a strong increase compared with 2011 explained essentially by the alienation of the 15% participation in ASC USA to ASCENDUM, S.A.

In 2012, the total of Assets was around EUR 65 million, reflecting a decrease of 6% compared with 2011, explained essentially by the slowdown of activity and subsequent decrease in levels of inventory.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	20 518	17 186
INTANGIBLE ASSETS	3 031	3 041
INVESTMENTS	15 258	11 786
OTHER NON CURRENT ASSETS	437	477
CURRENT ASSETS		
INVENTORY	17 981	13 702
THIRD-PARTY RECEIVABLES	9 158	17 036
OTHER CURRENT ASSETS	2 619	1 444
TOTAL ASSETS	69 002	64 672
LIABILITIES AND EQUITY		
EQUITY	48 735	51 718
NON CURRENT LIABILITIES	10 083	7 179
CURRENT LIABILITIES	10 183	5 775
TOTAL LIABILITIES AND EQUITY	69 002	64 672

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	46 224	34 912
OPERATING INCOME	1 463	3 225
FINANCIAL RESULT	-565	-421
EARNINGS BEFORE TAX	898	2 804
INCOME TAX	-274	352
NET INCOME	624	3 156

Thousand Euros

07.2.3 - TEA ALOYA INMOBILIARIA

Tea Aloya Inmobiliaria is the company of the ASCENDUM Group dedicated to the real estate area.

The amount of fixed tangible assets corresponds to land owned by the company, the purposes of which is to obtain long-term income.

It should be stressed that the company did not exercise any operating activity in 2012.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	78	78
INTANGIBLE ASSETS	0	0
INVESTMENTS	0	0
OTHER NON CURRENT ASSETS	0	0
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	0	0
OTHER CURRENT ASSETS	696	698
TOTAL ASSETS	774	776
LIABILITIES AND EQUITY		
EQUITY	776	778
NON CURRENT LIABILITIES	0	0
CURRENT LIABILITIES	-2	-2
TOTAL LIABILITIES AND EQUITY	774	776

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	0	0
OPERATING INCOME	-1	-3
FINANCIAL RESULT	4	6
EARNINGS BEFORE TAX	3	3
INCOME TAX	-1	-1
NET INCOME	2	2

Thousand Euros

07.2.4 - VOLRENTAL ATLÁNTICO

Volrental Atlántico was founded in October 2006, and, like Volrental, is dedicated to the business of leasing construction equipment. The ASCENDUM Group has a participation of about 68.86% in its share capital, through its affiliate Volmaquinaria de Construcción de España.

On April 28, 2010, a reduction was made to the share capital of the company of EUR 450 thousand, to compensate for accumulated losses and re-establish its asset balance.
In 2012 Volrental Atlántico did not exercise any operating activity, with the Net Result being negative by EUR 4 thousand.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	181	177
INTANGIBLE ASSETS	0	0
INVESTMENTS	0	0
OTHER NON CURRENT ASSETS	0	0
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	0	0
OTHER CURRENT ASSETS	280	280
TOTAL ASSETS	460	457
LIABILITIES AND EQUITY		
EQUITY	460	457
NON CURRENT LIABILITIES	0	0
CURRENT LIABILITIES	0	0
TOTAL LIABILITIES AND EQUITY	460	457

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	0	0
OPERATING INCOME	-11	-6
FINANCIAL RESULT	1	1
EARNINGS BEFORE TAX	-10	-5
INCOME TAX	3	2
NET INCOME	-7	-4

Thousand Euros

07.2.5 - AIR-RAIL ESPAÑA

Air-Rail España was founded in May of 1992, when ASCENDUM Group acquired, in 2010, a participation of 50%, and its main activity consists of marketing and distribution of equipment for seaport, airport and railway infrastructures. In 2012, the turnover of the company showed a growth of approximately 4.3% compared with 2011, totaling EUR 12,800 thousand. The net result was about EUR 213 thousand (compared with EUR 483 thousand the previous year (equal to -56%).

In 2012, Air-Rail España acquired 50% of Air-Rail Polska, a company with activity in the sector of marketing and distribution of equipment for infrastructures in Poland.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	6 124	5 358
INTANGIBLE ASSETS	12	1
INVESTMENTS	87	102
OTHER NON CURRENT ASSETS	28	77
CURRENT ASSETS		
INVENTORY	767	334
THIRD-PARTY RECEIVABLES	4 757	3 569
OTHER CURRENT ASSETS	3 395	4 571
TOTAL ASSETS	15 169	14 012
LIABILITIES AND EQUITY		
EQUITY	1 868	2 080
NON CURRENT LIABILITIES	2 465	1 679
CURRENT LIABILITIES	10 837	10 253
TOTAL LIABILITIES AND EQUITY	15 169	14 012

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	12 269	12 800
OPERATING INCOME	957	560
FINANCIAL RESULT	-267	-257
EARNINGS BEFORE TAX	689	304
INCOME TAX	-207	-91
NET INCOME	483	213

Thousand Euros

07.2.6 - ZEPHIR

Zephir is dedicated to the marketing and distribution of equipment for railroad infrastructures and its respective technical assistance.

The economic outlook proved unfavorable for the Zephir activity, reflected in a turnover of approximately EUR 519 thousand (-36.1% compared with 2011), and in a negative net result of EUR 124 thousand.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	599	504
INTANGIBLE ASSETS	0	0
INVESTMENTS	0	0
OTHER NON CURRENT ASSETS	0	53
CURRENT ASSETS		
INVENTORY	125	143
THIRD-PARTY RECEIVABLES	547	174
OTHER CURRENT ASSETS	108	133
TOTAL ASSETS	1 379	1 007
LIABILITIES AND EQUITY		
EQUITY	259	135
NON CURRENT LIABILITIES	57	0
CURRENT LIABILITIES	1 064	873
TOTAL LIABILITIES AND EQUITY	1 379	1 007

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	812	519
OPERATING INCOME	125	-164
FINANCIAL RESULT	-30	-13
EARNINGS BEFORE TAX	94	-177
INCOME TAX	-24	53
NET INCOME	71	-124

Thousand Euros


VOLVO

07.3 - U.S. (ASC USA)

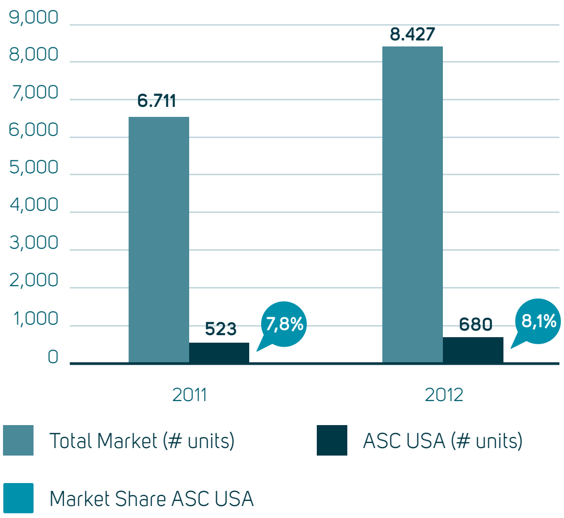
ASC CONSTRUCTION EQUIPMENT USA, INC., WAS FOUNDED IN 2004 AFTER THE ACQUISITION BY ASCENDUM GROUP OF THE ASSETS OF SABA HOLDING (A COMPANY OF THE VOLVO GROUP), A COMPANY THAT THEN HELD DISTRIBUTION OF CONSTRUCTION EQUIPMENT FOR THE VOLVO BRAND FOR A VAST AREA OF THE COUNTRY, INCLUDING THE STATES OF NORTH CAROLINA, SOUTH CAROLINA, ALABAMA, GEORGIA AND TENNESSEE.

With activities in the segments of the business related to marketing, leasing and after-sales service of Volvo construction equipment ASC USA has been recognized as the largest Volvo dealer in the US since 2005, having received since then various awards in both the financial and technical areas, in the context of Volvo concessionaire meetings.

After an exponential growth in turnover in 2011, 2012 was marked by a contraction of about 11% at the level of invoicing by ASC USA, of around EUR 122,742 thousand euros (USD 157,698 thousand). One of the main factors that contributed to this drop results from the disinvestment from the Alabama territory that was finalized in November 2011. However, excluding this occurrence, it was seen that invoicing in 2012 was in line with that recorded in 2011.

With regard to the business areas, the Construction Equipment segment is again the most important business area in the operations of ASC USA (68%), followed by the After-sale area (23%) and the Leasing segment (9%). Although the amount of sales of construction equipment recorded in 2012 (USD 107 million) has been lower than that seen in 2011 (-9%, equal to USD 11 million), these amounts reflect a growth tendency in the relative weight of construction equipment in the total turnover of ASC USA (52% in 2010, 67% in 2011, 68% in 2012).

Market share - ASC USA | Units



Despite the negative cycle that started in 2007, sales of new equipment reversed the tendency in 2011, achieving a growth of 55%. 2012 was marked by the consolidation of the increased sales of new equipment, recording an increase of 20% compared with 2011 and achieving USD 77 million (equal to EUR 60 million). We also note that the magnitude of this growth would be strengthened if we exclude the effect of the sale of Alabama, since, in homologous terms, the increase of sales would be close to 34%. Since the new equipment segment is the most affected by the recession, the upswing is due essentially to (i) the increase in consumer confidence, (ii) the positive perspectives of specific projects in the region, (iii) tax incentives that ended in 2012 and (iv) the reinforced weight of sales to leasing companies that have been attracting more demand in the last few years.

On the other hand, sales of used equipment recorded a decrease from a record amount of USD 55 million (EUR 39 million) in 2011 to USD 31 million (EUR 24 million) in 2012. The decrease of 44% in the sale of used equipment resulted, essentially, from (i) the increase of prices associated with the introduction of new Tier 4 equipment in 2011, the subsequent demand for used Tier 3 equipment, to (ii) accentuated demand seen in international markets, and to (iii) decrease in tax incentives based on a bonus of capital depreciation, which went from 100% in 2011 to 50% in 2012. Despite the impact being less, the disinvestment of the Alabama territory also explained in part the decrease in sales of used equipment. However, though conditions were less positive, the experience of the team in used products allowed ASC USA to achieve a considerable level of sales in this segment.

In terms of market share, ASC USA saw its position strengthened in 2012 by achieving 8.1% of the total units sold in the territory where it operates. This result is the reflection of an increase of 30% in the number of units sold by the company compared with an increase of 26% in the market as a whole. On the other hand, the market share of equipment sales is above average for Volvo dealers in the US in all segments of products , notably GPE and Road Machinery. With the general improvement of economic activity, as well as the housing market, demand for construction equipment has been strengthened, thus translating into a gradual and solid perspective of leaving the recession.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	35 567	33 124
INTANGIBLE ASSETS	3 446	3 379
INVESTMENTS	0	0
OTHER NON CURRENT ASSETS	818	9 561
CURRENT ASSETS		
INVENTORY	48 738	60 576
THIRD-PARTY RECEIVABLES	10 390	8 711
OTHER CURRENT ASSETS	5 099	1 987
TOTAL ASSETS	104 058	117 338
LIABILITIES AND EQUITY		
EQUITY	33 649	30 176
NON CURRENT LIABILITIES	44 141	53 021
CURRENT LIABILITIES	26 268	34 142
TOTAL LIABILITIES AND EQUITY	104 058	117 338

Thousand Euros
EUR/USD exchange rate: 31st December 2011 - 1,2939;
31st December 2012 - 1,3194

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	127 988	122 742
OPERATING INCOME	11 271	6 717
FINANCIAL RESULT	-1 731	-1 649
EARNINGS BEFORE TAX	9 540	5 069
INCOME TAX	-3 879	-1 741
NET INCOME	5 661	3 328

Thousand Euros
EUR/USD exchange rate: 2011 average - 1,3920; 2012 average - 1,2848

2012 was marked by a decrease in sales (11%) and in the operating result (45%), due, essentially, to the sale of part of the territory concession in the State of Alabama. With regard to the financial structure of ASC USA, the total Assets increased approximately 15% (equal to USD 20 million) compared with 2011, situated at around EUR 117 million.


VOLV

07.4 - TURKEY

07.4.1 - ASCENDUM MAKINA

ASCENDUM Makina is a holding company of the ASCENDUM Group in Turkey, founded in 2011, thus holding 99.9% of the share capital of ASC Türk.

Next are presented the financial statements for 2012 for ASCENDUM Makina:

The positive operating result for ASCENDUM Makina in 2012 arises, essentially, from the dividends distributed by ASC Türk Makina, and the favorable exchange rates of around EUR 1.3 million.

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	0	0
INTANGIBLE ASSETS	0	0
INVESTMENTS	48 763	50 600
OTHER NON CURRENT ASSETS	0	0
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	34	37
OTHER CURRENT ASSETS	5	701
TOTAL ASSETS	**48 802**	**51 338**
LIABILITIES AND EQUITY		
EQUITY	14 899	40 859
NON CURRENT LIABILITIES	0	9 978
CURRENT LIABILITIES	33 902	501
TOTAL LIABILITIES AND EQUITY	**48 802**	**51 338**

Thousand Euros
EUR/TRL exchange rate: 31st December 2011 - 2,4432;
31st December 2012 - 2,3551

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	0	0
OPERATING INCOME	-93	26 467
FINANCIAL RESULT	-162	-152
EARNINGS BEFORE TAX	-256	26 314
INCOME TAX	0	-455
NET INCOME	**-256**	**25 859**

Thousand Euros
EUR/TRL exchange rate: 2011 average - 2,3376; 2012 average - 2,3135

07.4.2 - ASC TÜRK MAKINA

On June 30, 2010, the ASCENDUM Group acquired the two subsidiaries of Volvo Construction Equipment A.B (VTC Holding Holland N.V and Volvo Automotive Holding B.V), as operations for importing and distribution of Volvo CE for all of the territory of Turkey. Currently, the company covers the entire range of Volvo CE products, through three business units (two in Istanbul and one in Ankara) and a retail network of five agents.

In 2012, the demand for construction equipment in Turkey rose, by about 9,524 units, within the portfolio of products marketed by ASC Türk, thus reflecting a significant increase on the order of 13% compared with the number of units sold in 2011 (around 8,436).

Despite having sold around 1,088 units – just one more unit than in 2011, ASC Türk achieved, in 2012, a market share of 11.4%, thus remaining in 4th place in the ranking of companies operating in the sector. The GPE (General Purpose Equipment) segment is the strongest within the company, representing about 76% of the total of units sold. The weight of this segment in ASC Türk is higher than average for the market and translates into a market share of 16.8%.

Next are presented the financial statements for 2012 for ASC Türk:

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	2 796	4 943
INTANGIBLE ASSETS	709	750
INVESTMENTS	2	2
OTHER NON CURRENT ASSETS	336	36
CURRENT ASSETS		
INVENTORY	29 124	38 000
THIRD-PARTY RECEIVABLES	13 735	14 893
OTHER CURRENT ASSETS	12 902	10 927
TOTAL ASSETS	59 605	69 551
LIABILITIES AND EQUITY		
EQUITY	42 162	33 343
NON CURRENT LIABILITIES	23	0
CURRENT LIABILITIES	17 420	36 208
TOTAL LIABILITIES AND EQUITY	59 605	69 551

Thousand Euros
EUR/TRL exchange rate: 31st December 2011 - 2,4432;
31st December 2012 - 2,3551

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	195 698	211 173
OPERATING INCOME	24 970	18 663
FINANCIAL RESULT	411	-845
EARNINGS BEFORE TAX	25 382	17 818
INCOME TAX	-5 265	-3 677
NET INCOME	20 116	14 141

Thousand Euros
EUR/TRL exchange rate: 2011 average - 2,3376; 2012 average - 2,3135

In 2012, the turnover of ASC Türk totaled EUR 211,173 thousand (488,558 thousand Turkish lira), showing a growth of 8% compared with 2011 (equal to 31 million Turkish lira). With regard to the business areas, the construction equipment segment is again the most important business area in the operations of ASC Türk (79%), followed by the after-sale area (18%) and the leasing segment (2%).

With regard to the financial structure of ASC Türk, the total of Assets increased about 17% compared with 2011, situated at about EUR 70 million, and the current liabilities doubled compared with the previous year, totaling about EUR 36 million.

07.4.3 - ART HAVA

Having started its activity in 2011, Art Hava is the company of the ASCENDUM Group (held 50% by Air-Rail and 5% by ASC Türk) that is dedicated to marketing and distribution of equipment for seaports, airports and railways in Turkey.

Next are presented the financial statements for 2012 for Art Hava:

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	0	1
INTANGIBLE ASSETS	0	0
INVESTMENTS	0	0
OTHER NON CURRENT ASSETS	0	26
CURRENT ASSETS		
INVENTORY	0	0
THIRD-PARTY RECEIVABLES	60	3
OTHER CURRENT ASSETS	0	19
TOTAL ASSETS	60	49
LIABILITIES AND EQUITY		
EQUITY	43	-58
NON CURRENT LIABILITIES	0	0
CURRENT LIABILITIES	17	107
TOTAL LIABILITIES AND EQUITY	60	49

Thousand Euros
EUR/TRL exchange rate: 31st December 2011 - 2,4432;
31st December 2012 - 2,3551

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	40	3
OPERATING INCOME	3	-130
FINANCIAL RESULT	0	-1
EARNINGS BEFORE TAX	3	-131
INCOME TAX	-1	26
NET INCOME	2	-104

Thousand Euros
EUR/TRL exchange rate: 2011 average - 2,3376; 2012 average - 2,3135

07.4.4 - TRP

Having started its activity in 2012, TRP is the company of the ASCENDUM Group (held 50% by ASCENDUM Makina and 50% by Tractorrastos) that is dedicated to marketing parts and services for construction, industrial and agricultural equipment in Turkey.

Next are presented the financial statements for 2012 for TRP:

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	-	0
INTANGIBLE ASSETS	-	0
INVESTMENTS	-	0
OTHER NON CURRENT ASSETS	-	2
CURRENT ASSETS		
INVENTORY	-	0
THIRD-PARTY RECEIVABLES	-	0
OTHER CURRENT ASSETS	-	16
TOTAL ASSETS	-	18
LIABILITIES AND EQUITY		
EQUITY	-	18
NON CURRENT LIABILITIES	-	0
CURRENT LIABILITIES	-	0
TOTAL LIABILITIES AND EQUITY	-	18

Thousand Euros
EUR/TRL exchange rate: 31st December 2011 - 2,4432;
31st December 2012 - 2,3551

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	-	0
OPERATING INCOME	-	-11
FINANCIAL RESULT	-	0
EARNINGS BEFORE TAX	-	-11
INCOME TAX	-	2
NET INCOME	-	-9

Thousand Euros
EUR/TRL exchange rate: 2011 average - 2,3376; 2012 average - 2,3135


VOLVO
VOLVO

07.5 - MEXICO

ASCENDUM MAQUINARIA MEXICO

Having started its activity in Mach, 2012, ASCENDUM Maquinaria Mexico is the company of the ASCENDUM Group (held 99.9% by ASCENDUM, S.A. and 0.001% by ASCENDUM España) that is dedicated to marketing of Volvo construction equipment in the Mexican territory.

Next are presented the financial statements for 2012 for ASCENDUM Maquinaria Mexico:

BALANCE SHEET	2011	2012
ASSETS		
NON CURRENT ASSETS		
TANGIBLE FIXED ASSETS	-	891
INTANGIBLE ASSETS	-	1 389
INVESTMENTS	-	0
OTHER NON CURRENT ASSETS	-	0
CURRENT ASSETS		
INVENTORY	-	3 952
THIRD-PARTY RECEIVABLES	-	6 264
OTHER CURRENT ASSETS	-	3 563
TOTAL ASSETS	-	16 059
LIABILITIES AND EQUITY		
EQUITY	-	4 196
NON CURRENT LIABILITIES	-	0
CURRENT LIABILITIES	-	11 862
TOTAL LIABILITIES AND EQUITY	-	16 059

Thousand Euros
EUR/MXN exchange rate: 31st December 2012 - 17,1845

PROFIT & LOSS STATEMENT	2011	2012
TURNOVER	-	14 249
OPERATING INCOME	-	82
FINANCIAL RESULT	-	-47
EARNINGS BEFORE TAX	-	35
INCOME TAX	-	-52
NET INCOME	-	-17

Thousand Euros
EUR/MXN exchange rate: 2012 average - 16,8653

SUSTAINABILITY POLICY

08

AT ASCENDUM GROUP, WE BELIEVE THAT EACH STEP IS ALREADY A GOAL IN ITSELF, THUS WE WORK DAILY FROM THE VIEWPOINT OF A POLICY OF RESPONSIBLE GROWTH OF THE GROUP.

WE GREW AND WANTED TO CONTINUE TO GROW IN A SUSTAINABLE MANNER, SINCE WE BELIEVE THAT SUSTAINABILITY IS UNDERSTOOD AS THE FUNDAMENTAL BALANCE BETWEEN THE ECONOMIC, ENVIRONMENTAL AND SOCIAL PILLARS.

FOR THIS REASON, EVERY DAY WE DEVELOP, RESPONSIBLY, OUR COMMITMENT TO QUALITY AND RESPECT FOR THE ENVIRONMENT IN ALL OF OUR PROJECTS AND SERVICES.

08.1 - ECONOMY AND INNOVATION

The ASCENDUM Group is governed by standards of excellence, working to establish a strict relationship with all of its clients and partners, guaranteeing their total satisfaction and adding value to its business.

With the objective of sustained growth, ensuring the financial balance of the Group and the profitability of capital invested, the ASCENDUM Group, assesses its results, continually and systematically, in all areas of activity. At the same time, the ASCENDUM Group, being part of the value chain of the automobile and machinery sector, basically as a distributor of vehicles and construction equipment, seeks to monitor its growth through a rigorous selection of partners and suppliers who present innovative solutions from the standpoint of reducing the environmental impact in the activity of the Group.

An example of this is the case of Volvo, which is already developing construction equipment with hybrid technology, with Diesel electric engines, which contribute to reducing the emissions of CO2 and fuel consumption. Also at the level of automobiles and trucks, Volvo incorporated in its range versions that are more ecological, corresponding to its long tradition of concern for reducing the environmental impact of its products, in addition to complying with community directives, namely the Euro 5 standard. In the automobile area, all of the brands that ASCENDUM Group represents have programs to reduce environmental impact.

08.2 - ENVIRONMENT AND QUALITY

In 2012, the system of managing quality and the environment was adapted to the new reality of the organization. The quality and environment certification now includes ASCENDUM Portugal, ASC Veículos and ASC Máquinas e Equipamentos Industriais. In this year we also discontinued the system of quality and environmental management in the business units (BU) of Castelo Branco and Caldas da Rainha. The management system of quality and the environment has been audited twice: an internal audit in June and an external audit in July.

In the Environmental aspect - NP EN ISSO 14001:2004, the following are noteworthy:

- Certification of the branche of Albergaria-a-Velha;
- Qualification, in each automobile and truck office, of a technician for intervention in air conditioning systems in engine vehicles, according to Decree-Law No. 56/2011, of April 21 and Regulation (EC) No. 842/2006;
- Realization of simulations in Coimbra, Leiria, Viseu, Albergaria and Viseu;
- Actions of environmental awareness (separation of wastes, consumption of natural resources, etc.);
- Analysis of liquid effluents discharged into the water of in a collector in the branches of Leiria, Albergaria (quarterly), Sacavém and Viseu (semi-annually) and Coimbra (every two months);
- Registration and treatment of Environmental Accidents;
- Monitoring consumption (electricity, water, fuel);
- Communication of data to the Portuguese environmental Agency: amount of waste produced, bulletins of analysis of liquid effluents and fluorinated greenhouse gases;
- Communication of data to the CCDRC - Commission for Coordination of the Central Regional Development, referring to chimneys that exist in the Business units: number of hours of operation and fuel consumption;
- Assessment of legal environmental compliance in the BU of Coimbra, Leiria, Viseu, Albergaria and Viseu.

Quality aspect - NP EN ISO 9001:2008:

- Calibration of measurement equipment to monitor the offices of automobiles, trucks and construction equipment, that influence customer satisfaction;
- Measurement of equipment covered by legal metrology (tachographs, weighing line, brake tester, manometers of compressed air tanks, air gauge);
- Registration and treatment of the non-conformities of Complaints.

08.3 - SOCIALLY RESPONSIBLE

epis
EMPRESÁRIOS
PELA INCLUSÃO SOCIAL

The ASCENDUM Group believes it can make a positive contribution to the development of communities where it operates, based on maximum respect for local cultures believing it is our obligation to evaluate the impact (Environmental, Social and Economic) of the activity developed in the various areas where it operates.

In the phase of selecting new projects to promote entrepreneurship, the ASCENDUM Group has been developing concrete actions in this field, such as the support given to the **EPIS – Entrepreneurs for Social Inclusion**, an entity founded in 2007 under the Sponsorship of the President of the Republic, with the contribution to revert to the Fund to Support Professional Internship aimed at providing internships, in a business environment, to young people with learning difficulties and at risk of dropping out of school, providing them with training and insertion in the job market.

The results of this investment have been very positive, and many young people with academic problems have found their professional path.

RISKS AND UNCERTAINTIES

09

09.1 - LIQUIDITY RISK

LIQUIDITY RISK MEANS THE RISK OF LACK OF ABILITY TO LIQUIDATE OR COMPLY WITH THE OBLIGATIONS WITHIN DEFINED PERIODS AND AT A REASONABLE PRICE.

The existence of liquidity in the companies of the Group implies defining action parameters in the management function of this same liquidity to allow maximization of the opportunity costs associated with retaining this liquidity, in a safe and efficient manner.

THE RISK MANAGEMENT OF LIQUIDITY IN THE ASCENDUM GROUP AIMS TO ENSURE:

(i) Liquidity, guaranteeing permanent access in the most efficient manner to sufficient funds to meet current payments on the respective due dates as well as possible requests for funds in the periods defined for this, although not projected;
(ii) Safety, minimizing the probability of noncompliance in the reimbursement of any application of funds; and
(iii) Financial efficiency, guaranteeing that the companies maximize the amount / minimize the opportunity cost of retaining surplus liquidity in the short-term.

THE STRATEGY ADOPTED BY THE ASCENDUM GROUP, FOR THE RISK MANAGEMENT OF LIQUIDITY, IS BASED, AMONG OTHER THINGS, ON THE FOLLOWING:

(i) Integrated financial planning and financial management of the group, supported in the budgets of the treasury of the various companies,
(ii) Diversification of the sources of financing and adapting the maturity of commitments to the rhythm of liquidity creation,
(iii) Adapting the maturity of financial commitments, relative to investments in non-current assets, to the rhythm of liquidity creation.
(iv) Contracting short-term lines of credit, to meet occasional peak treasury needs.

Any and all excess liquidity is applied in the way that best serves the objectives of liquidity and profitability of the Group, whether in short-term financial applications, or in amortization of short-term debt, according to reasonable economic and financial criteria.

As of December 31, 2012 and 2011, the Group showed a net debt of EUR 136,142,042 and EUR 120,624,961, respectively, divided into current and non-current loans and cash and cash equivalents contracted/applied with various institutions. The Group has lines of credit in the amount of EUR 195 million.

09.2 - EXCHANGE RISK

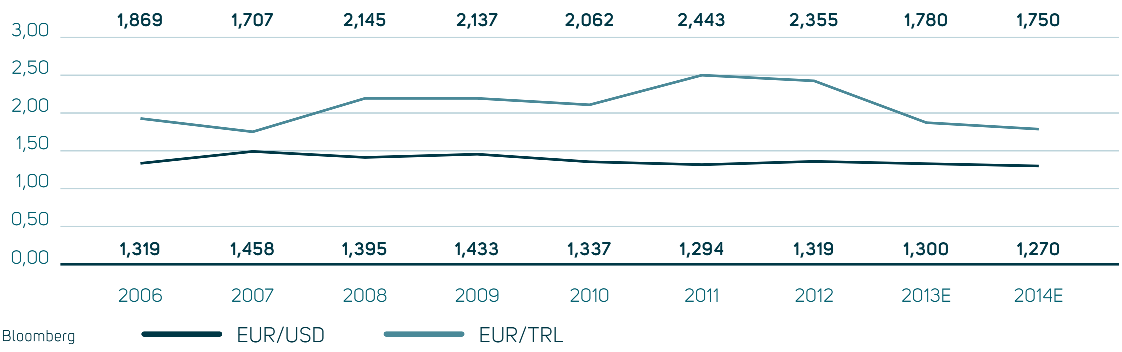
EXCHANGE RATE RISK REFLECTS THE POSSIBILITY OF RECORDING LOSSES OR GAINS AS A RESULT OF VARIATIONS OF RATES OF EXCHANGE AMONG DIFFERENT CURRENCIES.

The exposure to exchange rate risk of the Group results (i) from the existence of subsidiaries located in countries in which the functional currency is different from the euro (namely, the US Turkey and Mexico), (ii) from operations carried out between these subsidiaries and other companies in the Group, (iii) from the existence of transactions carried out by the companies operating in different currency from the reporting currency of the ASCENDUM Group and (iv) from the existence of financial/operating transactions carried out in a currency distinct from the local/functional currency (bank loans, payments to suppliers, receipts from customers) since this variation of this contracting of credit/debt and payment/receipt gives rise to exchange gains/losses.

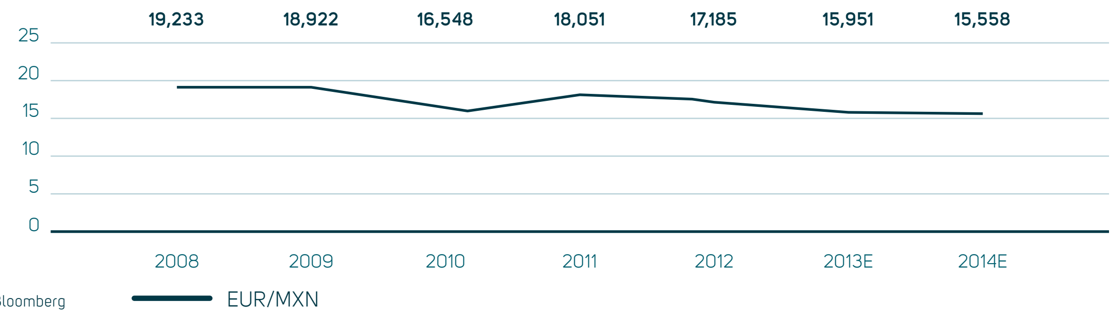
In this sense, the exposure to the exchange risk of the ASCENDUM Group arises from the fact that, on the one hand, in the process of preparing the consolidated financial statements for the Group, it is necessary to transfer the financial statements of the subsidiaries to the euro, and on the other, resulting from the existence of transactions/financing in a currency distinct from the local/functional currency (local financial statements).

Shown below are the closing exchange rates for the currencies where the Group has a direct presence:

Evolution of the exchange rates EUR/USD and EUR/MXN



Source: Bloomberg



Source: Bloomberg

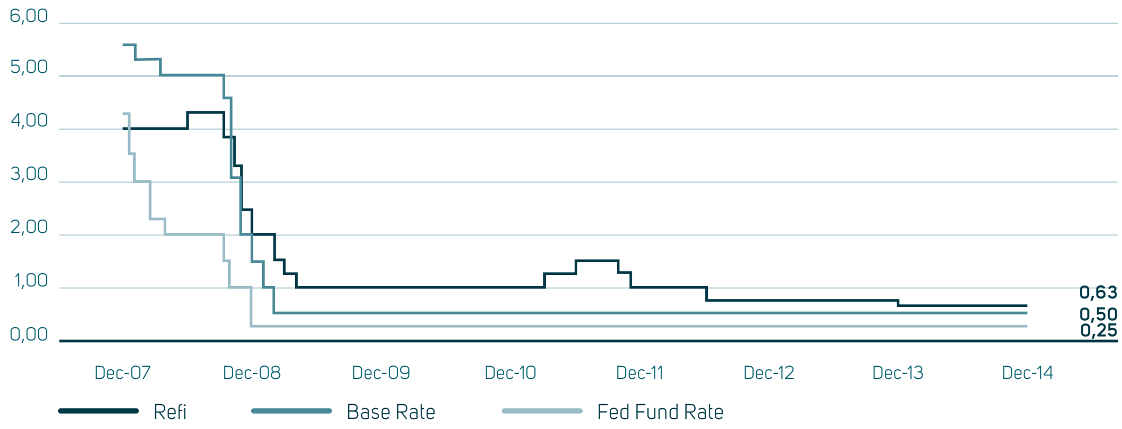
Possible exchange variations in the currencies of these countries against the euros will affect the conversion of the results attributed to the ASCENDUM Group, and thus the results and financial position of the Group.

In this framework, and in light of the uncertainty as to the evolution of the quotation of the American dollar, the Turkish lira and the Mexican peso compared with the euro in the next few years, the policy of managing interest rate risk followed by the ASCENDUM Group will have the objective of reducing as much as possible the sensitivity of its results to exchange fluctuations.

09.3 - INTEREST RATE RISK

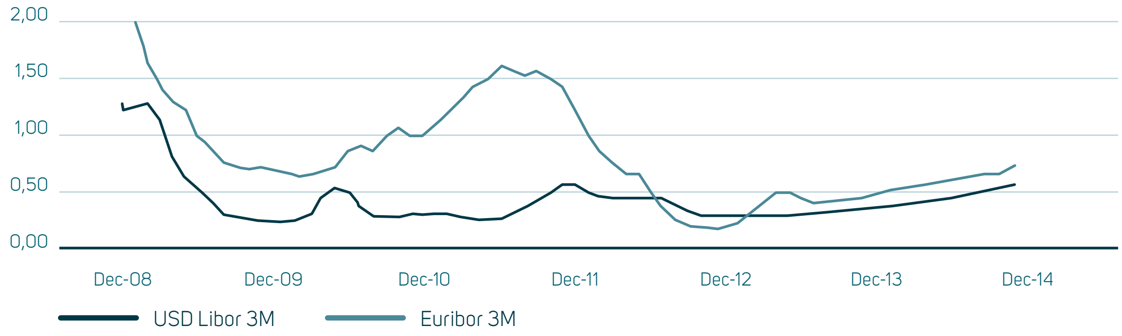
INTEREST RATE RISK TRANSLATES THE POSSIBILITY THAT THERE MAY BE FLUCTUATIONS IN THE AMOUNT OF FUTURE FINANCIAL BURDENS IN LOANS CONTRACTED, DUE TO THE LEVEL OF MARKET INTEREST RATES, WHICH COULD NEGATIVELY AFFECT THE RESULTS OF THE ASCENDUM GROUP.

Evolution of reference interest rates (historic and prospective)



Source: Bloomberg

Evolution of Euribor 3M and Libor 3M interest rates (historic and prospective)



Source: Bloomberg

The introduction of standards in the banking system at different international levels imposes challenges on access to credit by companies and individuals. Thus, the uncertainty that surrounds the granting of medium/long-term credit persists, potentially affecting the financial functioning of the Group.

09.4 - COUNTRY RISK

COUNTRY RISK IS AN ECONOMIC AND FINANCIAL CONCEPT REGARDING THE POSSIBILITY OF CHANGES IN THE BUSINESS ENVIRONMENT OF A GIVEN COUNTRY NEGATIVELY IMPACTING THE RESULTS OR THE AMOUNT OF ASSETS OF FOREIGN COMPANIES ESTABLISHED IN THAT COUNTY, AS WELL AS GAINS, DIVIDENDS OF ROYALTIES THAT THEY HOPE TO OBTAIN FROM THE INVESTMENT MADE THERE.

The concept of country risk includes various categories of risk that may be associated with a country, such as:

In this context, and in order to measure country risk, there are risk classification agencies, most notably, Moody's, Standard & Poor's and Fitch Ratings. Their main activity consists in attributing classifications, or ratings, to the countries under study, in order to indicate the safety offered by the government and the companies to foreign investors who apply their money in debt securities of the countries in question.

The objective of the management policy of country risk followed by the ASCENDUM Group is to decrease as much as possible the exposure to countries whose risk is considered high, always making a careful and thorough analysis of all markets which we plan to establish, before making any investment decision.

On December 31, 2012, the ratings for the countries where the Group operates directly (Portugal, Spain, US, Turkey and Mexico) were as follows:

Moody's												
	January	February	March	April	May	June	July	August	September	October	November	December
PORTUGAL	Ba2	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3	Ba3
SPAIN	A1	A3	A3	A3	A3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3	Baa3
U.S.	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa	Aaa
TURKEY	Ba2	Ba2	Ba2	Ba2	Ba2	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1
MEXICO	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1	Ba1
Standard & Poor's												
	January	February	March	April	May	June	July	August	September	October	November	December
PORTUGAL	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB	BB
SPAIN	A	A	A	BBB+	BBB+	BBB+	BBB+	BBB+	BBB+	BBB-	BBB-	BBB-
U.S.	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u	AA+ u
TURKEY	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-	BBB-
MEXICO	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB
Fitch												
	January	February	March	April	May	June	July	August	September	October	November	December
PORTUGAL	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+
SPAIN	A	A	A	A	A	BBB	BBB	BBB	BBB	BBB	BBB	BBB
U.S.	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
TURKEY	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BB+	BBB-	BBB-
MEXICO	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB	BBB

Source: Bloomberg

Downgrade Upgrade

FINAL CONSIDERATIONS

10

OUTLOOK FOR 2013

In 2013, the ASCENDUM Group will continue to focus on the future growth of the Organization, through pursuit of the Group's strategic plan, along with the development and consolidation of the Group's newer operations.

Thus, there are two priority areas for the Group in 2013:

- Expansion of activity to new geographical areas, and Consolidation of the most recent operations (Construction Equipment and related diversification).

- Consolidation of the most recent operations (Construction Equipment and related diversification).

10 - FINAL CONSIDERATIONS

10.1 - NEW GEOGRAPHIC PLATFORMS

Within the strategy designed and once the entire process of identifying opportunities has been consolidated, the ASCENDUM Group will pursue, in 2013, implementation of the plans of expansion and business consolidation of construction equipment.

In this context, the Group will consolidate , on the one hand, its presence in the US market through acquisitions, simultaneously strengthening the weight of geographic platforms emerging in its new portfolio, with investments in Latin America, Africa and Eastern Europe, thus creating bases for growth that can function work contrary to traditional markets in the Group.

The strengthening of the presence in the US market is done through a joint project between the ASCENDUM Group and VCENA (Volvo Construction Equipment North America) that aims to optimize the structure of the ASCENDUM Group in the US market (currently ASC USA is the largest and best dealer of VCE in the US). This project, the first step of which was the sale of the ASCENDUM Group's Alabama territory, will culminate in expansion of the operations of the Group in the US during 2013 to the more relevant states and with greater strategic interest for both parties.

10.2 - DEVELOPMENT AND CONSOLIDATION OF OPERATIONS IN THE MEXICAN MARKET AND THE RELATED DIVERSIFICATION OPERATIONS (AIR RAIL IN PORTUGAL, TURKEY AND POLAND)

2013 will be a year of strong investment in the Mexican operation, and the Group intends to invest strongly in strengthening geographic coverage with the opening of seven new bases, while strengthening the business skills of this operation (e.g., – after sale) in order to increase the visibility of the Volvo brand in the market, positioning step by step in levels similar to those achieved by the ASCENDUM Group in other markets where it operates. This effort will be developed by a local team in strict cooperation with the Executive Committee / Corporate Center of the Group and with the North American and Spanish operations, in order to optimize existing synergies.

Concomitantly, by virtue of the strong investment in infrastructures to be made by the government of Turkey, there will be a strong investment in the operation of Air Rail in this geographical area.

IN SUMMARY, IN 2013 THE GROUP HOPES TO COMPLY WITH THE OBJECTIVES PROPOSED, AS WELL AS ECONOMIC AND FINANCIAL RESULTS AND FINANCIAL SOLIDITY.

DATE OF THE ANNUAL REPORT
MARCH 22, 2013

The Board of Directors
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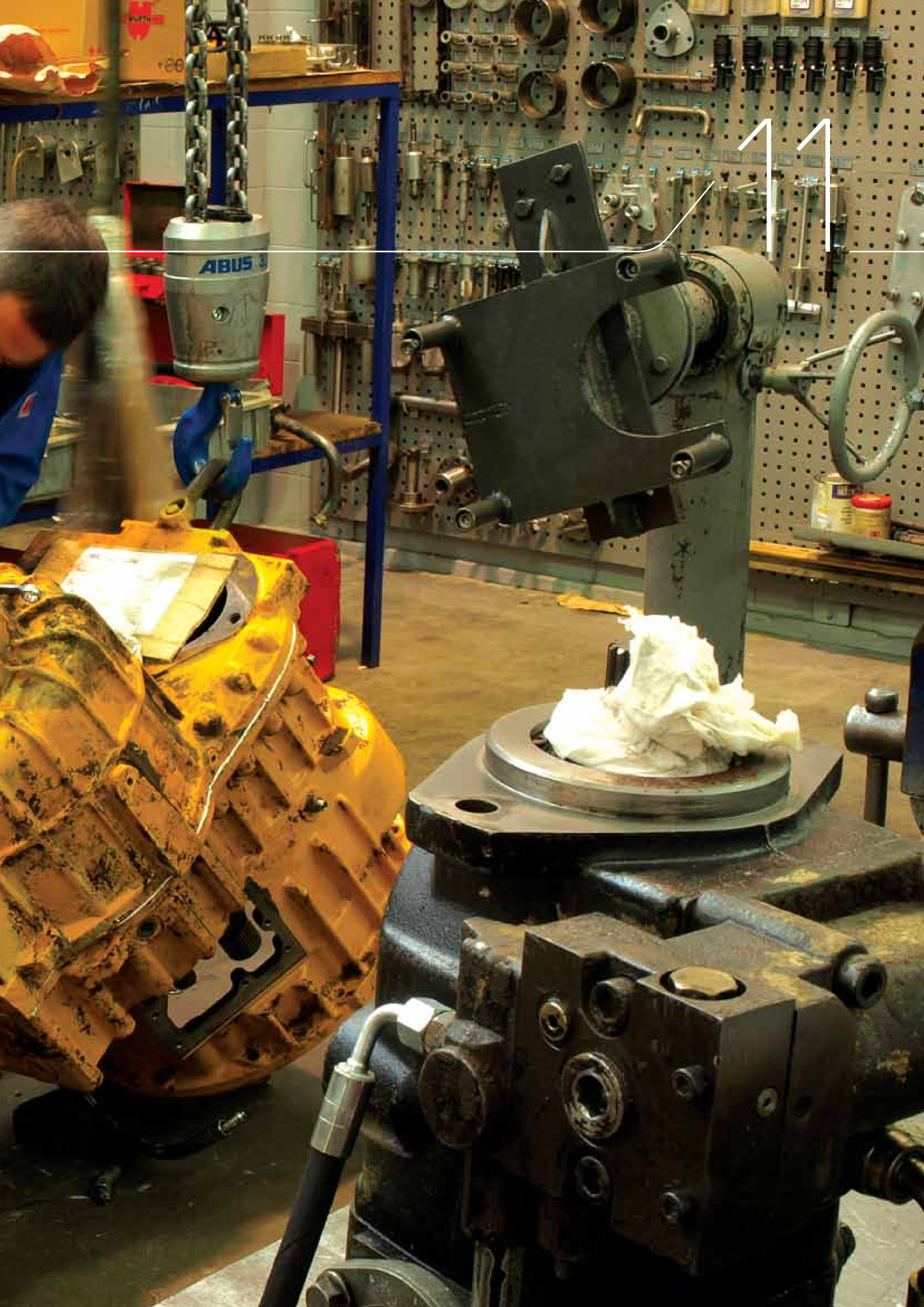
José Manuel Bessa Leite de Faria
Paulo Jervell
Paulo Vieira do Nascimento Mieiro
Rui António Faustino
Tomás Jervell

FINANCIAL STATEMENTS



11

11 - CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION AT DECEMBER 31, 2012

Amounts expressed in Euros

	Notes	2012	2011
Assets			
Non current Assets			
Property, plant and equipment	7 and 32	88 977 585	96 917 547
Investment properties	8	3 073 654	2 740 092
Goodwill	9	33 133 271	31 218 468
Intangible assets	6	5 045 697	4 629 314
Financial Investments - Equity method		62 793	40 614
Assets held for sale	10	16 091 618	4 081 671
Other accounts receivable	13	1 094 819	14 454
Other financial assets	10.2	166 597	246 139
Deferred tax assets	15	18 731 444	11 237 756
		166 377 478	**151 126 056**
Current Assets			
Inventories	11 and 32	153 951 153	138 604 760
Trade and other receivables	12 and 32	82 337 155	81 817 426
Advances to suppliers	13	2 075 817	1 248 744
State and other public entities	23	13 218 892	1 985 301
Other Accounts receivables	13 and 32	5 922 560	4 765 427
Deferrals - (Assets)	14	978 366	710 705
Assets held for sale	10	40 332	
Other financial assets	10.2	59 796	6 542 588
Cash and bank deposits	16	11 045 077	23 290 158
		269 629 147	**258 965 109**
Total Assets		**436 006 625**	**410 091 164**
Equity and Liabilities			
Equity			
Issued capital		15 000 000	15 000 000
Legal reserves		3 000 000	3 000 000
Revaluation reserves		8 325 969	8 294 084
Retained earnings and Investment adjustments		59 429 117	59 378 869
Fair value reserves		3 867 467	- 44 032
Other reserves		40 080 388	23 279 229
Net profit for the year		11 495 467	26 801 159
		141 198 407	135 709 309
Non controlling interests	18 and 19	2 578 659	4 101 564
Total Equity		**143 777 065**	**139 810 873**
Liabilities			
Non current liabilities			
Provisions	25 and 32	1 326 732	1 590 225
Borrowings	20	70 720 900	71 271 715
Deferred tax liabilities	15	25 055 498	14 507 399
Other liabilities	22	26 627 282	25 381 984
		123 730 411	**112 751 324**
Current liabilities			
Accounts payable	21 and 32	57 897 996	52 235 530
Advances from customers		2 729 370	2 796 320
State and other public entities	23	7 275 366	5 768 416
Borrowings	20 and 32	76 466 219	79 185 992
Other liabilities	22 and 32	21 577 123	14 932 129
Deferrals	24	2 553 074	2 610 580
		168 499 149	**157 528 968**
Total Liabilities		**292 229 560**	**270 280 291**
Total Equity and Liabilities		**436 006 625**	**410 091 164**

Certified Accountant
Luís Almeida

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Tomás Jervell

CONSOLIDATED INCOME STATEMENT AT DECEMBER 31, 2012

Amounts expressed in Euros

	Notes	2012	2011
Income and Expenses			
Sales and services rendered	32	500 391 353	487 826 442
Increase/decrease in production	11	149 616	236 840
Works for the entity		1 874 935	248 635
Cost of sales	11 and 32	(366 481 801)	(354 585 277)
Gross Profit		**135 934 103**	**133 726 641**
External supplies and services	32 and 40	-51 049 009	-43 300 221
Personnel expenses	31, 32 and 41	-44 723 053	-43 611 297
Inventories impairments (losses/reversals)	25	198 803	- 855 018
Accounts receivable imparments (losses/reversals)	25	-1 896 837	-2 508 641
Provisions (increases/decreases)	25	269 048	- 294 492
Impairment of depreciable and non-depreciable investment (losses/reversals)	9		- 23 334
Fair value increases/decreases	10.1	- 5 042	- 33 199
Government grants		626	2 140
Gains/losses on subsidiaries, associated companies and joint ventures		31 118	12 897
Other income and gains	32 and 33	17 284 107	25 441 975
Other expenses and losses	32 and 42	-12 682 453	-8 166 711
Depreciation and amortization expenses/reversals	6 and 7	-17 225 597	-17 657 344
Operating profit (before tax)		**26 135 814**	**42 733 396**
Interest and similar income	35	292 149	3 392 270
Interest and similar costs	35	-9 428 371	-9 368 651
Profit before tax		**16 999 592**	**36 757 015**
Income tax expense	28	-6 377 883	-9 627 264
Net profit for the year	**32**	**10 621 710**	**27 129 751**
Attributable to:			
Equity holders of the parent		11 495 467	26 801 159
Non controlling interests	19	-873 758	328 592
	32	10 621 710	27 129 751
Earnings per share	**29**	**0,71**	**1,81**

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CONSOLIDATED STATEMENT OF CASH FLOWS AT DECEMBER 31, 2012

Amounts expressed in Euros

	Notes	2012	2011
Operating Activities			
Accounts receivables		**532 466 519**	**513 822 354**
Accounts payables		**-451 185 783**	**-423 308 290**
Staff payables		**-42 176 835**	**-39 635 601**
Operating cash flows		**39 103 902**	**50 878 463**
Income tax payable/receivable		**-5 062 280**	**-9 678 497**
Other receivables/payables		**-9 899 014**	**-3 384 990**
Net cash flows from operating activities (1)		**24 142 608**	**37 814 976**
Investing Activities			
Payments:			
Property, plant and equipment		-20 144 368	-13 913 592
Intangible assets		-1 145 873	- 585 360
Financial Investments		-8 565 199	-2 870 400
Other assets		-1 000 000	-2 102 025
Receipts:			
Property, plant and equipment		9 753 593	4 059 811
Intangible assets			6 172 467
Financial Investments		6 441 637	
Interest and similar income		292 149	750 695
Net cash flows from investing activities (2)		**-14 368 061**	**-8 488 404**
Financing Activities			
Receipts:			
Borrowings		14 982 585	5 372 871
Purchase of financial and other equity instruments			
Coverage of losses			
Donations			
Other financing operations			
Payments:			
Borrowings		-13 856 157	-21 611 872
Operational and financial leasings		-4 397 016	-1 859 487
Interest and similar costs paid		-8 615 588	-8 301 056
Dividends paid		-10 000 000	-3 000 000
Proceeds of financial and other equity instruments			
Other financing operations			- 971 405
Net cash flows from financing activities (3)		**-21 886 175**	**-30 370 949**
Net increase in cash and cash equivalents (1+2+3)		**-12 111 629**	**-1 044 377**
Perimeter variation			740 601
Net foreign exchange difference		-133 452	-1 924 533
Cash and cash equivalents at 1 January		**23 290 158**	**25 518 466**
Cash and cash equivalents at 31 December	18	**11 045 077**	**23 290 158**

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AT DECEMBER 31, 2012 AND 2011

Amounts expressed in Euros

		Reserves		
	Issued Capital	Legal Reserves	Revaluation Reserves	Retained Earnings Invest. Adjust.
As at 31 December 2010	**15 000 000**	**3 000 000**	**8 279 779**	**67 397 420**
Changes in the period:				
Consolidated net profit application - 2010				3 000 000
Fair value variation on assets held for sale				
Goodwill exchange differences				(3 387 046)
Financial statments exchange differences				(4 424 280)
Hedging operations exchange differences				
Others			14 305	(207 226)
	-	-	14 305	(5 018 552)
Net Profit for the Year				
Full year consolidated income				
Operations with shareholders in the period:				
Distributions				(3 000 000)
	-	-	-	(3 000 000)
At December 31, 2011	15 000 000	3 000 000	8 294 084	59 378 869
At January 1, 2012	15 000 000	3 000 000	8 294 084	59 378 869
Changes in the period:				
Consolidated net profit application - 2011				10 000 000
Fair value variation on assets held for sale				
Goodwill exchange differences				362 128
Financial statments exchange differences				(474 565)
Hedging operations exchange differences				
Others			31 885	162 685
	-	-	31 885	10 050 248
Net Profit for the Year				
Full year consolidated income				
Operations with shareholders in the period:				
Distributions				(10 000 000)
	-	-	-	(10 000 000)
At December 31, 2012	**15 000 000**	**3 000 000**	**8 325 969**	**59 429 117**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AT DECEMBER 31, 2012 AND 2011

Amounts expressed in Euros

	2012	2011
Consolidated net profit including non controlling interests	10 621 710	27 129 751
Components of other comprehensive income for the period, net of tax:		
Fair value variation on assets held for sale	3 911 499	(4 321 325)
Goodwill exchange differences	362 128	(3 387 046)
Financial statments exchange differences	(500 227)	(4 424 280)
Hedging operations exchange differences	-	(127 978)
Comprehensive income for the period	14 395 109	14 869 122
Attributable to:		
Equity holders of the parent	15 294 529	14 540 530
Non controlling interests	(899 420)	328 592

The notes are an integral part of this statement at December 31, 2012.

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY AT DECEMBER 31, 2012 AND 2011

Amounts expressed in Euros

Reserves						
Fair Value Reserves	Others Reserves	Total Reserves	Net profit for the year	Sub total	Non controlling Interests	Total
4 277 293	19 435 130	102 389 623	6 907 949	124 297 571	1 280 143	125 577 714
	3 907 949	6 907 949	-6 907 949	-		-
-4 321 325		-4 321 325		-4 321 325		-4 321 325
		-3 387 046		-3 387 046		-3 387 046
		-4 424 280		-4 424 280		-4 424 280
	-127 978	-127 978		-127 978		-127 978
	64 129	-128 793		-128 793	2 492 830	2 364 037
-4 321 325	3 844 099	-5 481 474	-6 907 949	-12 389 422	2 492 830	-9 896 593
			26 801 159	26 801 159	328 592	27 129 751
			14 540 530	14 540 530	328 592	14 869 122
		-3 000 000		-3 000 000		-3 000 000
-	-	-3 000 000	-	-3 000 000	-	-3 000 000
-44 032	23 279 229	93 908 149	26 801 159	135 709 308	4 101 564	139 810 873
-44 032	23 279 229	93 908 149	26 801 159	135 709 308	4 101 564	139 810 873
	16 801 159	26 801 159	-26 801 159	-		-
3 911 499		3 911 499		3 911 499		3 911 499
		362 128		362 128		362 128
		-474 565		-474 565	-25 662	-500 227
	-	-		0		-
	-	194 570		194 570	-623 486	-428 916
3 911 499	16 801 159	30 794 791	-26 801 159	3 993 632	-649 148	3 344 484
			11 495 467	11 495 467	-873 758	10 621 710
			15 294 529	15 294 529	-899 420	14 395 109
		-10 000 000		-10 000 000		-10 000 000
-	-	-10 000 000	-	-10 000 000	-	-10 000 000
3 867 467	**40 080 388**	**114 702 940**	**11 495 467**	**141 198 407**	**2 578 659**	**143 777 065**

The notes are an integral part of this statement at December 31, 2012.

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ANNEXES

12

12 - ANNEXES

1. INTRODUCTORY STATEMENT

The ASCENDUM Group consists of a set of companies based in Portugal, Spain, the USA, Turkey and Mexico. The parent company, ASCENDUM S.A., was established in 1959 and until late 2011 its head offices were in Coimbra. However, on November 28, 2011 shareholders discussed changing to an incorporated company, as well as relocating the head office to Praça Marquês de Pombal, n.º 3-A, 5º in LISBON – PORTUGAL. The Group specializes in importing and selling construction and public works equipment.

In parts of Portugal it also acts as the vehicle representative for the automobile manufacturers Volvo, Jaguar, Land Rover and Mitsubishi, in part of the territory. In addition, it imports and sells components and parts and has repair centers for the vehicles and equipment it represents.

As of December 31, 2012, the companies comprising the ASCENDUM Group, their respective head offices and abbreviations used are:

Company	Acronym	Headquarters	% shareholding
Headquartered in Portugal:			
ASCENDUM, 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, Serviços de Gestão, 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	100%
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 Industriais, 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%
AMPLITUDE SEGUROS - Corretores de Seguros, S.A.	AMPLITUDE	R. Conde da Covilhã, nº 1637, 4100-189 PORTO	33,3%
VORTAL - SGPS, S.A.	VORTAL	Rua Prof. Fernando da Fonseca, Edifício Visconde de Alvalade, 3º	1,23%
Headquartered in other countries:			
ASCENDUM MAQUINARIA MÉXICO, S.A de C.V	ASC MEXICO	Carretera Mexico Queretaro KM 32.5	100%
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 - TURQUIA	100%
ASCENDUM MAKINA YATIRIM HOLDING A.S	ASC BOGAZICI	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, ISTANBUL - TURQUIA	100%
ART HAVA VE RAY EKIPMANLARI LTD. STI	ARTHAVA	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, ISTANBUL - TURQUIA	92,5%
ASCENDUM ESPAÑA, SL	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%
TEA ALOYA INMOBILIARIA, S.A.U.	TAISA	Parque Empresarial San Fernando, Edificio Munich, Planta 3, 28830 MADRID - ESPAÑA	100%
TRP YEDEK PARÇA ITHALAT IHRACAT VE PAZARLAMA LIMITED SIRKETI	TRP	Fatih Mahallesi Katip Çelebi Caddesi, nº 43, 34940 - Tuzla, ISTANBUL - TURQUIA	100%
AIR-RAIL POLSKA, Sp. z.o.o	AIRPOL	Szpitalna 8/9, 00-031 Warszawa	50%
AIR-RAIL, S.L.	AIR-RAIL	Calle Alsasua, 16, 28023 MADRID, ESPAÑA	50%
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	ZEPHIR	Calle Alsasua, 16, 28023 MADRID, ESPAÑA	50%

The attached financial statements are presented in euros (rounded off to the nearest unit). Foreign operations conducted in a currency other than the euro are included in the consolidated financial statements in accordance with the policy set out in point 2.2d).

2. MAIN ACCOUNTING POLICIES

The following main accounting policies were applied in preparation of the attached consolidated financial statements:

2.1 BASIS OF PRESENTATION

The financial statements attached relate to the consolidated financial statements for the ASCENDUM Group, and were prepared in accordance with 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 respective interpretations – IFRIC and SIC, issued respectively by the International Financial Reporting Interpretation Committee (IFRIC), and by the Standing Interpretation Committee (SIC), which were adopted by the European Union and came into force for fiscal years beginning January 1, 2012.

The following standards, interpretations, amendments and revisions, endorsed by the European Union and with mandatory application to fiscal years beginning on or after January 1, 2012, were first adopted in the fiscal year ending December 31, 2012:

- IRFS 7 (alteration), 'Financial instruments: Disclosures – transfer of financial assets (applicable in the fiscal years beginning or after July 1, 2011). This amendment to IFRS 7 concerns the disclosure stipulations to be applied to financial assets transferred by third parties but not derecognized in the balance sheet by the entity as holding associated obligations or continued involvement. [This amendment does not impact on the Company financial statements].

2. New standards and amendments of existing standards, despite having already been published, are only mandatory for the fiscal years beginning after July 1, 2012 or at a later date:

2.1 Standards

- IAS 1 (amendment), 'Presentation of financial statements' (applicable in the fiscal years beginning or after July 1, 2012). This amendment requires entities to present separately those items classified as Other full revenues, regardless of whether these can be recycled or not in the future in annual statements and the respective tax impact if the items were declared before tax. [This amendment does not impact on the Company financial statements].

- IAS 12 (amendment), 'Taxes on revenue' (applicable in the EU in the fiscal years beginning at the latest on or after January 1, 2013). This amendment requires a Business to measure its deferred taxes related to assets depending on whether the Business plans to recover the net value of the asset through use or sales, with the exception of investment properties measured according to the fair value model. This amendment incorporates into IAS 12 the principles included in SIC 21, which is repealed. [This amendment does not impact on the Company financial statements].

- IAS 19 (revised 2011), 'Employee benefits' (applicable in the fiscal years beginning or after January 1, 2013). This revision presents the significant differences between the recognition and measuring of expenses with defined benefits and termination benefits, as well as the disclosures to be made for all available benefits granted to employees. Actuarial deviations are recognized immediately, and are only done so in 'Other assimilated revenues' (the corridor method is not allowed). The financial cost of constituted fund plans is calculated in the net settlement of non-founded liability. Termination benefits only qualify as such if there is no obligation on the part of the employee to provide future service. [The entity shall apply this standard in the fiscal year that it became effective].

- Improvements to the 2009-2011 standards, to be applied mainly to fiscal years beginning in or after January 1, 2013. This amendment is still subject to the European Union adoption process. The annual 2009-2011 improvement process affects the following standards: IFRS 1, IAS 1, IAS 16, IAS 32 and IAS 34. [These improvements will be adopted by the entity when applicable, except in the case of improvements to IFRS 1 by an entity already applying IFRS].

- IFRS 1 (amendment), 'First-time adoption of IFRS' (applicable in the fiscal years beginning no later than or after January 1, 2013). This amendment aims to include a specific exemption for entities who have operated in economies experiencing hyper-inflation and who are adopting IFRS for the first time. The exemption allows an entity to opt for measuring certain assets and liabilities at fair value and using fair value as a "considered cost" in the opening IFRS statement of financial position. Another amendment introduced concerns the substitution of references to specific dates with "date of transition to the IFRS" in the exemptions to the retrospective application of the IFRS. [This amendment does not impact on the Company financial statements].

- IFRS 1 (amendment), 'First-time adoption of IFRS' – government loans' (applicable in the fiscal years beginning or after January 1, 2013). This amendment is still subject to the European Union adoption process. This amendment seeks to address how companies adopting the IFRS for the first time must account for a government loan with an interest rate lower than the market rate. It also introduces a retrospective application exemption, similar to that attributed to the entities already reporting in IFRS in 2009. [This amendment does not impact on the financial statements of the Entity because it already applies IFRS].

- IFRS 10 (new), 'Consolidated financial statements' (applicable in the EU for the fiscal years beginning no later than or after January 1, 2014). The IFRS 10 replaces the principles associated with control and consolidation in the IAS 27 and SIC 12, amending the definition of control and the criteria applied to determine control. The basic principle that the consolidated party presents the parent company and its subsidiaries as a single, unaffected entity remains unchanged. [The entity shall apply this standard in the fiscal year that it became effective].

- IFRS 11 (new), 'Joint agreements' (applicable in the EU for fiscal years beginning no later than or after January 1, 2014). IFRS 11 focuses on the rights and obligations associated with the joint agreements instead of the legal form Joint agreements can be 'joint operations' (rights to assets and obligations) or 'joint ventures' (rights to net assets by application of the equity method). Proportionate consolidation is not permitted when measuring the jointly controlled entities . [The Entity will apply this standard in the fiscal year that it became effective].

- IFRS 12 (new) – 'Disclosure of interests in other entities' (applicable in the EU fiscal years beginning or after January 1, 2014). This standard establishes the disclosure requirements for all types of associated interests in other entities, including joint ventures, associates, and entities with a specific purpose, in order to assess the nature, risk and financial impacts associated with the interest of the Entity. [The Entity will apply this standard in the fiscal year that it became effective].

- Amendment to IFRS 10, IFRS 11 and IFRS 12 – 'Transitional arrangements' (applicable in the fiscal years beginning or after January 1, 2013). This amendment is still subject to the European Union adoption process. This amendment establishes that when an accounting treatment of a financial investment results from the application of IFRS and is different to the aforementioned, in accordance with IAS 27/SIC 12, the comparatives must be re-expressed but only for the previous comparative period, with the differences deriving from this up to the starting date of the comparative period being recognized in equity. Specific disclosures are required by IFRS 12. [The Entity will apply this standard in the fiscal year that it became effective].

- Amendment to IFRS 10, IFRS 12 and IAS 27 – 'Financial holding entities' (applicable in the fiscal years beginning or after January 1, 2014). This amendment is still subject to the European Union adoption process. This amendment includes the definition of financial holding entity, and introduces the regime of no-obligation consolidation for financial holding Entities that qualify as such, once all investments have been measured at fair value. Specific disclosures are required by IFRS 12. [The Entity will apply this standard in the fiscal year that it became effective].

- IFRS 13 (new) – 'Fair value: calculation and disclosure' (applicable in the fiscal years beginning or after January 1, 2013) IFRS 13 aims to increase consistency, by establishing a definition of fair value and forming a unique requisite base for the calculation and disclosure of fair value, to be applied transversally to all IFRSs. [The Entity will apply this standard in the fiscal year that it became effective].

- IAS 27 (2011 revision) 'Separate financial statements' (applicable in the EU for fiscal years beginning no later than or after January 1, 2014). IAS 27 was revised following the IFRS 10 release and it details the accounting and disclosure-related requisites for investments in subsidiaries, joint ventures, and associated ventures when an Entity prepares separate financial statements. [The Entity will apply this standard in the fiscal year that it became effective].

- IAS 28 (2011 revision) 'Investments in associates and joint ventures' (applicable in the EU for financial beginning no later than or after January 1, 2014). IAS 28 was revised following the IFRS 11 release, including in its field the accounting treatment of investments in associates and joint ventures, and establishing the requisites for the application of the equity method. [The Entity will apply this standard in the fiscal year that it became effective].

- IFRS 7 (amendment), 'Disclosures – financial assets and liabilities compensation' (applicable in the fiscal years beginning or after January 1, 2013). This amendment forms part of the IASB "Assets and liabilities compensation". It introduces new disclosure requirements regarding non-accounted compensation rights (for assets and liabilities), compensated assets and liabilities, and the effect of such compensations on the display of credit risk. [The Entity will apply this standard in the fiscal year that it became effective].

- IAS 32 (amendment), 'Compensation of financial assets and liabilities' (applicable in the fiscal years beginning or after January 1, 2014). This amendment forms part of the IASB "assets and liabilities compensation". It clarifies the phrase "to currently hold the legal right of compensation" and states that some regulatory systems for gross amounts (clearing houses) can be equivalent to compensation for capital amounts. [The Entity will apply this standard in the fiscal year that it became effective].

- IFRS 9 (new), 'Financial instruments – classification and measurement' (applicable in the fiscal years beginning or after January 1, 2015). This amendment is still subject to the European Union adoption process. It covers the first phase of IFRS 9, in which the existence of two measurement categories is forecast: amortization cost and fair value. All capital instruments are measured at fair value. A financial instrument is measured at the amortization cost only when the Entity possesses it to receive contractual cash flows, and the cash flows represent the nominal amount and interest. On the other hand, financial instruments are valued against fair value using the results. [The Entity will apply IFRS 9 in the fiscal year that it became effective].

2.2 Interpretations

- IFRIC 20 (new),'Discovery costs in the production phase of an open-air mine' (applicable in the fiscal years beginning or after January 1, 2013). This interpretation refers to the cost registering of residue removal in the initial stage of an open-air mine, as an asset. This is with the understanding that residue removal will provide two potential benefits: the immediate extraction of mineral resources and the opening up of access to an additional quantity of mineral resources for future extraction [not applicable to the Entity].

Description	Alteration	Effective date
Standards effective in 2012		
IFRS 7 – Financial instruments: disclosures	Transfer of assets	-

EU standards effective after July 1, 2012		
IAS 1 – Presentation of financial statements	Presentation of Other comprehensive income	July 1, 2012
IAS 12 – Taxes	Deferred tax	January 1, 2013
IAS 19 – Benefits to employees	Defined benefits	January 1, 2013
IFRS 1 – First-time adoption of IFRS	Hyper-inflationary economies and fixed-date withdrawals	January 1, 2013
IFRS 10 – Consolidated financial statements	New standard	at the latest January 1, 2014
IFRS 11 – Joint agreements	New standard	at the latest January 1, 2014
IFRS 12 – Disclosure of business interests	New standard	at the latest January 1, 2014
IAS 27 – Separated financial statements	Perimeter of consolidation	at the latest January 1, 2014
IAS 28 – Investments in associates and joint ventures	Application to joint ventures	at the latest January 1, 2014
IFRS 13 – Fair value	New standard	January 1, 2013
IAS 32 – Financial instruments: presentation	Compensation of assets and liabilities	January 1, 2014
IFRS 7 – Financial instruments: disclosure	Presentation of compensation	January 1, 2013

Standards effective after July 1, 2012 not endorsed by the EU		
IFRS 1 – First-time adoption of IFRS	Subsidized loans	January 1, 2013
Improvements to standards 2009 – 2011	Clarifications	January 1, 2013
Amendments to IFRS 10, 11 and 12	Transition regime	January 1, 2013
Amendments to IFRS 10, 11 and 12	Exemption application to SGPS	January 1, 2014
IFRS 9 – Financial instruments	Phase 1 – classification and measurement	January 1, 2015

Interpretations effective in the UE after July 1, 2012		
IFRIC 20 – Discovery costs in the production phase of an open-cast mine	New interpretation	January 1, 2013

2.2 PRINCIPLES OF CONSOLIDATION

The Group operates by the following principles:

a) Financial investments in Group companies

Financial holdings in companies in which the group directly or indirectly holds over 50% of voting rights in the Shareholders or Members' General Assembly, or in companies in which it retains the power to control financial or operating policies, were included in the consolidated financial statements annexed, using the full consolidation method. The equity and net result of those companies, corresponding to the participation of third parties in these, are presented separately in the statements of consolidated financial position and in the consolidated income statement, in the heading "Non-controlled interests". The Group's companies included in the consolidated financial statements are detailed in Note 4.

Accumulated losses of a subsidiary are attributed to the non-controlling interests, in retained proportions, which could imply the recognition of negative non-controlling interests.

In the business combinations prior to 2011, the purchase method is followed. The assets and liabilities of each subsidiary are identified at their fair value on the date of acquisition. Any excess acquisition costs against the fair value of acquired net assets and liabilities are recorded as goodwill (Note 2.2 c). In the event that the difference between the acquisition costs and the fair value of acquired net assets and liabilities is negative, this difference is recognized as a profit in the financial statements for the fiscal year once attributed fair value has been confirmed. Trustee interests in non-controlling interests are presented for the respective amount of the fair value of the identified assets and liabilities.

For the business combinations occurring after January 1, 2010, the Group applies the revised IFRS 3. According to this revised standard, the purchase method continues to be applied to business activity combinations, with some important amendments:
(i) all the amounts constituting the purchase price are valued at fair value, with the option for each transaction of measuring the "non-controlling interests" for the proportion of the value of the acquired company's net assets or at the fair value of the acquired assets and liabilities.
(ii) all acquisition-related costs are recorded as expenses.

The revised IAS 27 has also been applied since January 1, 2010, requiring that all "non-controlling interests" transactions are registered in Equity, when there is no change in control of the Entity, and removing the obligation to record goodwill, gains or losses. When there is a loss of control over the entity, any remaining interest over the entity is recalculated at fair value, and a loss or gain is registered in the annual results.

The results of subsidiaries purchased or sold subsidiaries in the period are included in the income statement, either commencing from the date of acquisition or until the date of sale.

Adjustments to subsidiaries' financial statements are made when necessary, to bring accounting policies in line with those used by the Group. Transactions, margins generated between Group companies, salaries and dividends distributed between Group companies are eliminated in the consolidation process.

In situations where the Group holds, in essence, the control of other entities built up with a specific purpose, while it does not directly possess capital stakes in these companies, they are themselves consolidated via the method of full consolidation.

b) Financial investments in associated companies

Financial investments in associated companies (in other words, companies where the Group exercises significant influence but does not hold control of these and does not take part in their financial decisions and operations - generally investments of between 20% and 50% of a company's capital) are registered using the equity method.

In accordance with the equity method, financial holdings are initially registered by their acquisition cost and are thereafter adjusted annually by the value corresponding to the Group's share of changes in equity (including asset results) of associates, regardless of losses or gains in a given period, as well as by received dividends and other equity deviations occurring in the holdings.

Differences between the acquisition cost and the fair value of the assets and liabilities attributable to the associated company on the acquisition date, if positive, are recognized as goodwill and recorded under the heading "Financial investment - Equity Method" (Note 2.2c)). If negative, these differences are registered as income for the period under the heading of the income statement "Other Revenues and Gains", having reconfirmed the attributed fair value.

Investments in associated companies are subject to evaluation when there are signs that the asset could be impaired, with losses being registered as expenses due to impairment. When losses due to impairment that were registered in previous periods cease to exist, they are reversed.

When the Group's share of the associated company's accumulated losses exceeds its investment in that associate, the investment is recorded at zero when the associated equity is not positive, except when the Group assumed commitments with the associated company, in which case there is a registered provision to ensure it meets these obligations.

Unrealized gains on transactions with associates are eliminated to the extent of the Group's investment in the associate, against the financial investment in the aforementioned associate. Unrealized losses are also eliminated, except where the transaction reveals evidence of an impairment loss on a transferred asset.

c) Goodwill

The differences between the acquisition cost of investments in the Group's companies and the fair value, the growth in the share of non-controlling interests in the fair value of acquired assets and liabilities (including contingent liabilities), or alternatively, growth in the fair value of holding non-controlling interests in the acquired subsidiary, and the fair value of total net assets and liabilities of the subsidiary, when positive, are recorded under the heading of "Goodwill" (Note 9), and when negative, are recorded directly as income in the income statement, once the attributed fair value is reconfirmed.

The differences between the acquisition of investments in associated companies and the amount attributed to the fair value of the identifiable assets and liabilities for these companies on their acquisition date, when positive, are recorded under the heading "Financial investments – Equity Model (MEP)", and when negative, are recorded directly as income on the income statement, once the attributed fair value is reconfirmed.

The value of goodwill is not amortized and is tested annually to verify whether there are losses due to impairment.
The recoverable amount is determined based on the current value of predicted stock market fluctuations expected to occur from continued asset use. The goodwill impairment losses recorded in the fiscal year are recorded in the income statement for the fiscal year under the heading "Non-depreciating impairments in investments".

Impairment losses relating to goodwill cannot be reversed.

d) Conversion of foreign companies' financial statements

The assets and liabilities of foreign companies' financial statements are converted to euros using the exchange rates prevailing at the statement of financial position date, gains and expenses as well as stock market fluctuations are converted into euros using the average exchange rate verified for the period. The exchange rate differential occurring after January 1, 2010 is recorded in equity.

When a foreign entity is sold, the accumulated exchange differential is recognized in the income statement as a gain or loss on the sale.

In the years 2012 and 2011, price quotes used for converting the accounts of foreign subsidiaries to euros were as follows:

					2012
Company	Currency	Final exchange rate 2012	Average historical exchange rate 2012	Exchange rate Establishment date / Acquired	Final exchange rate 2011
ASC CONSTRUCTION EQUIPMENT, INC.	USD	1,319	1,285	1,362	1,294
ASC TÜRK MAKINA, LIMITED SIRKETI	TRL	2,355	2,314	1,937	2,443
ASCENDUM MAKINA YATIRIM HOLDING A.S	TRL	2,355	2,314	1,937	2,443
ART HAVA VE RAY EKIPMANLARI LTD. STI	TRL	2,355	2,314	1,937	2,443
AIR RAIL POLSKA	PLN	4,074	4,165	4,180	
ASC MAQUINARIA MEXICO	MXN	17,185	16,865	16,894	

					2011
Company	Currency	Final exchange rate 2011	Average historical exchange rate 2011	Exchange rate Establishment date / Acquired	Final exchange rate 2010
ASC CONSTRUCTION EQUIPMENT, INC.	USD	1,294	1,392	1,362	1,336
ASC TÜRK MAKINA, LIMITED SIRKETI	TRL	2,443	2,338	1,937	2,049
ASC BOGAZICI MAKINA YATIRIM HOLDING A.S	TRL	2,443	2,338	1,937	2,049
ART HAVA VE RAY EKIPMANLARI LTD. STI	TRL	2,443	2,338	1,937	2,049

2.3 MAIN VALUATION CRITERIA

The following main valuation criteria were used by the ASCENDUM group, in preparation of its consolidated financial statements:

a) Fixed tangible assets

The fixed tangible assets acquired up to January 1, 2009 (transition date for IFRS), are recorded at its "deemed cost", which corresponds to its re-valuated acquisition cost in accordance with the accounting principles generally accepted in Portugal (and the respective countries of the Group's subsidiaries) until that date, less amortization and accumulated impairment losses.

The fixed tangible assets acquired after that date are recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses.

Impairment losses detected in the realizable value of fixed tangible assets are recorded in the year in which they occurred, under the heading "Impairment of Depreciated/ Amortized Investments" in the income statement.

Depreciations are calculated from the moment that the goods are in a usable state, using the constant quota method, in accordance with the following expected usage life:

	Years
Buildings or other constructions	20-50
Basic equipment	7-16
Transportation equipment	4-5
Tools and utensils	4-14
Administrative equipment	3-14
Other tangible fixed assets	4-8

Repair and maintenance costs of the fixed tangible asset are considered as an expense in the period in which they occur. Improvements of significant cost which increase the period of expected use of respective goods, are capitalized and depreciated in accordance with the useful life of the corresponding goods.

Fixed tangible assets in progress represent tangible assets that are still under construction or development, and are registered at the acquisition cost less accumulated impairment losses. These assets are transferred to fixed tangible assets and depreciated from the moment that the underlying assets are available for use and are in conditions necessary to operate in accordance with the management's intentions.

The highest or lowest values resulting from the sale or reduction of fixed tangible assets are determined as the difference between the sale price and the net accountable value on the date of sale/reduction, which is recorded in the income statement as "Other incomes and gains" or "Other expenses and losses".

b) Intangible assets

Intangible assets are recognized at acquisition cost, less accumulated amortization and accumulated impairment losses. Intangible assets are only recognized if it is likely that they will bring future financial benefits for the Group, if the Group has the power to control them or if it can reasonably measure their value.

Costs incurred through research into new technical knowledge are recognized as an expense in the income statement, when they are incurred.

Development costs, for which the group shows the capacity to complete its development and begin its commercialization and/or use and when it is likely that the developed asset will generate future economic benefits, are capitalized. Development costs that do not meet these criteria are recorded as expenses in the income statement of the year in which they occurred.

Internal costs associated with software maintenance and development are recorded, when incurred, as expenses in the income statement, except in cases when these costs are directly linked to projects likely to bring future financial benefits to the Group. In such cases, the costs are capitalized as intangible assets.

Intangible assets are amortized using the constant quota method and for a period of three to five years, except for those related to concession rights, which are considered to have an undefined useful life, and as such, are not depreciated and are subject to annual impairment tests.

The amortization of intangible assets is recorded in the income statement of the period in question, under the heading "Depreciation and amortization expenses".

c) Investment properties

Investment properties correspond to property assets held for income generation via rental or capital appreciation, and which are not used in the production or supply of goods and services or for administrative purposes, are recorded at acquisition cost, with the respective fair values being the object of disclosure (Note 8).

Investment properties acquired up to January 1, 2009 (transition date for IFRS), are recorded at their "deemed cost", which corresponds to their re-valuated acquisition cost in accordance with generally accepted accounting principles in Portugal (and the respective countries of the

Group's subsidiaries) until that date, less depreciation and accumulated impairment losses.

Investment properties acquired after that date are recorded at acquisition cost, less accumulated depreciation and accumulated impairment losses.

As long as the fair value of these assets is less that their respective registered value, they are recorded as an impairment loss for the period in which it is estimated, under the heading "Impairment of Depreciated/Amortized Investments" in the income statement. In the moment in which registered accumulated impairment losses cease to be verified, they are immediately reversed under the heading "Other income and gains" in the income statement up to the limit of the amount which would have been determined, net amortizations or depreciations, if no impairment loss had been recognized in previous periods.

The fair value of investment properties, which are the object of disclosure, was determined based on property valuations carried out by independent specialist entities.

d) Leases

Lease contracts are classified as (i) financial leases, if all the risks and rewards incident to ownership lie with the lessee; and as (ii) operational leases, if all the risks and rewards incident to ownership do not lie with the lessee.

Whether a lease is classified as financial or operational depends on the substance of the transaction and not the form of the contract.

Goods acquired through financial lease contracts, as well as corresponding responsibilities, are registered using the financial method. In accordance with this method, the asset cost is recorded in the fixed tangible asset and the corresponding liabilities are recorded as accounts payable to investment vendors. Rental amounts are made up of a financial charge and the financial amortization of capital, with financial charges allocated during the lease term and taking into account a periodic, constant interest rate on the remaining balance of liability, and with the fixed tangible asset being depreciated as set out in Note 2.3.a.

In operational leases, rent amounts owed are regarded as an expense on the income statement for the period to which they refer (Note 34)

e) Inventories

Goods belonging to the construction equipment groups and vehicles are valued at the specific acquisition cost. Parts, components, raw materials and consumables are valued at the average acquisition cost, which is lower than the respective market value.

Work currently being undertaken is valued at production cost, which is less than the market value. Production costs include the cost of incorporated raw materials, direct labor and general factory expenses and services carried out off-site.

Accumulated impairment losses reflect the difference between acquisition cost and/or production cost and the net realizable market value of the inventories.

f) Subsidies from the government or other public entities

Governmental subsidiaries are recognized in accordance with their fair value when there is a reasonable guarantee that these will be received and that the Company will comply with the conditions demanded for its granting.

Non-repayable subsidies and allowances received for the financing of fixed tangible assets are recorded only when there is a reasonable guarantee of receipt under the heading "Deferrals" and is recognized as a gain in the income statement, proportional to the depreciations of subsidized fixed tangible assets.

Subsidies related to expenses incurred are registered as expenses insofar as there is a reasonable guarantee that they will be received, that the company has already incurred subsidized expenses, and that it will comply with the conditions demanded for its granting

g) Impairment of assets, with the exception of goodwill and concession rights

The Group's assets are assessed for impairment at each balance sheet date and whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Whenever the carrying amount of an asset exceeds its recoverable amount (defined as the higher of an asset's net selling price and use value, or as the net selling price for assets held for disposal), an impairment loss is recorded on the income statement. The net selling price is the amount that would be obtained from the sale of an asset in a transaction between independent, mutually-known entities, less the costs directly attributable to disposal. Use value is the present value of future cash flows expected to be derived from the continuous use of an asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each asset individually or, if this is not possible, for the cash-generating unit to which the asset belongs.

In order to evaluate evidence of asset impairment, the Group uses the suitable external and internal sources available, such as (i) a significantly higher than expected fall in an asset's market value over a given period, (ii) a shift in the technological, market, economic or financial landscape impacting directly on the asset or the entity itself, (iii) the registered asset amount is higher than its market capitalization, (iv) there is evidence of obsolescence or physical damage to the asset, (v) there is evidence that an asset's economic performance will be significantly lower than expected.

In particular, evidence pointing to impairment in accounts receivables arises when:

- the counterpart experiences significant financial difficulties;
- there are significant delays in the counterpart meeting main payments; and
- it becomes likely that the debtor will go into liquidation or financial restructuring.

For outstanding debts, the Group uses historic information and information from its credit control and legal departments, thus enabling it to make an estimate of impairment amounts.

In the case of Inventories, impairment losses are calculated using market indicators and various inventory rotation indicators, ensuring that the value of inventories does not exceed its realizable net value.

The reversal of impairment losses recognized in previous periods is recorded when it is accepted that recognized impairment losses no longer existed or are diminishing. This evaluation is made as long as there are signs that the previously recognized impairment loss has been reversed. Impairment loss reversal is recognized in the income statement in the respective impairment headings. Moreover, loss of impairment reversal is carried out up to the amount that would be recognized (net amortization or depreciation) if the impairment loss had been registered in previous periods.

h) Financial charges

Financial charges on loans obtained (interest, premiums, ancillary costs and financial lease interest) are capitalized if they are related to qualifying assets; if they are not related to the qualifying assets; otherwise they are recorded as expenses in the income statement for the period in which they were incurred, in accordance with the principle of accruals.

i) Provisions

Provisions are recognized when, and only when, the Group has a present obligation (legal or constructive) resulting from a past event, as long as it is likely that an outflow of resources will be required to settle the obligation and a reasonable estimate of the amount of the obligation is made. Provisions are revised on the date of each balance sheet and adjusted to reflect the best estimate of its fair value on that date (Note 25).

Provisions for restructuring costs are recognized by the group whenever there is a formal and detailed restructuring plan and that this has been sent to all parties involved.

j) Financial Instruments

i) Investments

The Group classifies financial investments according to the following categories: 'Investments measured at fair value through results', 'Held-to-maturity investments' and 'Investments available for sale'. The classification depends on the purpose for which the investment was acquired.

'Investments measured at fair value through results'

This category comprises two sub-categories: 'financial assets held for trading' and 'investments measured at fair value through results'. A financial asset is classified in this category if acquired primarily for the purpose of selling in the short term or if the adoption of valuation via this method eliminates or significantly reduces an accounting time lag. Derivative instruments are also classified as being held for trading, except if they are assigned to coverage operations. Assets in this category are classified as current in the event that they are held for trading or they are expected to be realized within 12 months of the statement of financial position date.

On December 31, 2011 and 2012, the ASCENDUM Group did not hold financial instruments in the categories 'financial assets held for trading' and 'assets measured at fair value through results'.

Investments held up to maturity

This category includes non-derivative financial assets, with fixed or determinable payments, that have a fixed maturity and which the Board of Directors intends to maintain until their maturity. These investments are classified as non-current assets, except if they expire within 12 months of the financial position statement date.

Available-for-sale investments

This includes non-derivative financial assets designated as available-for-sale or those that do not fit into the previous categories. This category is included in the non-current assets, except if the Administrative Council intends to dispose of the investment within 12 months of the statement of financial position date.
On December 31, 2012, the ASCENDUM Group held

investments in this category corresponding to the shares of entities on the Lisbon Stock Market (euronext Lisboa).

Investments are initially registered for their acquisition value, which is the fair value of the price paid; in the case of investments held until maturity and available-for-sale investments, they are included in the transaction costs.

Following the initial recognition, investments measured at fair value using the results and the available-for-sale investments are revalued at their fair value by reference to their market value at the statement of financial position date, without any deduction for transaction costs which may be incurred on sale.

Gains or losses stemming from a shift in the fair value of available-for-sale investments are registered in equity until the investment is sold, received or disposed of in any way, or until the investment's fair value is below its acquisition cost and as such corresponds as an impairment loss, at which time the accumulated loss is recorded in the results sheet.

Available-for-sale investments representative of the share capital in non-listed companies are registered at acquisition cost, taking into account the existence or absence of impairment losses. The Group's Board of Directors believes that the fair value of these investments does not vary greatly from their cost of acquisition.

All financial investment sales and purchases are recognized at the date of the transaction, that is, on the date in which the Group assumes all of the risks and obligations incident to the sale or purchase of the asset. Investments are all initially recognized at fair value plus transaction costs, with the only exception being "investments measured at fair value through results". In the case of the latter, investments are all initially recognized at fair value with transaction costs being recorded in the income statement.

Investments are derecognized when the right to receive cash flows has expired or has been transferred and, consequently, all of the associated risks and rewards have also been transferred.

"Available-for-sale investments" and 'investments measured at fair value through results' are later maintained at their fair value by reference to their market value at the statement of financial position date. without any deduction for transaction costs which may be incurred until their sale.

"Investments held until maturity" are registered at amortization cost using the effective interest rate method.

Realized and unrealized gains and losses arising from a change in fair value of 'investments measured at fair value through results' are recorded in the income statement of the period. Gains or losses arising from a change in fair value of non-monetary investments classified as available-for-sale are recognized in equity, until the fair value of the investment is below its acquisition cost and as such corresponds as an impairment loss, at which time the accumulated loss is recorded in the results sheet.

The fair value of financial investments for available-for-sale investments is based on current market prices. If the market in which the investments are placed is not an active/liquid one (non-quoted investments), the Group registers at acquisition cost, taking into account the existence or absence of impairment losses. The Group's Board of Directors believes that the fair value of these investments does not vary greatly from their cost of acquisition. The fair value of quoted investments is calculated based on the closing share price of the stock market in which they are traded, on the date of the statement of financial position.

The group carries out evaluations of each statement of financial position whenever there is objective evidence that a financial asset could become impaired. In the case of capital instruments classified as available-for-sale, a significant or prolonged decline in its fair value for levels lower than its cost, in a market stability context, suggests that the asset is impaired. If there is evidence of impairment with regard to "Available-for-sale investments", accumulated losses – calculated through the difference between the acquisition cost and the fair value deducted from any impairment loss previously recorded in the income statement – are withdrawn from equity and recorded in the income statement.

All sales and purchases of these investments are recorded on the date that the respective sale and purchase contracts were issues, regardless of the date of their financial liquidation.

ii) Third party debts

Non-interest bearing third party debts are stated at their nominal value, less eventual impairment losses so that they represent their net present realizable value. These amounts are not discounted because the effect of their financial updating would be immaterial.

Non-interest bearing third party debts (such as those relating to spare parts sales) are registered as assets by their total value, with the interest-related installment registered as liability, as an income to be recognize and recognized in the income statement relating to its maturity.

iii) Loans

Loans are registered as liabilities at their nominal value, less transaction costs directly related to the issuing of these liabilities. Financial charges are calculated based on the effective interest rate and are recorded on the income statement of the given period, according to the principle of accrual.

iv) Debts to third parties

Debts to third parties are registered by their nominal value.
These amounts are not discounted because the effect of their financial updating would be immaterial.

v) Derived financial instruments

The Group uses derivative financial instruments in managing its financial risks, as a means of minimizing its exposure to these risks. The derivative financial instruments normally used correspond with interest rate "Swaps" ("Cash flow hedges") which aim to guard against the risk of changes in the interest rate for loans obtained.

These derivative instruments, while employed for the aforementioned purposes (essentially derived from or including interest rate options), specifically in relation to those to which the company did not apply hedge accounting, are initially registered by their cost corresponding to their fair value and later revalued at their fair value. Their variations, calculated through valuations made by the banking entities with whom the Group has the respective contracts, directly affect the financial results heading of the consolidated results statement.

As of December 31, 2012 and December 31, 2011 the Group did not have operations of this type open.

vi) Cash and cash equivalents

Amounts under the heading "Cash and cash equivalents" include cash in- hand, deposits held at banks, and other short term investments with original maturities of 3 months or less, which can be mobilized immediately without any significant risk of fluctuations in value.

k) Contingent assets and liabilities

Contingent liabilities are defined by the Group as (i) possible obligations that arise from past events, the existence of which will only be confirmed by the occurrence, or not, of one or more uncertain future events outside of the Group's full control, or (ii) present obligations arising from past events, but which are not recognized because it is unlikely that there will be an outflow of financial benefits to settle the obligation or the amount of the obligation cannot be reliably measured.

Contingent liabilities are not recorded in the consolidated financial statements, but are disclosed in the Notes to the Consolidated Financial Statements, unless the likelihood of an outflow of funds affecting future financial benefits is remote, in which case disclosure is not made.

Contingent assets are possible assets that arise from past events and whose existence will be confirmed or not confirmed by uncertain future events outside of the Group´s full control.

Contingent liabilities are not recorded in the consolidated financial statements, but are disclosed in the Notes to the Consolidated Financial Statements, when it is likely that they will be of future economic benefit.

l) Income tax

Income tax for the year is calculated based on the taxable results of the companies included in the consolidation, in accordance with the fiscal regulations in force in the respective countries of each of the Group´s companies, and taking into account deferred taxation.

Current income tax is calculated based on the taxable results of the companies included in the consolidation.

Deferred taxes are calculated based on the balance sheet liability method and reflect the temporary differences between the amount of assets and liabilities for accounting reporting purposes and the respective amounts for tax purposes. Deferred tax assets and liabilities are calculated and valued annually using the taxation rates in force, or which are expected to be in force, on the date of reversal of temporary differences.

Deferred tax assets are only recorded when reasonable expectations exist of sufficient taxable profits arising in the future, which would allow such deferred tax assets to be used, or where there are temporary taxable differences that compensate temporary tax deductible differences in the period of their reversal. At the end of each period the Company reviews these deferred tax assets and reduces them whenever their future usage ceases to be likely.

Deferred taxes are recorded as period losses or gains, except when they are items directly registered in equity in which case the deferred tax is also registered under the same heading.

m) Fiscal consolidation

Income tax for a financial period is calculated, in Portugal based on the Special Tax Regime for Company Groups

)"RETGS", which includes business with head offices in Portugal, and in which for more than a year ASCENDUM S.A. has had a holding of ninety percent or more. These are: ASCENDUM 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.

The income tax for subsidiaries in Spain - ASCENDUM ESPAÑA, S.L., Volmaquinaria de Construcción España, S.A., and Tea Aloya Inmobiliaria, S.A.U. - is determined in a consolidated form.

The Group's remaining companies are taxed on an individual basis and in accordance to applicable legislation.

n) Accrual accounting and Revenue

Receipts and expenses are recorded in accordance with the accrual accounting principle, by which those are recognized as generated, regardless of their date of payment or receipt. The differences between amounts received and the amounts paid, and the corresponding revenue and costs, are registered under the heading accruals and deferrals, included in the headings "Other receivables", "Other payables" and "Deferrals".

Earnings and incomes whose value is unknown are estimated based on the best valuation of the Board of Directors and Management pertaining to the Group's companies.

Revenue is recorded net taxes and trade discounts, at the fair value of the amount received or to be received, being that:

- Sales revenue is recorded in the income statement when a significant part of the risks and rewards incident to the ownership of assets is transferred to the buyer, with the likelihood being that financial rewards will flow to the Group and that the amount of referred income could be reasonable quantified;
- Revenue from services rendered corresponds to the price of repairs carried on client-owned equipment and vehicles.

The cost of these repairs includes incorporated materials and workforce, being the final cost along with the price payable by clients only known on the conclusion date of the repairs, with the issuing of the bill and the return of the repaired object to the client, being also the moment at which the respective income is recorded.

Equipment acquired by clients by means of lease contracts, negotiated in conjunction financial bodies, in which there is a commitment for the good to be taken back, is recognized as revenue, at the moment of handover to the clients concerned and whenever the risks and rewards incident to the ownership of the good are transferred to the clients. This type of contract is recognized as operational leasing if the risks are not transferred.

Dividends are recognized as revenue in the year to which they are attributed to.

o) Subsequent events

Events subsequent to the statement of financial position date which provide additional information of conditions arising on the statement of financial position date (or "adjusting events"), are reflected in the consolidated financial statements. Events subsequent to the statement of financial position date which provide information on conditions that arose after that statement of financial position date (or "non-adjusting events") are disclosed, if material, in the Notes on the Consolidated Financial Statements.

p) Classification of the statement of financial position

Assets to be realized and liabilities that will be due in more than one year from the statement of financial position date are classified as non-current assets and liabilities, respectively; differed tax assets and liabilities are also included in this classification.

q) Balances and transactions expressed in foreign currencies

Assets and liabilities expressed in foreign currencies have been converted to euros using the exchange rates in force on the statement of financial position date. Currency differences, be they favorable or unfavorable, arising from differences between the exchange rates in effect on the transaction date and those in effect on collection, payment or on the statement of financial position date, are recorded as gains and losses in the consolidated income statement for the year in question.

r) Non-current assets held for sale

Non-current assets (and the group of assets and liabilities for disposal related to these) are classified as held for sale if it is expected that their historical cost will be recuperated on sale, and not from their continued use. This condition will only be considered as met when the sale is highly likely and the asset (and the group of assets and liabilities for disposal related to it) is available for immediate sale in under present conditions. In addition, actions should be underway to make the prospect of sale likely within 12 months from the date of its classification.

Non-current assets classified as held for sale (as well as the group of assets and liabilities for disposal related to them), are measured to the lower amount of the historical cost or the fair value deducted from the sale costs.

On December 31, 2012 and 2011, there were no non-current assets held for sale.

s) Judgments and estimates

In preparing these consolidated financial statements, the Group's Board of Directors made use of its knowledge and experience of past and/or current events as well as considering assumptions relating to future events.

The most significant accounting estimates made in the consolidated financial statements for the periods ending December 31, 2012 and 2011 are:

a) Useful life for tangible and non-tangible assets;
b) Register of adjustments to asset values (receivables and inventories) and provisions;
c) Impairment tests carried out on goodwill;

Estimates and underlying assumptions were determined based on the best knowledge available on the approval date of the financial statements of the events and transactions underway, as well as on the experience of past and/or present events. Although events could occur in the future which would not necessarily be foreseen by the Company at the approval date of the financial statements, they were not taken into account for these estimations. For this reason, and given the associated level of uncertainty, the outcome of the transactions may differ from the initial estimate of them. Shifts in estimates occurring after the consolidated financial statements date will be corrected prospectively, in accordance with IAS 8.

The main estimates and assumptions relative to future events included in the preparation of consolidated financial statements are detailed in the corresponding annexed notes.

t) Risk management policy

The Group's activities expose it to a number of risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's global risk management program, underlying a standpoint of long-term operational continuity, centers on the unpredictable nature of the financial markets and seeks to minimize the adverse effects on its financial performance.

Risk management is conducted by the Group's financial department in accordance with policies approved by the Board of Directors. The Board of Directors identifies the main global risk management policies and devises policies covering specific areas such as interest rate risk and credit risk.

In accordance with the International Accounting Standards, financial risk is understood as the risk of a future in one or more of the following: interest rates, financial instrument prices, foreign exchange rates, indexes of prices or rates, credit ratings or credit indexes or another specified variable, provided that, in the case of a non-financial variable, the variable is not specific to a part of the contract.

i) Exchange rate risk

As mentioned in Note 2.2d), the assets and liabilities on the financial statements of foreign entities are converted into euros using the exchange rate in force at the date of the statement of financial position; the losses and gains of these financial statements are converted into euros using the average exchange rate for that financial period. The resulting exchange differences are recorded under the equity heading "Translated Results and Adjustments in Investments".

The global investment of USD 23,900,000 made in the US was financed by a bank loan, with the amount of USD 11,900,000 having been designated as a hedging instrument, in order to compensate for the symmetric exchange rate variations related to the USD 11,900,000 share capital investment in the subsidiary.

On December 31, 2011 the installment, designated as a hedging instrument in the share capital investment in the subsidiary, was USD 4,950,000.

In the 2012 financial period, the complete liquidation of the bank loan, designated as a hedging instrument in the share capital investment in the US subsidiary, was carried out. Due to this, as of December 31, 2012, the total amount of the investment in this subsidiary was subjected to the exchange rate variation.

The amount of assets and liabilities included in the consolidated balance sheet in euros, emanating from the changing of financial statements to currencies other than the euro, may be summarized thus:

	Assets		Liabilities	
	Dec-12	Dec-11	Dec-12	Dec-11
Turkish Lira (TL)	82 011 566	71 523 504	46 683 756	41 914 888
American Dollar (USD)	92 313 914	81 016 980	87 167 281	70 418 048
PLN	273 689		239 634	
MXN	11 845 036		11 862 404	
Total - Consolidated balance sheet-IFRS	**434 706 714**	**410 091 164**	**290 929 648**	**270 280 291**

ii) Price risk

Price risk translates the level of a company's exposure to the price variations in markets in full competition relative to the goods incorporated in each moment to their inventories, as well as other assets and financial instruments at the company possesses, with the intention of selling in the future.

1) The Group's price risk management related to warehouse goods is essentially controlled by the respective commercial departments in each company, in accordance with the policies approved by the Group's Board of Directors. In this sense, the Board of Directors issues guidance aiming to anticipate price variation tendencies of commercialized goods and adapting the purchasing policy and stocks management in a manner most appropriate to the circumstances. The Board of Directors of the ASCENDUM Group believes that price risk related to warehouse goods is under reasonable control.

2) Price risk management related to other assets and financial instruments exhibits a high level of exposure, and the controlling/limiting mechanisms may imply use of the most sophisticated hedging instruments.

As of December 31, 2012 the Group held an available-for-sale portfolio representative of the equity of listed businesses on the Lisbon Stock Exchange, which is as follows:

- 11,084,734 Banco Português de Investimento shares,
- 82,648 Banco Millennium BCP shares,
- 1,020,000 E.S. shares, Financial Group

The awareness of the Group to quotation variations in the aforementioned available-for-sale investments compared to the quotation registered on December 31, 2012, may be summarized as follows (increases/decreases):

		2012		
Investments availables for sale	Variation	P&L	Capital Equity	Total
BPI	-10%		(1 045 290)	(1 045 290)
	-20%		(2 090 581)	(2 090 581)
	10%		1 045 290	1 045 290
	20%		2 090 581	2 090 581
BCP	-10%		(620)	(620)
	-20%		(1 240)	(1 240)
	10%		620	620
	20%		1 240	1 240
ESFG	-10%		(538 560)	(538 560)
	-20%		(1 077 120)	(1 077 120)
	10%		538 560	538 560
	20%		1 077 120	1 077 120

Note: Net of Tax Effect

iii) Interest rate risk

The Group's debt is mainly indexed to variable interest rates thus exposing the cost of debt to an elevated risk of volatility. The impact of this volatility on the Group's income and shareholders' equity is mitigated by the effect of the following factors: (i) possible correlation between the market interest rate level and economic growth, with the latter having positive effects in other lines of the Group's consolidated results (namely operational), thus partially compensating the increased financial costs ("natural hedge"); and (ii) the availability of consolidated liquidity or cash, also remunerated at variable rates.

The Group's Board of Directors approves the terms and conditions of the fundings, analyzing the debt structure, the inherent risks and the various options in the market, particularly regarding the type of interest rate (fixed/ variable). By permanently monitoring the conditions and alternatives present in the market, the Board is also responsible for decisions relating to the contracting of occasional interest rate hedging derivative financial instruments.

Sensitivity analasys on interest rate risk

The sensitivity to interest rate risk detailed below was calculated based on the exposure to interest rates for existing financial instruments at the date of the financial position statement. For variable rate liabilities, the following assumptions were made:

(i) The effective interest rate is higher in 1 p.p. against the supported interest rate;
(ii) The Group's financing at the end of the financial period formed the basis of the calculation;
(iii) Maintaining the negotiated spreads.

The sensitivity analyses assumes the manipulation of a variable, while all other assumptions are held constant. In fact, this assumption is difficult to prove, so some assumptions may change as a result.

The sensitivity of the Group to interest rate variations in the aforementioned financial instruments may be resumed as follows (increases/decreases)

		2012		2011	
	Variation	P&L	Capital Equity	P&L	Capital Equity
Bank loans	1 p.p	1 471 871		1 504 577	
Bank loans	(1 p.p)	(1 471 871)		(1 504 577)	

iv) Liquidity risk

Liquidity risk is defined as the risk of lack of ability to settle or comply with its obligations within defined time limits and at a reasonable price.

The existence of liquidity in the Group's companies implies that set management parameters for this liquidity are defined, allowing the return obtained to be maximized and opportunity costs associated with liquidity to be minimized.

The aims of management of liquidity risk in the ASCENDUM Group are:

(i) Liquidity, that is to say, ensuring permanent access, in the most efficient way possible, to sufficient funds in order to meet both outstanding payments on the respective due dates and to make possible requests for funds within agreed time frames, even if these are yet to be planned.
(ii) Security, that is to say, minimizing the probability of default in the refund of any application of funds; and
(iii) Financial efficiency, that is to say, ensuring that the Companies maximize the value/minimize the opportunity cost of excessive short term liquidity.

The Group's strategy with regard to liquidity risk management is based, among others, on the following vectors:

(i) Integrated financial planning and management for the Group supported in the treasury budgets of the various companies:
(ii) Diversification of finance sources and the adequacy of commitments maturity at the pace of liquidity generation;
(iii) Adequacy of financial commitments maturity relative to investments in non-current assets at the pace of liquidity generation of these;
(iv) Contracting of short term credit lines to deal with the occasional peaks in treasury needs.

All and any surplus liquidity is applied in the way which best serves the liquidity and profitability objectives of the Group, in either short term financial applications or the amortization of short-term debt in accordance with financial-economic reasoning.

The maturity finance analysis of each financial liability instrument is presented in Note 20, with non-discounted values based on the worst case scenario, that is, the shortest period in which the liability must be paid.

On December 31, 2012 and 2011, the Group reported a net borrowings of EUR 136,082,246 and EUR 120,624,961, respectively, divided between current and non-current loans (Note 20), and cash and cash equivalents contracted with various financial institutions.

The Group has credit lines of EUR 195 million which can be used when necessary.

v) Credit risk

Credit risk refers to the risk of the counterparty not meeting his/her contractual obligations leading to losses for the Group.
The Group's exposure to credit risk is mainly related to receivables arising from its operational activity.

The management of this risk aims to ensure effective credit collection within established deadlines without affecting the Group's financial stability. This risk is monitored regularly with the management aim being to (i) limit the credit offered to clients, taking into account average re-payment times of clients, the client's homogeneous groups and individually by the client, (b) monitor the evolution of credit offered, and (c) to carry out analysis of impairment of receivables on a regular basis The Group asks for credit guarantees, whenever the financial position of a client suggests that this would be necessary.

The Group also makes use of credit rating agencies and has specific credit control, collection and management of processes in litigation, which all contribute to the mitigation of credit risk.

Adjustments to accounts receivables are calculated taking into consideration (a) the client's risk profile, (b) the average collection term and (c) the customer's financial conditions. The movements for these changes for the years ending December 31, 2012 and 2011 are disclosed in Note 25.

On December 31, 2012 and 2011, the Group considered that there is no need to record additional impairment losses besides the amounts recorded on those dates and summary disclosed in Note 25.

The amount relative to clients and other third party debts presented in the financial statements and which are net impairments, represents the maximum exposure the Group has to credit risk.

3. CHANGES IN ACCOUNTING POLICIES AND CORRECTION OF FUNDAMENTAL ERRORS

No amendments were made to accounting policies either in the period ending December 31, 2011 or those periods preceding it.

4. GROUP COMPANIES INCLUDED IN THE CONSOLIDATION

The companies included in the consolidation, and their respective proportion the percentage of share capital held by the Group on December 31, 2012 and 2011, are as follows:

Companies	Effective Shareholding percentage		Consolidation Method
	Dec-12	Dec-11	
ASCENDUM, S.A.		**Parent Company**	**Full**
AIR-RAIL, S.L.	50%	50%	Full
AMPLITUDE IBÉRICA, S.L		47%	Equity Method
AMPLITUDE SEGUROS - Corretores de Seguros, S.A.	33.3%		Equity Method
ASC CONSTRUCTION EQUIPMENT, INC.	100%	100%	Full
ASC MAQUINARIA MEXICO	100%		Full
ASC TÜRK MAKINA, LIMITED SIRKETI	100%	100%	Full
ASCENDUM MAKINA YATIRIM HOLDING A.S (Ex. ASC Bogazici Makina Yatirim Holding A.S)	100%	100%	Full
ART HAVA VE RAY EKIPMANLARI LTD. STI	92,5%	92,5%	Full
ASCENDUM PORTUGAL, Serviços de Gestão, Unipessoal, LDA. (Ex. ASIALIZ, Comércio e rep. auto, Lda)	100%	100%	Full
ASCENDUM ESPAÑA, S.L. (Ex. Auto Maquinaria Tea Aloya, S.L)	100%	100%	Full
GLOMAK SGPS, S.A.	100%	99,3%	Full
COTIAC - SGPS, Unipessoal, LDA.	100%	100%	Full
AUTO-SUECO COIMBRA, 2 VEHICLES, Unipessoal, LDA (Ex. Hardcar)	100%	100%	Full
AUTO-SUECO COIMBRA, Máquinas e Equipamentos Industriais, Unipessoal, LDA (Ex. Hardmáquinas)	100%	100%	Full
AIR-RAIL (PORTUGAL), Sociedade Unipessoal, LDA.	50%	50%	Full
Importadora Distribuidora de Maquinaria Industrial ZEPHIR, S.L.	50%	50%	Full
TEA ALOYA INMOBILIARIA, S.A.U.	100%	100%	Full
TRACTORRASTOS - Sociedade vendedora de acessórios, LDA.	100%	100%	Full
TRP YEDEK PARÇA ITHALAT IHRACAT VE PAZARLAMA LIMITED SIRKETI	100%		Full
VOLMAQUINARIA DE CONSTRUCCIÓN DE ESPAÑA, S.A.	100%	100%	Full
VOLRENT, Aluguer de máquinas e equipamentos, Unipessoal, LDA.	100%	100%	Full
VOLRENTAL ATLÁNTICO, S.A.U.	68,89%	68,89%	Full
AIR-RAIL POLSKA, Sp. z.o.o	50%	50%	Full

These companies were included in the consolidation by the full consolidation method, as set out by IAS 27 – "Consolidated and separated financial statements" (control of subsidiary through a voting rights majority or via another mechanism, management control exercised – Note 2.2a)). In the period of 2012, divestiture of investment was verified in Amplitude Ibérica, S.L.

5. CHANGES TO THE CONSOLIDATION PERIMETER

During the fiscal year ending December 31, 2012, the following changes to the consolidation perimeter were made:

The addition of new companies through subscription of constitutive share capital:

- ASCENDUM MAQUINARIA MÉXICO S.A. de C.V.
- AIR RAIL POLSKA, Sp. Z.O.O.

During the fiscal year ending Saturday, December 31, 2011, the following changes to the consolidation perimeter were made:

The addition of new companies through subscription of share capital:

- Glomak, SGPS, S.A.

The addition of new companies through subscription of constitutive share capital:

- ASC Bogazici Makina Yatirim Holding Anonim Sirketi, which in the meantime altered its social designation to Ascendum Makina Yatirim Holding Anonim Sirketi.

Withdrawal of companies:

- Volmaquinaria de Construcción España, S.A. sold its shareholdings in Volrental Norte, S.A.

6. INTANGIBLE ASSETS

In the fiscal years ending December 31, 2012 and 2011, the movements occurring in intangible assets, as well as respective accumulated amortizations and impairment losses, were as follows:

2012	Industrial Property and other rights	Computer Programs	Intangible assets in progress	Total
Gross Assets				
2012 Opening balance	4 733 461	653 328	2 276	5 389 064
Additions	279 321	866 553		1 145 873
Disposals				0
Translation differences	(262 262)	(24 573)		(286 835)
Transfers and write-offs	(220 460)	537 068	(659)	315 949
December 31, 2012 Final balance	4 530 060	2 032 375	1 617	6 564 051
Amortizations and accumulated impairment losses				
2012 Opening balance	(616 473)	(141 521)	(1 756)	(759 750)
2012 Amortization for the year	(49 912)	(350 115)		(400 026)
Translation differences	1 440	13 944		15 384
Disposals, transfers and write-offs	87 239	(462 958)	1 756	(373 963)
December 31, 2012 Final balance	(577 706)	(940 649)	0	(1 518 355)
Net Value	**3 952 354**	**1 091 726**	**1 617**	**5 045 697**

2011	Industrial Property and other rights	Computer Programs	Intangible assets in progress	Total
Gross Assets				
2011 Opening balance	4 988 188	14 636	53 332	5 056 155
New entries on the perimeter (Glomak)	365 365	0	2 276	367 641
Additions	0	577 338	8 022	585 360
Disposals	(733 172)	0	0	(733 172)
Transfers and write-offs	113 080	61 354	(61 354)	113 080
December 31, 2011 Final balance	4 733 461	653 328	2 276	5 389 064
Amortizations and accumulated impairment losses				
2011 Opening balance	(601 950)	(396)	0	(602 346)
New entries on the perimeter (Glomak)	(4 916)	0	(1 908)	(6 824)
2011 Amortization for the year	(9 607)	(141 125)	152	(150 580)
Disposals, transfers and write-offs	0	0		0
December 31, 2011 Final balance	(616 473)	(141 521)	(1 756)	(759 750)
Net Value	**4 116 988**	**511 807**	**520**	**4 629 314**

The constant disposal of Intangible Assets map in 2011 fundamentally stems from the sale of the part corresponding to the State of Alabama in the USA, in the existing Dealership Agreement.
This disposal fits into the wider context of the State of Alabama sale of operation, for USD 7.7 million in 2011, generating EUR 4.7 million of profit (note 33).
In the 2011 financial period, computer program additions were largely made up of software acquisitions in our subsidiary ASC Turk. These were, namely, SAP licenses, Office licenses, migration costs for the SAP of the aforementioned systems and other licenses, such as Symantec.

In 2012, the amounts disclosed in the lines "Disposals, transfers and write-offs" also include accounting reclassifications and the harmonization benefits of the Group's accounting policies.

7. FIXED TANGIBLE ASSETS

In the fiscal years ending December 31, 2012 and 2011, the movements occurring in fixed tangible assets, as well as accumulated depreciation and impairment losses were as follows:

2012	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Gross Assets								
2012 Opening balance	22 426 454	46 957 245	58 694 196	8 329 679	18 100 719	10 195 637	882 459	165 586 389
Additions	75 704	1 413 755	10 307 290	3 459 180	3 039 952	404 913	8 823	18 709 618
Disposals, transfers and write-offs	(836 792)	(2 536 262)	(22 780 626)	(4 331 446)	(9 177 395)	(4 432 163)	(354 974)	(44 449 659)
Translation differences	(95 775)	(198 385)	(405 690)	(45 812)	(35 407)	(3 363)		(784 433)
Transfers								0
December 31, 2012 Final balance	21 569 591	45 636 352	45 815 171	7 411 601	11 927 869	6 165 024	536 308	139 061 916
Depreciations and accumulated impairment losses								
2012 Opening balance	0	(18 795 643)	(32 281 909)	(6 142 549)	(9 434 100)	(2 014 641)	0	(68 668 843)
2012 Depreciation for the year		(2 186 269)	(11 665 431)	(972 934)	(774 997)	(1 155 940)		(16 755 571)
Disposals, transfers and write-offs		1 469 890	31 594 356	1 796 754	1 124 002	(791 437)		35 193 565
Translation differences		29 943	28 749	36 139	52 439	(753)		146 517
Impairment losses								0
December 31, 2012 Final balance	0	(19 482 079)	(12 324 235)	(5 282 590)	(9 032 656)	(3 962 771)	0	(50 084 331)
Net Value	**21 569 591**	**26 154 273**	**33 490 936**	**2 129 011**	**2 895 213**	**2 202 252**	**536 308**	**88 977 585**

2011	Land and Natural Resources	Buildings and Other Constructions	Basic Equipment	Transport Equipment	Administrative Equipment	Other Fixed Assets	Fixed assets in progress	Total
Gross Assets								
2011 Opening 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 entries on the 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, transfers and write-offs	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
December 31, 2011 Final balance	22 426 454	46 957 245	58 694 196	8 329 679	18 100 719	10 195 637	882 459	165 586 389
Depreciations and accumulated impairment losses								
2011 Opening balance	0	(15 150 835)	(28 596 154)	(5 307 365)	(7 879 203)	(1 605 497)	0	(58 539 054)
New entries on the perimeter (Glomak)	0	(1 698 579)	(1 340 299)	(944 880)	(760 121)	(30 369)	0	(4 774 248)
2011 Depreciation for the year	0	(2 074 393)	(12 961 112)	(1 024 371)	(1 064 867)	(382 021)	0	(17 506 764)
Disposals, transfers and write-offs	0	128 163	10 615 656	1 134 068	270 090	3 246	0	12 151 223
Impairment losses	0	0	0	0	0	0	0	0
December 31, 2011 Final balance	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**

In 2012, the amounts disclosed in the lines “Disposals, transfers and write-offs” also include accounting reclassifications and the harmonization benefits of the Group’s accounting policies.

8. INVESTMENT PROPERTIES

On December 31, 2012 and 2011, the heading "Investment properties" corresponds to the assets held by the Group which are generating revenue through the respect rent or valuation. These assets are registered to the revalued acquisition cost on the date of the first application of the IFRS (January 1, 2009).

Investment properties were evaluated by independent experts. The global values resulting from these evaluations enabled the values, displayed in the Group's statement of financial position on December 31, 2012, to be sustained.

The independent experts' evaluative assumptions were the compared market value or the market value.
Investment properties displayed on the 2012 and 2011 consolidated balance sheet represent land holdings which the group possesses and intends to value in the future.

The following table shows the position of investment properties at the end of 2012 and 2011:

	december 2011				december 2012
	Opening Balance	Increases	Decreases	New entries on the perimeter	Final Balance
AIR RAIL, S.L.	8 065		1 584		6 481
ASCENDUM, S.A.	2 576 033	265 281			2 841 314
GLOMAK, S.G.P.S, Lda.	77 734	69 865			147 599
TEA ALOYA INMOBILIARIA, S.A.	78 260				78 260
Total	**2 740 092**	**335 146**	**1 584**	**0**	**3 073 654**

Note: the net accounting value matches the evaluation value, for the dates disclosed in the above table, by virtue of having been considered the revaluation value, carried out on the date of the first application of the IFRS, as deemed cost.

	december 2010			december 2011
	Opening Balance	Increases	New entries on 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 2012 and 2011 financial periods, no investment property-related income or expenses were reported.

Investment properties were evaluated by independent experts. The resulting values from these evaluations enabled the values, in the financial statements dated December 31, 2012 and 2011, to be sustained.

9. GOODWILL

In the 2012 financial period, a new company was formed in Mexico (ASCENDUM MAQUINARIA MEXICO, S.A. de C.V.) aiming to represent and distribute Volvo construction equipment throughout Mexico, as well as providing additional representation for the aforementioned purpose to the local distributor, the right to represent Volvo for USD 1,650,000, corresponding to EUR 1,232,183, which, due to their contractual conditions, has been recognized as an asset with a non-determined useful life.

During the 2012 fiscal year, goodwill was increased to EUR 752,620 as a result of the adjustment, related to a variation in the EUR/TL (Turkish Lira) exchange rate, of goodwill related to the acquisition in 2010 of the construction equipment unit in Turkey and owned by Volvo, and re-named ASC – Turk Makina, Limited, Sirketi following the acquisition.

Finally, the amortization of EUR 70,000 recorded for the 2012 financial period deals with the defined useful life takeover by the GLOMAK subsidiary, displayed on the balance sheet.

In the 2011 financial period the parent company ASCENDUM S.A. reaffirmed its share in the in the capital of the company GLOMAK, SGPS, S.A. As a consequence, the parent company in question assumed control of GLOMAK, SGPS, S.A. on September 1, 2011.
This operation was recorded in the investing company's accounts in accordance with the standard set out in IFRS 3 - Business Combination, from which no resulting goodwill was recorded. The details of this operation can be found in note 33.

Nevertheless, the net financial position of the company being invested in, on the date when control was assumed, included goodwill in the global amount of EUR 1, 329, 953, one of which had a defined useful life and accumulated amortizations of EUR 664,534 and the amount of which was added to the goodwill heading Statement of financial position 2011 as a result of the variation of the respective perimeter. The goodwill put forward by the incorporation led to a further amortization of EUR 23,334 in the 2011 financial period.

In the 2011 fiscal year, goodwill was further reduced in the amount of EUR 3,387,046 as a result of the adjustment, related to a variation in the EUR/TL exchange rate, of goodwill related to the acquisition in 2010 of the construction equipment unit in Turkey and owned by Volvo, and re-named ASC – Turk Makina, Limited, Sirketi following the acquisition.

The following table shows initial and final balances, as well as the variations occurring, in the financial periods of 2012 and 2011, in the goodwill heading.

Goodwill	2012	2011
Gross Assets:		
Opening balance	32 670 654	34 727 747
Additions	1 232 183	0
Disposals		0
Transfers, write-offs and adjustments	752 620	(3 387 046)
Perimeter variations		1 329 953
Final balance	34 655 457	32 670 654
Amortizations and accumulated impairment losses:		
Opening balance	(1 428 852)	(764 318)
Disposals, transfers and write-offs		0
Perimeter variations		(664 534)
Final balance	(1 428 852)	(1 428 852)
Net Value	**33 226 605**	**31 241 802**

The following is a breakdown of the global value of goodwill on December 31, 2012 and 2011 as well as the method used and assumptions made in the measurement of the existence or absence of impairment associated with each of them:

2012	ASC Máquina	ASC TURK	ASC MEXICO	TRACTORRASTOS	ASCENDUM PORTUGAL	GLOMAK S.G.P.S.	AIR-RAIL ESPANHA	GRANADA ESPANHA	ZEPHIR	VOLCATALAN	Total
Goodwill	7 923	18 363 368	1 232 183	1 135 850	155 000	572 085	6 053 838	2 255 828	2 620 298	736 897	33 133 271
Explicit period	Cash flow projections for 5 years										
Growth rate (g) (1)	2%	5%	3%	2%	2%	1%	2%	2%	2%	2%	
Used discount rate (2)	9,8%	14,1%	8,94%	9,84%	9,80%	8,6%	10,4%	10,4%	10,4%	10,4%	

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

2011	ASC Máquina	ASC TURK	TRACTORRASTOS	ASCENDUM PORTUGAL	GLOMAK S.G.P.S.	AIR-RAIL ESPANHA	GRANADA ESPANHA	ZEPHIR	VOLCATALAN	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
Explicit period	Cash flow projections for 5 years									
Growth rate (g) (1)	2%	2%	2%	2%	1%	2%	2%	2%	2%	
Used discount rate (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 business plan period.
(2) Discount rate applied to projected cash flows.

The Board of Directors, supported in the provisional cash flows discounted at the applicable rate, concluded that on December 31, 2012 the accounting value of the liquid assets, including goodwill, did not exceed their recoverable value. Projected cash flows were based on past performance and expectations regarding an improvement in efficiency.

Those responsible for these segments are of the belief that a possible shift (in a normal scenario) in the main assumptions used to calculate the recoverable value will not lead to impairment losses.

10. FINANCIAL INVESTMENTS – OTHER METHODS

	2012	2011
Financial Investments - Other methods		
Non current	16 091 618	4 081 671
Current	40 332	0
	16 131 950	**4 081 671**

	Shareholding %	Dec-12	Dec-11
		Global value	Global value
Arnado, Lda	5%		
Garval - Soc. Garantia Mutua S.A	-	279 222	275 563
Vortal, SGPS S.A.	1,23%		

10.1 INVESTMENTS AVAILABLES FOR SALE

In the financial periods ending December 31, 2012 and 2011, the Group had the following available-for-sale portfolio (number of shares):

	2012	2011
BPI	11 084 734	7 878 703
ESFG	1 020 000	
BCP	82 648	82 648

The movements occurring in the heading "Available-for-sale" in each of the indicated fiscal years were as follows:

	Dec-12	Dec-11
Fair Value on January, 1st	3 793 963	9 999 771
Acquisitions during the year	6 641 348	0
Disposals during the year		0
Increase/(decrease) in Fair Value - Equity	5 422 458	(6 172 609)
Increase/(decrease) in Fair Value - P&L	(5 042)	(33 199)
Other adjustments		0
Fair Value on December, 31	**15 852 728**	**3 793 963**
Non current assets	15 812 395	3 793 963
Current assets	40 332	0
Total	**15 852 728**	**3 793 963**

The amount of EUR 6,641,348 referring to acquisitions in 2012 corresponded to the purchase of 1,020,000 shares in Espírito Santo Financial Group, S.A. (ESFG) for EUR 4,998,000 (ESFG); the purchase of 3,206,032 shares in the Banco Português de Investimentos, S.A. (BPI) for EUR 1,603,016; and available-for-sale financial investments in ASC Turk of EUR 40,332.

In the 2012 financial period, financial investments were moved by the valuations effected during the period, dealing with ESPG and BPI share prices on December 31, 2012 at the global amount of EUR 5,422,458, contrasting with equity, and with the devaluation of Millenium BCP shares by 5,042 contrasting with the results of the period in question.

In addition, the effect on equity and impairment losses in the 2012 and 2011 financial periods of the register "Available-for-sale investments" to their fair value can be resumed thus:

	Dec-12	Dec-11
Assets disposals recognised in P&L		0
Fair Value variations	5 422 458	(6 172 609)
Deferred Tax Assets	-1 510 959	1 851 284
Equity effect	3 911 499	(4 321 325)
Impairment losses	(5 042)	(33 199)

10.2 OTHER FINANCIAL ASSETS

On December 31, 2012 and 2011, this heading consisted of the following:

	2012	2011
Non current	166 597	246 139
Current	59 796	6 542 588

The balance in 2011, in non-current (EUR 246,139) essentially corresponds to deposits related to our facilities in Spain (Volmaquinaria and Air-Rail) and Turkey (Freezone).

In current, in 2011 the amount refers to treasury bills issued by the Turkish State and subscribed by the subsidiary ASC Turk (EUR 2,102,025) and whose maturity is greater than three months from the balance date and for mobilization within 12 months.

This heading also includes a fixed deposit of EUR 4,440,563, for mobilization within twelve months and which was classed as collateral in a financial operation.

11. INVENTORIES

On December 31, 2012 and 2011, this heading consisted of the following:

	Dec-12	Dec-11
Raw Materials, Subsidiary, and Consumption Materials		
Products and works in progress	1 221 851	1 320 147
Finished and intermediate products	28 415	29 816
Stock	157 361 357	143 400 849
Inventories Impairments (Note 25)	(4 660 470)	(6 146 052)
Total	**153 951 153**	**138 604 760**

The sales cost in the fiscal years ending December 31, 2012 and 2011 were ascertained as follows:

		Dec-12				Dec-11
	Stock	Raw Materials, Subsidiary, and Consumption Materials	Total	Stock	Raw Materials, Subsidiary, and Consumption Materials	Total
Opening inventories	143 400 849	0	143 400 849	107 123 315	0	107 123 315
Net purchases	380 442 309	0	380 442 309	390 862 810	0	390 862 810
Final inventories	157 361 357	0	157 361 357	143 400 849	0	143 400 849
Total	**366 481 801**	**0**	**366 481 801**	**354 585 276**	**0**	**354 585 276**

Production variation in the fiscal years ending December 31, 2012 and 211 were ascertained as follows:

	Finished, intermediate products and works in progress	
	Dec-12	Dec-11
Final inventories	1 250 266	1 349 962
Stock adjustments	(249 312)	591 438
Opening inventories	1 349 962	521 684
Total	**149 616**	**236 840**

12. COSTUMERS

On December 31, 2012 and 2011, this heading consisted of the following:

		Assets
	Dec-12	Dec-11
Customers - current	73 151 196	74 767 719
Customers - trade bills receivable	11 080 348	10 760 782
Customers - doubtful debts	18 672 762	16 020 135
	102 904 307	101 548 636
Impairment losses - doubtful debts (Note 25)	(20 567 152)	(19 731 210)
	82 337 155	**81 817 426**

The amounts presented on the statement of financial position are net of impairment losses for collected debt payments, which were estimated based on the Group's economic policy, its evaluation of past experiences and economic conditions at the date of said statement. Credit risk concentration is limited once a client base is far-reaching and non-relational. Thus, the Board of Directors believes that the recorded amounts of client receivables are close to their fair value.

The balances of clients included in the asset are not influenced by advances or by these being effected, by services and goods to be acquired, which are presented in the liability, in the heading "Client Advances" and at the end of 2012 and 2011 corresponded to EUR 2,729,371 and EUR 2,796,320, respectively.

Taking into account the sales conditions applied by the Group's companies and the fact that medium/long-term differed payment transactions will be realized through financial institutions, the global amount of the client heading represents credit with agreed maturity dates of no more than 12 months.

13. OTHER ACCOUNTS RECEIVABLES

On December 31, 2012 and 2011, this heading consisted of the following:

	Dec-12		Dec-11	
	Current	Non Current	Current	Non Current
Advances to suppliers	2 075 817			1 248 744
Sub-total	**2 075 817**	**-**	**-**	**1 248 744**
Other Accounts receivables	4 674 594	1 094 819	14 454	3 751 516
Accrued income	1 247 966			1 013 911
Sub-total	**5 922 560**	**1 094 819**	**14 454**	**4 765 427**
Total	**7 998 377**	**1 094 819**	**14 454**	**6 014 171**

In the accrued income heading, guarantees, bonuses and interest are essentially included.
In the case of other debtors, a value of EUR 2,174,392 is also contained relative to a non-controlled interest balance originating from the Air-Rail subsidiary in Spain.

14. DEFERRALS - (ASSETS)

On December 31, 2012 and 2011, this heading consisted of the following:

	Dec-12	Dec-11
Deferred Costs:		
Insurance	194 688	122 907
Financial costs	0	0
Workshop costs	0	0
Rents	101 787	117 453
Bank guarantees	0	0
Others	681 890	470 345
Total	**978 366**	**710 705**

The Group recognizes expenses in accordance with the economic specialization of said expenses, independent of their payment. At the end of a financial period expenses already paid out, but only need to be paid in the coming financial period(s), are deferred in this heading. The amounts disclosed in the above table concern the payments related to insurance, yield, interest etc. which, abiding by the accounting principle of accrual, should not affect the results of each of these in their respective financial periods.

15. DEFERRED TAXES

a) The details of amounts and the nature of deferred tax assets and liabilities recorded in the consolidated financial statements on December 31, 2012 and 2011 may be resumed thus:

2012	Dec-11	Perimeter Variation	P&L Impact (Note 28)	Equity Impact	Dec-12
Deferred Tax Assets:					
Non-tax deductible provisions	1 977 632	0	1 404 489	169 926	3 552 047
Reportable Tax Losses	2 385 126	0	7 172 404		9 557 530
Non-tax deductible amortizations	295 213	0		54 046	349 259
Elimination - Internal Margins	862 034	0	203 782		1 065 817
Taxable Deferrals	0	0			0
Investment Properties Impairments	66 944	0			66 944
Financial Investments Impairments	5 650 806	0		(1 510 959)	4 139 847
Merger Costs	0	0			0
	11 237 756	**0**	**8 780 675**	**(1 286 987)**	**18 731 445**
Deferred Tax Liabilities:					
Amortizations resulting from legal and free revaluations	(1 331 095)	0	(575 846)	414 969	(1 491 973)
Effect of reinvesting capital gains generated by fixed assets disposals	(10 601 221)	0	(10 387 222)		(20 988 442)
Revaluations of Land/ Fixed Assets	(2 575 083)	0			(2 575 083)
	(14 507 399)	**0**	**(10 963 068)**	**414 969**	**(25 055 498)**
Net effect	**(3 269 642)**	**0**	**(2 182 393)**	**(872 018)**	**(6 324 053)**

2011	Dec-10	Perimeter Variation	P&L Impact (Note 28)	Equity Impact	Dec-11
Deferred Tax Assets:					
Non-tax deductible provisions	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-tax deductible amortizations	295 213	0	0	0	295 213
Elimination - Internal Margins	14 099	530 511	317 424	0	862 034
Taxable Deferrals	0	0	0	0	0
Investment Properties Impairments	66 944	0	0	0	66 944
Financial Investments Impairments	3 799 522	0	0	1 851 284	5 650 806
Merger Costs	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 legal and free revaluations	(783 998)	0	(464 105)	(82 992)	(1 331 095)
Effect of reinvesting capital gains generated by fixed assets disposals	(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)**

In 2011, the Deferred Taxes presented above included movements in assets essentially relative to:
(i) Glomak S.G.P.S tax losses;
(ii) Tax and provision reductions not accepted for tax purposes;
(iii) Increase in deferred tax assets relative to the devaluation of BPI shares.

In the case of deferred tax liabilities, the following occurred:
(i) An increase in the deferred tax liabilities related to the re-investment of capital gains;
(ii) Revaluations of land (Glomak S.G.P.S).. With respect to the EUR 1.3 million originating from the takeover operation of this subsidiary, it has been recognized as a reduction of significant Badwill (Note 33).

b) Reported tax losses:

Company	Tax losses carried forward	Deadline for the use of tax losses
ASC	3 215 058	2015
ASC - 2012	2 409 581	2017
AMTA - 2009	376 204	2024
AMTA - 2010	1 047 004	2025
ASC USA - 2010 a 2012	20 020 342	2030/ 2
Centrocar	5 596 102	2017

Deferred tax assets were not recognized on tax losses occurring in the 2011 financial period for ASC S.A since not all of the requisites detailed in paragraph 34 of the IAS - 12 were met, on the balance date.

Under current legislation in force in Portugal, tax losses can be deducted over a period of five years following their occurrence (six years for fiscal years finishing up to December 31, 2004 and 4 years for the fiscal years ending December 31, 2010 and 2011) and up to 75 per cent may be deducted from the taxable profit generated during the said period.

In Spain, tax losses are deducted over a period of 18 years.

In the USA, tax losses are deducted over a period of 20 years.

In Turkey, tax losses are deducted over a period of 5 years.

The ASCENDUM Group businesses with their head offices in Portugal, and holding 90 percent or more for more than a year, are subject to Corporate Income Tax in accordance with the Special Taxation Regime for Company Groups ("RETGS") set out in articles 70 and 71 of the IRC code. For the financial periods starting from January 1, 2012, there is a Local State Tax which may vary between 3% and 5%. applicable on top of taxable income.

In accordance with legislation in force, the financial declarations of the ASCENDUM Group and companies based in Portugal are subject to revision and correction by the tax authorities over a period of five years (five years for Social Security), except when they have incurred tax losses, they have been granted tax benefits, or there are ongoing inspections, complaints or disputes, in which cases terms may be lengthened or suspended depending on the specific circumstances. The Group's Board of Directors believes that any future corrections stemming from reviews/inspections by the tax authorities, in those tax declarations from financial periods open to inspections, should not have a significant impact on the annexed financial statements.

In the terms stated in article 88 of the Corporate Income Tax code companies with their head offices in Portugal are also subject to autonomous taxation on a set of charges stated in the aforementioned article.

The following ASCENDUM Group businesses with head offices in Spain are taxed on a consolidated basis:

- ASCENDUM ESPAÑA, S.L.
- Tea Aloya Inmobiliaria S.A.U.
- Volmaquinaria de Construcción España, S.A.
- Volrental S.A.U.

The remaining businesses with head offices based in Spain are taxed on an individual basis in accordance with their respective taxable income.

Also in accordance with legislation in force, the financial declarations of the ASCENDUM Group and companies with head offices in Spain are subject to revision and correction by the tax authority, over a four-year period.

In the US, financial declarations of the Group's company – ASC Construction Equipment Inc – are subject to subject to revision and correction on the part of the tax authority, over a three-year period.

In Turkey, financial declarations of the Group's company – ASC Turk Makina Limited Sirketi – are subject to subject to revision and correction on the part of the tax authority, over a five-year period.

Tax rate by country	2012
Portugal	31,50%
Spain	30,00%
Mexico	30,00%
United States of America	30,00%
Turkey	20,00%

16. CASH AND BANK DEPOSITS

On December 31, 2012 cash and cash equivalents were detailed as follows:

	Dec-12	Dec-11
Cash	97 667	143 478
Current Bank Deposits	10 947 410	23 146 680
	11 045 077	**23 290 158**

On December 31, 2012 the Company and its subsidiaries had approximately EUR 195 million available which could be used for future operational activities to meet financial commitments, without there being any restriction on the use of this facility.

17. SHAREHOLDING BREAKDOWN

On December 31, 2012, the fully subscribed and paid-up capital for the parent company – ASCENDUM, S.A. – is headed by 15,000,000 fully subscribed and paid-up, nominative shares at $1.00 each.

The identification of legal persons with more than 20% of subscribed capital is the following:

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

18. PARENT COMPANY EQUITY (ASCENDUM, S.A.)

Dividends

The dividends policy is set by the shareholders' General Assembly.

In accordance with the decisions arrived at by the General Assembly on 6 June 2012, EUR 10,000,000 of dividends were distributed.

With regard to the 2013 fiscal year, the Board of Directors transferred the net results for the year to the transferred results account, until shareholders reached a decision on their final application.

The payment of dividends which was decided upon by shareholders will not have any tax impacts for the Group.

Legal reserve

Portuguese commercial legislation establishes that at least 5% of each company's annual net result, recorded in their accounts, has to be designated to reinforce the legal reserve until it represents at least 20% of capital. This reserve cannot be distributed except in the event of the company's liquidation. It may, however, be used to take up losses after using up the other reserves, or incorporated in the capital itself.

Spanish commercial legislation establishes that at least 5% of each company's annual net result, recorded in their accounts, has to be designated to reinforce the legal reserve until it represents at least 20% of capital. As long as this reserve remains below the minimum 20% threshold of social capital, it may only be used as cover against losses, if there are no other resources available for this endeavor.

American legislation does not require any such legal reserve.

Turkish commercial legislation states that the net annual result should comprise an initial reserve of 5% followed by a second reserve of 10% taken from 90% of the net annual result, representing a total reserve of 14% which must be withdrawn from the respective annual profits.

Mexican commercial legislation establishes that at least 5% of each company's annual net result, recorded in their accounts, has to be designated to reinforce the legal reserve until it represents at least 20% of capital.

Valuation surpluses

Revaluation reserves concern the revaluation reserve amount of non-tangible assets with net taxes deferred.

Other reserves

These comprise all and any available reserve amounts the contributions of which are decided upon by shareholders.

Fair value reserves

Fair value reserves reflect the variations in the fair value of available-for-sale financial instruments.

Retained earnings and adjustments in investments

Net results from the previous financial period are recorded in this heading. It is subsequently moved in accordance with the application of profits , or coverage against losses decided upon, as well as the results of retained earnings and the application of the equity method in preceding years.

Reserves available for distribution to shareholders are determined based on the individual financial statements of ASCENDUM, S.A.

19. NON-CONTROLLED INTEREST

The movement in this heading during the fiscal years ending December 31, 2012 and 2011 is as follows:

	Dec-12	Dec-11
Opening Balance on January, 1st	4 101 565	1 280 142
Net profit for the period attributed to non-controlled interests	(873 758)	328 592
Other variations in equity attributed to non-controlled interests	(649 149)	0
Variation arising from the acquisition of subsidiaries and associates	0	2 492 831
Final Balance on December, 31	**2 578 658**	**4 101 565**

20. BANK LOANS

On December 31, 2012 and 2011, the "Loans" heading states the following details:

			Dec-12			Dec-11
	Current	Non Current	Total	Current	Non Current	Total
Bank Loans	10 085 173	22 343 538	32 428 711	6 783 613	15 656 758	22 440 371
Guaranteed current accounts/ Overdrafts	50 035 477	0	50 035 477	50 277 212		50 277 212
Floor plan	2 285 440	4 887 041	7 172 481	4 176 911	8 568 927	12 745 838
Commercial paper	10 957 143	40 807 143	51 764 286	14 782 800	40 264 286	55 047 086
Other loans - leasings, etc.	3 102 986	2 683 178	5 786 164	3 165 456	6 781 744	9 947 200
	76 466 218	**70 720 900**	**147 187 118**	**79 185 992**	**71 271 715**	**150 457 707**

On December 31, 2012 and 2011, details of bank loans, overdraft rates, other loans and Commercial Paper Programs were as follows:

		2012
Description	**Used Amount**	**Limit**
Non Current		
Bank Loans	22 343 538	
Guaranteed current accounts/Overdrafts	0	
Commercial paper	4 887 041	
Other loans - leasings, etc.	40 807 143	
Floor plan	2 683 178	
Current		
Bank Loans	10 085 173	
Guaranteed current accounts/Overdrafts	50 035 477	112 258 854
Floor plan	2 285 440	68 212 824
Commercial paper	10 957 143	10 957 143
Other loans - leasings, etc.	3 102 986	3 865 646
Discounted invoices under "Confirming"	0	
Refundable Allowance	0	

Description	Used Amount	Limit
		2011
Non Current		
Bank Loans	15 656 758	
Guaranteed current accounts/Overdrafts	0	
Commercial paper	40 264 286	
Other loans - leasings, etc.	6 781 744	
Floor plan	8 568 927	
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 - leasings, etc.	3 165 456	5 500 000
Discounted invoices under "Confirming"	0	
Refundable Allowance	0	

The heading "Other loans" (both current and non-current) included the Group's responsibilities as a lessee in financial lease contracts relating to the acquisition of facilities, goods and equipment. The details of this heading as well as the payment plan may be resumed as follows:

Company	Leased Asset	Short term	Medium/long term	Total
				2012
VOLRENT, Aluguer de máquinas e equipamentos, Unipessoal, LDA.	Basic Equipment			
	Capital	536 578	709 998	1 246 577
	Interest	30 539	21 549	52 089
AIR-RAIL ESPAÑA	Facilities			
	Capital	741 078	580 753	1 321 831
	Interest	0	0	0
VMCE	Facilities			
	Capital	713 930	279 884	993 814
	Interest	0	0	0
	Total Capital	**1 991 586**	**1 570 635**	**3 562 221**
	Total Interests	**30 539**	**21 549**	**52 089**

				2011
Company	**Leased Asset**	**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
VMCE	Facilities			
	Capital	890 429	951 799	1 842 277
	Interest	0	0	0
AIR-RAIL ESPAÑA	Facilities			
	Capital	664 282	1 202 073	1 866 355
	Interest	0	0	0
	Total Capital	**3 157 456**	**4 270 864**	**7 428 320**
	Total Interests	**82 770**	**73 989**	**156 759**

The fair value of financial lease responsibilities is that of the fair value of leased assets.

21. SUPPLIERS

On December 31, 2012 and 2011 this heading comprised current balances owed to suppliers expiring in the short term.

On December 31, 2012 and 2011 the amount added to the suppliers heading did not include payment plan conditions which incorporated interest payments and thus financial risks related to the shifts in interest rates residual here.

22. OTHER ACCOUNTS PAYABLE

On December 31, 2012 and 2011, this heading consisted of the following:

		Current Liabilities		Non-Current Liabilities
	Dec-12	**Dec-11**	**Dec-12**	**Dec-11**
Accrued expenses liabilities	7 844 895	8 537 900	0	0
Investments suppliers	10 171 811	4 213 837	5 502 898	8 062 726
Other accrued expenses	3 560 416	2 180 392	21 124 384	17 319 258
	21 577 123	**14 932 129**	**26 627 282**	**25 381 984**

Growth relative to remunerations and labor charges, outstanding interest, taxes and fees, as well as various other operational charges are included in the expenses growth heading.

23. STATE AND OTHER PUBLIC ENTITIES

On December 31, 2012 and 2011, the heading "State and Other Public Bodies" may be detailed as follows:

	Ativo		Passivo	
	Dec-12	Dec-11	Dec-12	Dec-11
Withholding tax on income			646 750	487 376
Value Added Tax	11 926 015	1 725 263	4 127 554	2 774 784
Income Tax	1 254 982	222 399	1 875 917	1 710 124
Social Security Contributions			472 588	621 929
Others	37 896	37 639	152 557	174 203
Total	**13 218 892**	**1 985 301**	**7 275 366**	**5 768 416**

24. DEFERRALS - (LIABILITIES)

On December 31, 2012 and 2011, the heading "Deferments" may be detailed as follows:

	Dec-12	Dec-11
Revenue deferrals		
Sales and services to recognize	2 420 893	2 441 573
Others	132 182	169 007
Total	**2 553 074**	**2 610 580**

The Group records revenues in accordance with the economic specialization of said revenues, independent of their payment. At the end of a financial period already invoiced transactions, relating to those which on December 31 had not met the requisites to be recorded as revenue in the period in question, especially because all of the rights incident to the ownership of the goods being transacted had not been transferred, are deferred in this heading.

25. ACCUMULATED IMPAIRMENT LOSSES AND PROVISIONS

Movement occurring in provisions over the fiscal years ending December 31, 2012 and 2011 was as follows:

							2012
Description	Opening Balance	Exchange Rate Effect	Perimeter Variation	Increases	Reversals	Utilizations/ Adjustments	Total
Accumulated impairment losses - accounts receivables (Note 12)	19 731 210	13 044	0	3 963 839	(2 067 002)	(1 073 939)	20 567 152
Accumulated impairment losses - inventories (Note 11)	6 146 052	1 543	0	1 381 262	(1 580 065)	(1 288 322)	4 660 470
Provisions	1 590 225	0	0	50 568	(319 616)	5 555	1 326 732

						2011
Description	Opening Balance	Perimeter Variation	Increases	Reversals	Utilizations/ Adjustments	Total
Accumulated impairment losses - accounts receivables (Note 12)	13 150 575	4 875 609	2 755 133	(246 492)	(803 615)	19 731 210
Accumulated impairment losses - inventories (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

On December 31, 2012 and 2011, the heading "Provisions" presented on the balance sheet may be detailed as follows:

	Dec-12	Dec-11
Provisions for guarantees	505 171	499 896
Legal proceedings in progress	0	116 696
Other provisions	821 561	973 633
Total	**1 326 732**	**1 590 225**

The Group discloses, in the heading "Provisions for Guarantees", its best estimates for present bonds with uncertain timings, resulting from the normal course of operations.
In the heading "Judicial Processes Currently Underway", the best estimates for global outflows which could occur in the future and which are derived from shares lodged in the courts by third parties, are disclosed.

The complete set of estimates for other present bonds with uncertain timings are disclosed in the Other Provisions heading, and are not covered by the two above classifications.

Due to the unpredictability when provisions are reversed, and also given their destined use, the Group did not proceed with the financial discounting of these.

26. DERIVATIVE FINANCIAL INSTRUMENTS

Derived interest rates

The Board of Directors regularly assess the Group's level of the exposure to the various risks incident to the activities of its companies, especially with regard to the price risk, interest rate risk and exchange rate risk.

On December 31, 2012 and 2011, the Group did not employ any fixation instruments to the interest rate.

On the other hand, even though an increasing share of the Consolidated Statement has being subject to the impact of exchange rate shifts (euro/Dollar and euro/Turkish Lira) (see Note 2.3.(u)(i)), the level of exposure was still regarded as minimal.

As a result, on December 31, 2012 and 2011 the Group did not negotiate any type of derived financial instrument.

At the end of the 2011 fiscal year a USD 4,950,000 loan was granted as natural hedging against the net investment in the US subsidiary ASC USA, whose equity was USD 43,538,670 on December 31, 2011.

Hedging instruments accounting nature of the risk that is being covered	Elements covered			Hedging instruments		Dec-12
		Description	Registered amount	Description	Total	Part designated as hedging instrument
Exchange rate risk on the net investment in foreign subsidiaries	ASC USA, INC	Capital Investments - ASC USA, Inc.	0	BPI Bank Loan in USD	0	0
Totals			**0**		**0**	**0**

Hedging instruments accounting nature of the risk that is being covered	Elements covered			Hedging instruments		Dec-11
		Description	Registered amount	Description	Total	Part designated as hedging instrument
Exchange rate risk on the net investment in foreign subsidiaries	ASC USA, INC	Capital Investments - ASC USA, Inc.	11 900 000	BPI Bank Loan in USD	4 950 000	4 950 000
Totals			**11 900 000**		**4 950 000**	**4 950 000**

The ASCENDUM Group's Board of Directors regularly monitors the Group's level of exposure to the exchange rate variation, reviewing reports on the issue which will be able to justify, in the future, the negotiation of suitable protection instruments for the typology of respective risks.

27. FINANCIAL COMMITMENTS NON-INCLUDED IN THE INCOME STATEMENT OF THE CONSOLIDATED FINANCIAL POSITION

On December 31, 2012 and 2011 the ASCENDUM Group assumed the following financial commitments:

Responsabilities	Dec-12	Dec-11
for discounted bills	0	0
for open credits	0	0
Buybacks	9 737 686	11 909 517
for guarantees provided	0	0
Total	**9 737 686**	**11 909 517**

Types	Dec-12	Dec-11
Warranties granted to importers of represented brands	1 122 934	1 419 000
Guarantees provided in public contests	630 972	366 730
Guarantees for the supply of water, electricity, fuel and similar	50 541	78 418
Other guarantees	1 673 177	811 961
Total	**3 477 624**	**2 676 110**

At the end of 2012 and 2011, the total shares representative of ASC TURK MAKINA's social capital were put forward as finance collateral and were used in the acquisition of both said subsidiary and the Banco Português de Investimentos (BPI), at a global amount of EUR 32 million.

28. INCOME TAXES

The details of revenue taxes recorded on the fiscal years ending December 31, 2012 and 2011 are as follows:

Responsabilities	Dec-12	Dec-11
Current Tax	4 195 490	6 596 807
Deferred Tax (Note 15)	2 182 393	3 030 457
Total	**6 377 883**	**9 627 264**

29. EARNINGS PER SHARE

Earnings per share can be expressed from a perspective of "basic earnings" or "diluted earnings".
Earnings per basic share is calculated dividing incomes or losses in the period by the weighted average number of ordinary shares in circulation during a given period.

Earnings per diluted share is calculated dividing incomes or losses in in a period by the weighted average number of ordinary shares in circulation during a given period, adding to this the number of ordinary shares that can be issued as a result of the conversion of other instruments issued by the entity.

Following shareholder discussions held on 28 November 2011, the parent company ASCENDUM was changed into a limited enterprise company, having registered its 15,000,000 shares at a nominal price of 1 euro each.

In the 2012 and 2011 financial periods no other issuing / reduction movements were registered, nor was amortization of assets registered because the average number of ordinary shares in circulation in the period was 15,000,000.

Likewise, there was no issuing or amortization of any instruments susceptible to being converted in ordinary actions.

There are no shares to which special rights are attached and/or limited shares.

The following shows the per share results:

	Dec-12	Dec-11
Profit/Loss of the period	10 621 710	27 129 751
Average number of ordinary shares	15 000 000	15 000 000
Average number of instruments convertible into shares		0
Basic earnings per share	**0,71**	**1,81**
Diluted earnings per share	**0,71**	**1,81**

30. INFORMATION FOR GEOGRAPHIC MARKETS AND ACTIVITY

The main geographic markets and activity-related information for December 31, 2012 and 2011 is put forward in Note 32.

31. AVERAGE NUMBER OF EMPLOYEES

In the financial periods ending December 31, 2012 and 2011 the average size of the Group's workforce was as follows:

Staff	Dec-12	Dec-11
Management Staff	47	27
Administrative	269	312
Commercial	129	137
After sales	677	620
Total	**1 122**	**1 096**

32. CONTIBUTION OF GEOGRAPHIES FOR THE DEMONSTRATION OF THE FINANCIAL POSITION AND THE CONSOLIDATED INCOME STATEMENT ON DECEMBER, 31 2012 AND 2011

Details of sales and services rendered by geographical markets and effected by the Group's companies from their respective locations, for the years ending December 31, 2012 and 2011, were as follows:

		Dec-12		Dec-11
Market	**Value**	**%**	**Value**	**%**
Portugal	105 352 722	21,05%	105 620 746	21,65%
Spain	46 884 719	9,37%	59 265 662	12,15%
United States of America	122 623 319	24,51%	127 240 677	26,08%
Turkey	211 146 996	42,20%	195 699 357	40,12%
Mexico	14 149 667	2,83%	0	0,00%
Poland	233 931	0,05%		
Total	**500 391 353**	**100%**	**487 826 442**	**100%**

In the following tables, we have disclosed the main headings of Balance and Income Statement and broken them down by geographic location where the ASCENDUM Group was operated in 2012:

2012	Portugal	Spain	United States of America	Turkey	Mexico	Poland	Total
Non-current Assets							
Fixed Tangible Assets	26.799.273	23.218.732	33.124.408	4.944.282	890.891	0	**88.977.585**
Current Assets							
Inventories	37.192.904	14.165.877	60.639.686	38.000.450	3.952.236	0	**153.951.153**
Clients and other accounts receivable	42.879.707	14.308.192	8.740.216	15.623.328	6.470.557	237.714	**88.259.714**
Non-current liabilities							
Loans	48.053.300	7.802.214	4.887.041	9.978.345	0	0	**70.720.900**
Other liabilities	3.365.673	174.044	48.143.062	0	0	0	**51.682.779**
Current liabilities							
Suppliers and Other Accounts Payable	32.791.331	3.127.009	20.784.315	14.302.715	8.325.443	144.306	**79.475.119**
Loans	36.650.575	5.506.714	12.710.487	20.094.576	1.503.860	7	**76.466.219**

2011	Portugal	Spain	U.S.	Turkey	Total
Non-current Assets					
Fixed Tangible Assets	31 140 539	27 413 742	35 567 127	2 796 138	**96 917 547**
Current Assets					
Inventories	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**
Non-current liabilities					
Loans	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**
Loans	58 864 527	7 490 019	12 358 147	473 299	**79 185 992**

2012	Portugal	Spain	U.S.	Turkey	Mexico	Poland	Total
Sales and services rendered	105 352 722	46 884 719	122 623 319	211 146 996	14 149 667	233 931	**500 391 353**
Costs of sales	(74 836 477)	(29 195 001)	(87 919 727)	(163 491 454)	(10 868 138)	(171 005)	**(366 481 801)**
Suppliers and external services	(16 033 373)	(7 089 239)	(4 154 021)	(20 685 874)	(3 050 689)	(35 814)	**(51 049 009)**
Personnel costs	(16 817 010)	(7 201 866)	(13 307 245)	(7 392 108)	0	(4 824)	**(44 723 053)**
Other gains/ losses	4 199 111	(529 751)	(822 041)	1 738 167	18 970	(2 801)	**4 601 654**
Profit/Loss of the period	(6 926 361)	(1 246 569)	3 327 839	15 465 715	(17 367)	18 453	**10 621 710**

2011	Portugal	Spain	U.S.	Turkey	Total
Sales and services rendered	105 620 746	59 265 662	127 240 677	195 699 357	**487 826 442**
Costs of sales	(76 733 168)	(39 177 183)	(89 835 297)	(148 839 629)	**(354 585 277)**
Suppliers and external services	(12 562 500)	(11 054 363)	(4 352 455)	(15 330 903)	**(43 300 221)**
Personnel costs	(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**
Profit/Loss of the period	800 447	765 644	5 700 955	19 862 705	**27 129 751**

In addition, the distribution of sales and after-sales (components and services rendered) through activity is as follows:

		Dec-12		Dec-11
Activity	**Value**	**%**	**Value**	**%**
Construction equipment and other equipment	471 293 055	94,18%	441 302 442	90,46%
Vehicles	17 810 298	3,56%	31 214 000	6,40%
Trucks	11 288 000	2,26%	15 310 000	3,14%
Total	**500 391 353**	**100%**	**487 826 442**	**100%**

33. OTHER OPERATING INCOME

On December 31, 2012 and 2011, the detail in the heading "Other operating income" was as follows:

Description	Dec-12	Dec-11
Cash discounts obtained	25 832	28 751
Capital gains from fixed tangible assets disposals	517 360	4 886 282
Excess of income tax estimate	7 908	0
Interest income	34 285	0
Adjustments related to prior years	419	50 749
Favorable foreign exchange differences	9 980 487	7 152 993
Inventory gains		0
Claims	207 530	111 256
Others	6 510 287	13 211 943
Total	**17 284 107**	**25 441 974**

Comments regarding some lines in the above table, for the 2012 period:

(i) The heading of exchange differences essentially comes from the subsidiary operations in Turkey (EUR 7.7 million) and Mexico (EUR 0.8 million).

(ii) The heading "Others" stems from the various incomes and instances of debt collection related to the normal activity of the companies.

Comments regarding some lines in the above table, for the 2011 period:

(i) In the 2011 financial period, the US subsidiary – ASC USA – sold some of its holdings in the State of Alabama, at the global price of USD 7.7 million from which there was a EUR 4.7 million of profit.

(ii) The heading for the favorable exchange differences, which in the 2011 financial period rose to EUR 7.1 million, was essentially the result of operational differences in the Turkish subsidiary's operation.

(iii) In 2011, the EUR 13 million under the "Others" heading included the following non-recurring components:

a) EUR 4.5 million relating to the Badwill created by the GLOMAK, SGPS, S.A. takeover, to which reference has already been made in note 9 of the present attachment.
Control resulted from the subscription of an increase in the company's capital, to EUR 7 million, which was only subscribed and carried out by ASCENDUM, S.A., causing the ASC group's investment in the social capital of that company to go from 12% to 99.2%.
Similarly, the takeover led to a special balance which acted as a support to the recognition of the purchase, which presented adjusted equity of EUR 11.6 million, of which ASCENDUM S.A. appropriated EUR 11.5 million as well as EUR 4.5 million in response to the Badwill.

b) EUR 5.7 million concerned the selective support offered by Volvo to deal with the difficult economic conditions in Spain and to support business development in Turkey.

34. OPERATING LEASES

The commitments made on December 31, 2012 and 2011 in operating lease contracts as follows:

Minimum payments for operating leases	Dec-12	Dec-11
Less than a year	1 170 181	1 030 271
Between 1 and 5 years	2 106 345	2 579 118
Total	**3 276 526**	**3 609 388**

35. FINANCIAL RESULTS

On December 31, 2012 and 2011, the financial results were the following:

Expenses and Financial losses	Dec-12	Dec-11
Interests	8 703 927	7 334 738
Foreign exchange differences	724 444	2 033 913
	9 428 371	**9 368 651**

Financial Revenues and earnings	Dec-12	Dec-11
Interest	292 149	2 540 104
Foreign exchange differences		852 166
	292 149	**3 392 270**

36. RELATED ENTITIES

A related entity is a party that is controlled, or controls, another party; or it has significant control over the other party, has joint control, is a key management staff member, or a member of staff who is close to those controlling the entity or the key management staff members, or the party is a post-employment benefit plan for the benefit of employees of the entity.

The balances and transactions between the parent company and its subsidiaries, or the subsidiaries which are related companies, were eliminated in the consolidation process and, thus, they will not be disclosed in this Note. Details of the balances and transactions between the ASCENDUM S.A. Group and the entities related to it may be resumed as follows:

Commercial and other debts	Receivable	Payable
Key management personnel	994 125	

Outstanding balances with related parties	
Customers/other accounts receivable:	
Auto-Sueco, Lda	249 087
Ernesto Vieira & Filhos	0
Suppliers/other accounts payable:	
Auto-Sueco, Lda	1 321 700
Ernesto Vieira & Filhos	0

Transactions with related parties	
Auto-Sueco, Lda.	
Sales	163 261
Services rendered	806 347
Purchases	7 328 136
Other Expenses	365 921
Other Income	7 427

Relations with the entity Ernesto Vieira & Filhos are of minimal significance , essentially consisting of dividends distribution, monthly expenses of seconded staff and rent expenses for areas under lease.

The buying and selling of goods and the rendering of services to related entities were carried out at market prices.

37. FINANCIAL ASSETS AND LIABILITIES

On December 31, 2012 financial assets and liabilities were detailed as follows:

Financial Assets	Category	Accounting value	Valuation method
Financial Investments - Equity method	Equity method	62 793	fair value
Financial Investments - Other methods	Available for sale	16 091 618	fair value
Other accounts receivable	Accounts receivable	7.017 378	amortized cost
Other financial assets	Accounts receivable	226 393	amortized cost
Customers	Accounts receivable	82 337 155	amortized cost
Suppliers advances	Accounts receivable	2 075 817	amortized cost
State and other public entities	Accounts receivable	13 218 892	amortized cost
Financial assets held for trading	Held for trading	40 332	amortized cost
Cash and Bank Deposits	Accounts receivable	11 045 077	amortized cost
		132 115 454	
Financial Liabilities	**Category**	**Accounting value**	**Valuation method**
Loans	Other liabilities	147 187 119	amortized cost
Other accounts payable	Other liabilities	48 204 405	amortized cost
Suppliers	Other liabilities	57 897 996	amortized cost
Customers advances	Other liabilities	2 729 371	amortized cost
State and other public entities	Other liabilities	7 275 366	amortized cost
		263 294 256	

Only financial assets (clients, Other receivables and financial investments) registered impairment losses as set out in Notes 10.1, 12 and 25.

In 2012 and 2011, losses and gains in financial assets and liabilities were as follows:

	Gain / (loss)	
	31.12.2012	31.12.2011
Accounts receivable	-1 896 837	-2 508 641
Assets held for sale	-5 042	-33 199
Other assets at amortised cost	0	0
	-1 901 878	**-2 541 840**

In 2012 and 2011, interest on financial assets and liabilities was as follows:

	Gain / (loss)	
	31.12.2012	31.12.2011
Accounts receivable	326 434	2 540 104
Assets held for sale	0	0
Liabilities at amortised cost	-8 703 927	-7 334 738
	-8 377 493	**-4 794 634**

In 2012 and 2011, exchange differences on financial assets and liabilities was as follows:

	Gain / (loss)	
	31.12.2012	31.12.2011
Gains in foreign exchange differences	9 980 487	8 005 159
Losses in foreign exchange differences	-10 551.934	-6 537 136
	-571.447	**1 468 023**

38. BOARD ANNUAL WAGES

The payment of the members of corporate bodies of the ASCENDUM S.A. Group for the financial periods of 2012 and 2011 were as follows:

Board	Dec-12	Dec-11
Management		
Portugal	965 574	756 637
Spain	75 894	322 954
United States of America	335 616	384 457
Turkey	70 965	326 212
Total	**1 448 049**	**1 790 260**

39. AUDITOR'S FEES

Fees paid to the registered chartered accounting firm PricewaterhouseCoopers & Associates – S.R.O.C., Ltd. for the financial periods 2012 and 2011 were as follows:

	Dec-12	Dec-11
Portugal	64 900	54 100
Spain	44 000	70 963
United States of America	86 207	129 067
Mexico	10 000	0
Turkey	18 500	55 255
Total	**223 607**	**309 385**

40. EXTERNAL SUPPLIERS AND SERVICES

On December 31, 2012 and 2011, external suppliers and services consisted of the following:

	Dec-12	Dec-11
Subcontracts/ Specialized services	22 086 590	16 830 570
Advertising and promotion	992 440	1 083 712
Surveillance and security	641 494	487 564
Maintenance/repairs/tools	1 614 360	1 456 390
Office supplies/technical documentation	407 094	369 231
Electricity/fuels/water/other fluids	1 472 509	1 455 272
Travel and accommodation	2 987 598	2 709 663
Transport of goods	1 404 660	1 015 853
Rents and leases	8 147 726	7 158 250
Communications	1 054 091	966 984
Insurance	1 424 853	1 308 579
Clean hygiene and comfort	759 440	654 783
Other external supplies and services	8 056 154	7 803 369
Total	**51 049 009**	**43 300 221**

41. PERSONNEL

On December 31, 2012 and 2011, the heading of staff consisted of the following:

	Dec-12	Dec-11
Payroll	26 511 188	24 503 877
Social charges	4 902 828	4 071 971
Insurance against labour accident	102 020	623 576
Subsidies	1 916 648	1 492 906
Commissions	1 643 610	1 671 702
Awards and Bonuses	2 739 395	4 892 282
Compensations	712 583	1 990 738
Other staff related expenses	6 194 781	4 364 245
Total	**44 723 053**	**43 611 297**

42. OTHER EXPENSES AND LOSSES

On December 31, 2012 and 2011, the heading of other expenses and losses consisted of the following:

	Dec-12	Dec-11
Unfavorable exchange rate differences	9 827 490	4 503 223
Taxes and fees	1 427 665	1 266 294
Interest and bank charges	721 460	866 074
Insufficient income tax estimate	35 442	253 572
Adjustments related to prior years	6 841	219 388
Donations	39 575	39 295
Subscriptions	6 352	10 132
Other costs	617 629	1 008 732
Total	**12 682 453**	**8 166 711**

43. INFORMATION ON THE ENVIRONMENTAL SECTOR

The Group adopts the necessary environmental measures with the aim of complying with legislation in force.

In 2012, the Group's Board of Directors did not feel that there were risks with regard to the protection and improvement of the environment, having not received any complaints related to this subject are in the 2012 fiscal year.

44. SUBSEQUENT EVENTS

Between December 31, 2012 and the issue date of the present consolidated management report, there were no facts or operations of a significance that would merit their reporting here.

45. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by the Board of Directors on 22 March 2013. In addition, the financial statements annexed on December 31, 2012 are subject to approval by the General Assembly. Nevertheless, the Group's Board of Directors understands that these will be duly approved without significant amendments.

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 Ascendum, S.A., comprising the consolidated statement of financial position as at December 31, 2012 (which shows total assets of Euro 436.006.625 and total shareholder's equity of Euro 143.777.065, including non-controlling interests of Euro 2.578.659 and a net profit of Euro 11.495.467), 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 Company's 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 judgments and criteria of the Board of Directors used in the preparation of the consolidated financial statements; (ii) verification of the consolidation operations and the utilization of the equity method; (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 Ascendum, S.A., as at December 31, 2012, 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.

March 28, 2013

Statutory auditor responsible for the audit

José Miguel Dantas Maio Marques, R.O.C. nº 1271

PricewaterhouseCoopers & Associados
- Sociedade de Revisores Oficiais de Contas, Lda.
represented by:

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