

MOTA-ENGIL INFORMS ABOUT THE WATER AND WASTE SERVICES REGULATION AUTHORITY'S DECISION ON ALLOWED REVENUES AND REGULATED TARIFFS FOR THE REGULATORY PERIOD 2016-2018

MOTA-ENGIL SGPS, S.A. (MOTA-ENGIL) informs that its affiliated companies in the urban waste selective collection and treatment segment owned by EGF were notified by the Water and Waste Services Regulation Authority (ERSAR) about their allowed revenues and regulated tariffs for the regulatory period 2016-2018.

The decisions include the definition of the RAB (Regulated Asset Base) at € 272.8 million and the ROA (Return on Assets) at 6.14%.

ERSAR also estimated the total revenues for the combined 11 municipal treatment systems (EGF affiliated companies), which are in line with MOTA-ENGIL'S Strategy Plan.

Notwithstanding these facts, the 11 regulated entities consider that some of the regulatory parameters imposed by ERSAR does not allow the achievement of both the European and National goals set forth the waste collection and treatment sector, as well as the operational stability and the maintenance of high standards of the public services provided. As such, MOTA-ENGIL reserves the right to question the imposed decisions to the relevant authorities.

Porto, 2 January 2017

THE REPRESENTATIVE FOR THE MARKET RELATIONS

LUÍS SILVA