



**Report and Accounts**  
**1<sup>st</sup> Semester 2011**



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# **TEIXEIRA DUARTE, S.A.**

Public Company

Head Office: Lagoas Park, Edifício 2 - 2740-265 Porto Salvo

Share Capital: € 420,000,000

Single Legal Person and Registration number  
at the Commercial Registry of Cascais-Oeiras 509.234.526

## SUMMARY OF INDICATORS

<b>Teixeira Duarte Group</b>	<b>1st Sem. 2007</b>	<b>1st Sem. 2008</b>	<b>1st Sem. 2009</b>	<b>1st Sem. 2010</b>	<b>1st Sem. 2011</b>	<b>% Variation 2011/2010</b>
Workers	9,334	12,746	13,462	12,901	11,797	(8.6%)
Sales/Services Rendered	464	583	603	667	611	(8.4%)
Operating Income	480	632	635	694	628	(9.6%)
EBITDA	45	93	64	72	77	6.8%
EBITDA / Turnover Margin	10%	16%	11%	11%	13%	16.6%
EBIT	28	71	37	35	46	30.7%
Tangible fixed assets + Investment property	767	832	951	1,033	1,039	0.6%
Investments in associates + Assets available for sale + Other investments	1,719	1,393	1,177	329	229	(30.3%)
Total Equity	1,049	535	353	596	465	(21.9%)
Net Income Attributable to Shareholders	34	(256)	18	52	(58)	-

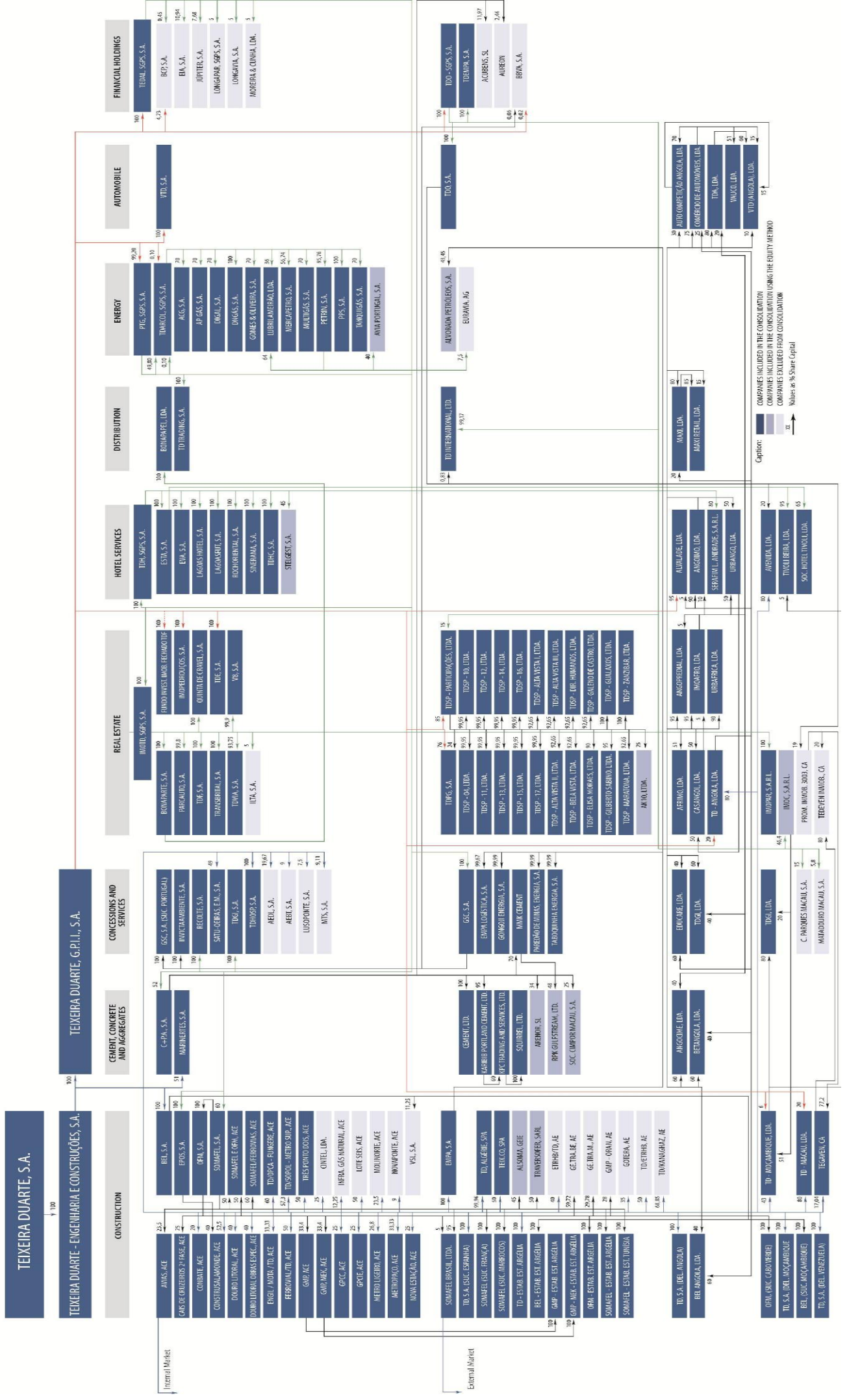
### Notes:

The book values are expressed in million Euros.

The figures in the "% Variation 2011/2010" column were calculated based on amounts that were not rounded off.

Total Equity includes non-controlling interests.

# TEIXEIRA DUARTE GROUP 2011





**TEIXEIRA DUARTE**

# Interim Management Report 1<sup>st</sup> Semester **2011**



## I – PRELIMINARY COMMENT

Teixeira Duarte, S.A. (TD,SA) became the leading listed company of the Teixeira Duarte Group in the 2nd semester of last year, while as at 30 June 2010 the leading entity of the Group had been Teixeira Duarte – Engenharia e Construções, S.A. (TD-EC).

Since the accounts of TD,SA reported as at 30 June did not include indicators permitting a full comparison of the entire Teixeira Duarte Group, the consolidated statements of income, comprehensive income, change in equity and cash flows do not include comparable data.

However, the decision was made to present, only in the Interim Management Report, indicators of the consolidated financial statements of TD-EC as at 30 June 2010, solely for the purpose of comparison with the consolidated financial statements of TD,SA as at 30 June 2010, thus allowing for an assessment of the evolution and performance of the Teixeira Duarte Group.

## II - INTRODUCTION

Under the terms and for the effect of the applicable legal and regulatory provisions, TD,SA hereby discloses the Interim Report relative to the first six months of 2011, of which the attached financial statements are also an integral part.

In compliance with and under the legislation on the presentation of periodic information, it should be noted that the elements disclosed herein refer only to the consolidated position and that the financial statements and their notes were prepared based on the International Accounting Standard IAS 34 - Interim Financial Reporting, with the scope and development established in the Law.

Without prejudice to the regular monitoring of the activity of the Teixeira Duarte Group by its Supervisory Bodies, as well as through the information reported to the Supervisory Bodies for the purpose of the preparation of this document, the elements published herein are not, under the terms of the applicable provisions, subject to auditing.

In addition to the Consolidated Financial Statements and respective notes, this document also presents a brief description of the evolution of the Group's activity during the period under analysis, relative to which we highlight the following aspects:

- **Net Income Attributable to Shareholders** was negative by 58 million euros;
- **Turnover** of 611 million euros;
- **EBITDA** of 77 million euros;
- **EBITDA / Turnover Margin** of 12.5%;
- **Net Debt** of 1,148 million euros;
- **Net Assets of the Group** of 2,677 million euros;
- **Financial Autonomy** of 17.4%;
- **Portfolio of Orders of the Teixeira Duarte Group** for the construction sector worth more than 1,950 million euros.



### III – OVERALL ASSESSMENT OF THE ACTIVITY

#### Income Statement for the semesters and quarters ended on 30 June 2011 and 2010

	1st S 11 (TD,SA)	1st S 10 (TD-EC)	Var (%)	2nd Q 11 (TD,SA)	2nd Q 10 (TD-EC)	Var (%)
Operating income	627,517	694,049	(9.59%)	308,156	387,046	(20.38%)
Operating costs	550,869	622,300	(11.48%)	282,225	351,805	(19.78%)
<b>EBITDA</b>	<b>76,648</b>	<b>71,749</b>	<b>6.83%</b>	<b>25,931</b>	<b>35,241</b>	<b>(26.42%)</b>
Amortisation and depreciation	29,043	27,336	6.24%	14,525	14,535	(0.07%)
Provisions	2,026	9,552	-	2,710	7,883	(65.62%)
<b>EBIT</b>	<b>45,579</b>	<b>34,861</b>	<b>30.74%</b>	<b>8,696</b>	<b>12,823</b>	<b>(32.18%)</b>
<b>Financial profit or loss</b>	<b>(109,029)</b>	<b>21,035</b>	<b>-</b>	<b>(84,371)</b>	<b>(54,421)</b>	<b>-</b>
<b>Pre-tax profit</b>	<b>(63,450)</b>	<b>55,896</b>	<b>-</b>	<b>(75,675)</b>	<b>(41,598)</b>	<b>-</b>
Income tax	6,283	4,497	39.72%	3,801	66	5659.09%
<b>Net profit</b>	<b>(69,733)</b>	<b>51,399</b>	<b>-</b>	<b>(79,476)</b>	<b>(41,664)</b>	<b>-</b>
<b>Attributable to:</b>						
<b>Shareholders</b>	<b>(57,822)</b>	<b>51,947</b>	<b>-</b>	<b>(65,715)</b>	<b>(40,367)</b>	<b>-</b>
Non-controlling interests	(11,911)	(548)	-	(13,761)	(1,297)	-

(Values in thousand euros)

The Consolidated Net Income Attributable to Shareholders was negative by 57,822 thousand euros.

This indicator was influenced as at 30 June by the recording of an impairment loss in the holding owned in “Banco Comercial Português, S.A.”, which had an impact on net income of 42,798 thousand euros.

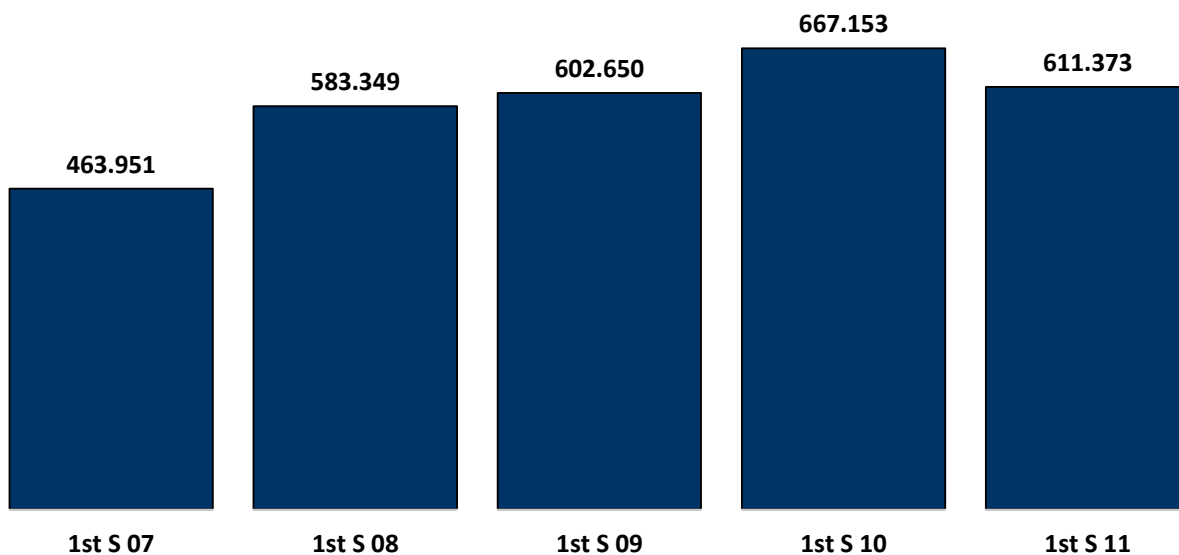
The disposal of 50% of the Group's holding in the Spanish company “ARENOR, S.L.” and the impairment loss in the remaining 50% had a negative impact of 11,464 thousand euros on the Net Income Attributable to Shareholders.

The net income of the first semester of 2011 was also penalised, by 12,300 thousand euros, as a result of the devaluation of the Euro relative to the Currencies with which the Group operates in certain markets.

It should also be noted that, in the first semester of 2010 this indicator was influenced by the incorporation of capital gains of 71,183 thousand euros resulting from the disposal of the holding in “CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.”, as well as the appropriation of the net income of this participated company up to the date of its sale, of the total value of 9,237 thousand euros.

**Turnover** declined by 8.4% relative to the first semester of 2010, having reached 611,373 thousand euros.

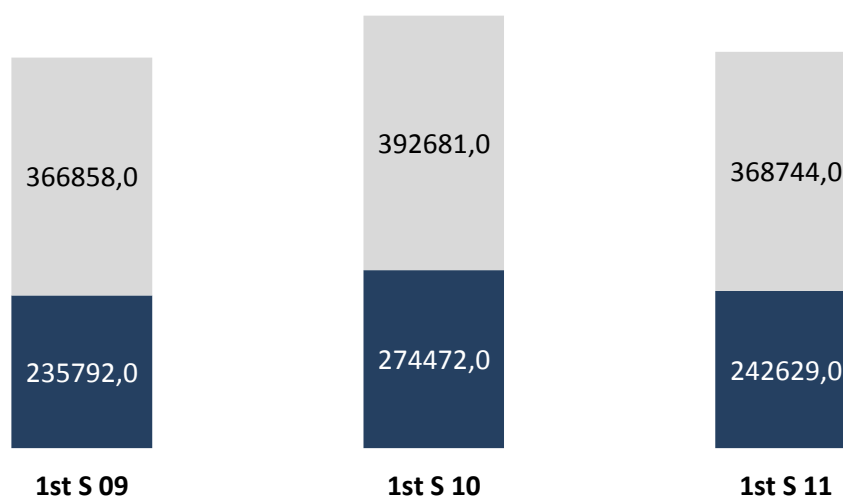
#### Evolution of Turnover



(Values in thousand euros)

In overall terms, Portugal fell by 11.6% and the external market decreased by 6.1%, and now represents 60.3% of the total Turnover of the Teixeira Duarte Group.

#### Evolution of Turnover by Markets



■ Internal Market    ■ External Market

(Values in thousand euros)

The tables below present the Turnover detailed by country and activity sectors, clearly indicating the exposure of the Group to different economic contexts.

### Evolution of Turnover by Country

Countries	1st S 11 (TD, SA)	1st S 10 (TD-EC)	Var (%)	2nd Q 11 (TD, SA)	2nd Q 10 (TD-EC)	Var (%)
Portugal	242,629	274,472	(11.6%)	119,239	147,969	(19.4%)
Angola	227,057	225,430	0.7%	112,979	115,500	(2.2%)
Algeria	25,288	29,890	(15.4%)	18,753	21,328	(12.1%)
Brazil	72,657	88,674	(18.1%)	29,572	59,037	(49.9%)
Spain	13,648	12,008	13.7%	7,448	6,280	18.6%
Morocco	1,363	1,735	(21.4%)	1,007	645	56.1%
Mozambique	15,387	26,956	(42.9%)	3,508	13,958	(74.9%)
Ukraine	7,079	4,511	56.9%	5,357	3,626	47.7%
Venezuela	3,938	2,124	85.4%	3,385	1,453	133.0%
Other	2,327	1,353	72.0%	1,212	495	144.8%
<b>Total</b>	<b>611,373</b>	<b>667,153</b>	<b>(8.4%)</b>	<b>302,460</b>	<b>370,291</b>	<b>(18.3%)</b>

(Values in thousand euros)

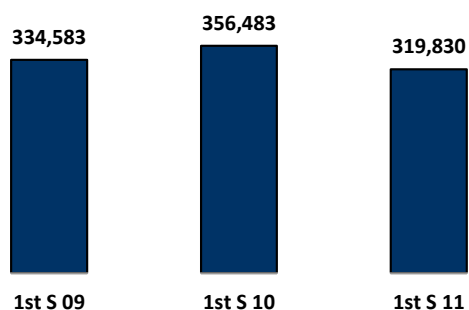
### Evolution of Turnover by Activity

Activity Sector	1st S 11 (TD, SA)	1st S 10 (TD-EC)	Var (%)	2nd Q 11 (TD, SA)	2nd Q 10 (TD-EC)	Var (%)
Construction	319,830	356,483	(10.3%)	157,828	199,734	(21.0%)
Cement, Concrete and Aggregates	7,102	5,952	19.3%	5,349	4,157	-
Concessions and Services	27,957	24,281	15.1%	14,951	13,322	12.2%
Real estate	46,222	63,061	(26.7%)	20,172	36,584	(44.9%)
Hotel services	28,790	41,686	(30.9%)	12,885	21,623	(40.4%)
Distribution	57,710	51,441	12.2%	30,511	26,147	16.7%
Energy	60,534	65,776	(8.0%)	31,422	33,337	(5.7%)
Automobile	63,228	58,473	8.1%	29,342	35,387	(17.1%)
<b>Total</b>	<b>611,373</b>	<b>667,153</b>	<b>(8.4%)</b>	<b>302,460</b>	<b>370,291</b>	<b>(18.3%)</b>

(Values in thousand euros)

Below is a presentation of an analysis of this indicator, with its evolution by activity sector:

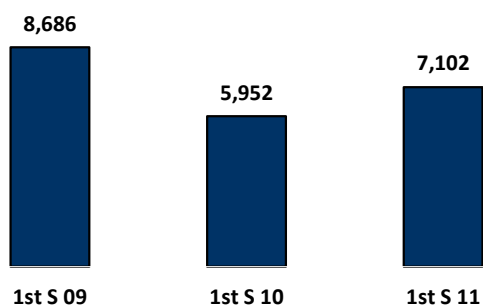
#### Turnover of Construction



Construction Turnover decreased by 10.3% compared with June 2010, in particular showing a decline in the internal market of 7.1%.

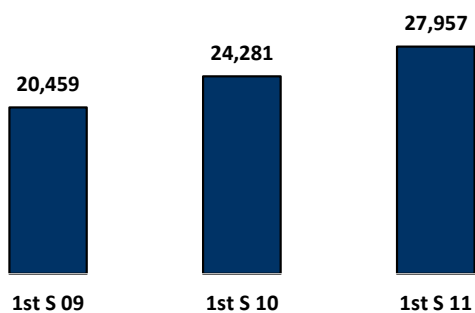
The Angolan market, in spite of recording a 1% decline in this indicator due to the devaluation of the USD, effectively increased its level of activity by 4.8%.

#### Turnover of Cement, Concrete and Aggregates



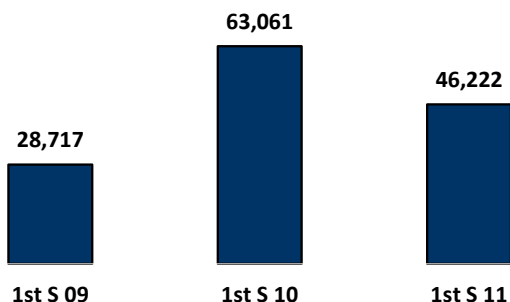
In Cement, Concrete and Aggregates the Turnover increased by 19.3% compared with the first six months of 2010, as a consequence of the growth recorded in Ukraine, from 4,511 thousand euros as at June 2010 to 7,079 thousand as at June 2011.

#### Turnover of Concessions and Services



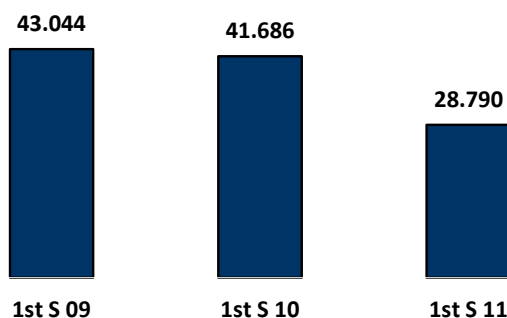
In Concessions and Services, the Turnover grew by 15.1% year-on-year, with good performance in the main markets in which the Group operates.

### Turnover of Real Estate



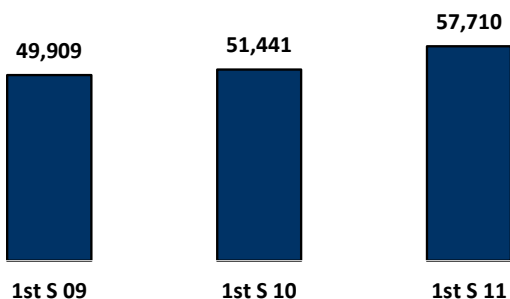
Real Estate decreased, as a whole, by 26,7% compared with the first six months of 2010, essentially due to the decline in the Group's main markets, Portugal and Brazil, which decreased by 50.1% and 14.2% relative to June 2010, respectively.

### Turnover of Hotel Services



The Turnover of Hotel Services fell by 30.9% year-on-year, which is mainly explained by the decrease in occupancy rates in the Group's hotels in Angola.

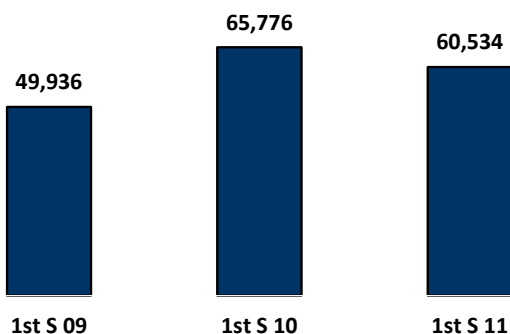
### Turnover of Distribution



Distribution grew by 12.2% compared with June 2010, indicating the success of the Shop promotion actions and expansion to other segments and products.

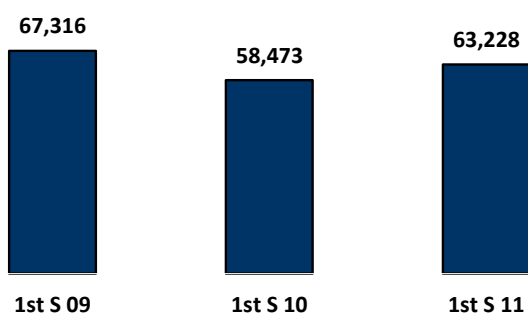
In the Angolan market the devaluation of the USD resulted in the increase of this indicator having stood at merely 11.7%, although the effective increase of the activity level was actually 18.3%.

### Turnover of Energy



In Energy, the Turnover decreased by 8% compared with the first six months of 2010, especially as a result of the reduction of the activity of the Solar Energy area, affected by the end of the public programmes which had provided support to this area.

### Turnover of the Automobile sector

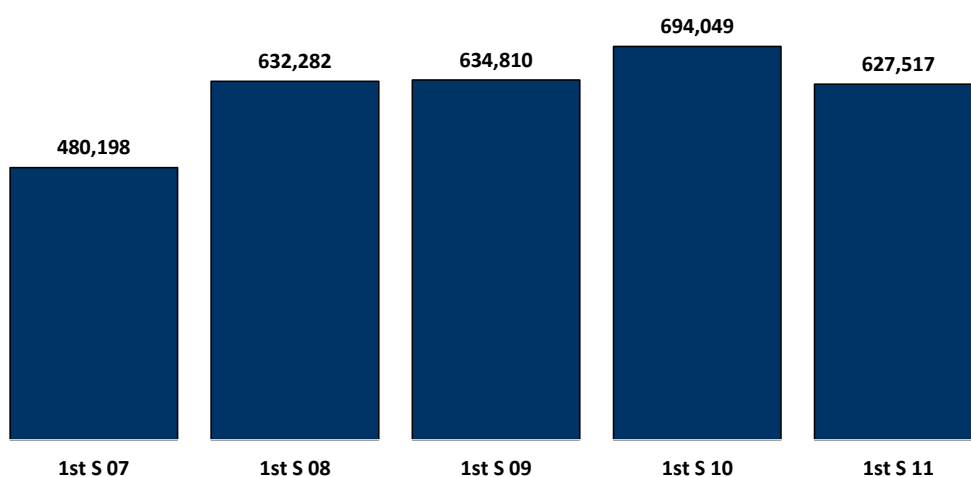


In the Automobile sector, the Group operates in the Angolan market, where there was an increase of Turnover of 8.1% compared with June 2010, although this indicator was penalised by the devaluation of the USD. In this area, the commercial actions developed and market appeal of the range which is marketed led to an effective increase in the activity level of 14.5%.

(Values in thousand euros)

**Consolidated operating income** decreased by 9.6% in comparison to June 2010, reaching the value of 627,517 thousand euros in these first six months of 2011.

### Evolution of Operating Income



(Values in thousand euros)

In spite of the decrease recorded in this indicator, particular note should be made of the good performance achieved in Concessions and Services, in Distribution and in the Automobile sector.

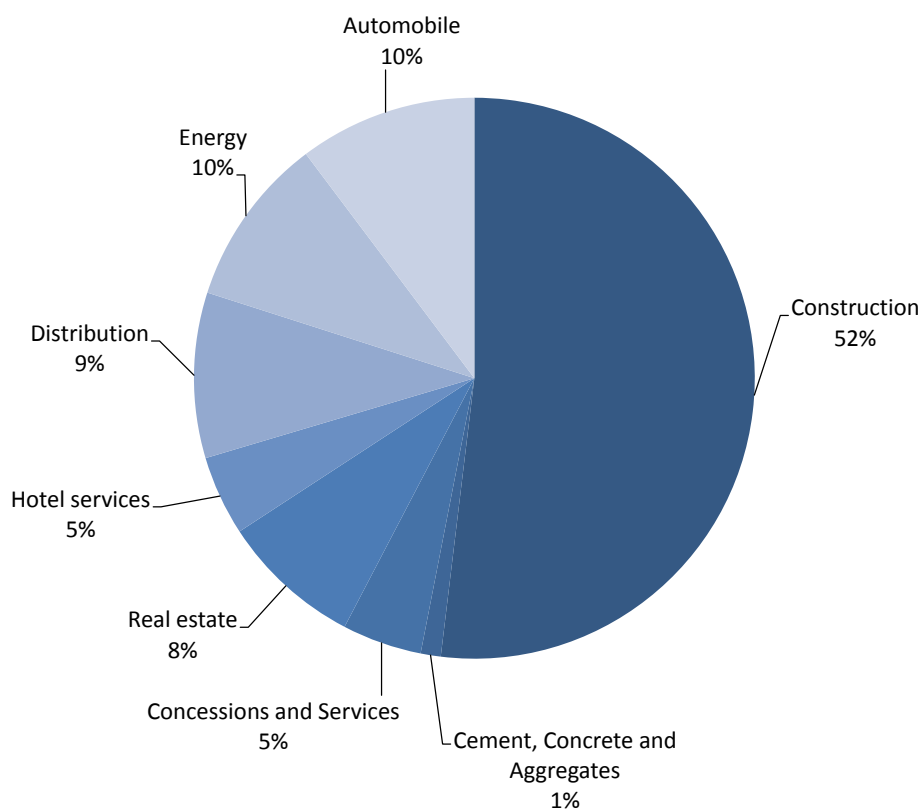
### Operating Income by activity and geographical markets:

Activity Sector	Internal Market			External Market			Total		
	1st S 11	1st S 10	Var (%)	1st S 11	1st S 10	Var (%)	1st S 11	1st S 10	Var (%)
Construction	152,372	163,092	(6.6%)	173,391	205,567	(15.7%)	325,763	368,659	(11.6%)
Cement, Concrete and Aggregates	-	-	-	7,268	6,651	9.3%	7,268	6,651	9.3%
Concessions and Services	10,430	9,727	7.2%	18,355	15,271	20.2%	28,785	24,998	15.1%
Real estate	21,199	41,088	(48.4%)	29,876	30,285	(1.4%)	51,075	71,373	(28.4%)
Hotel services	7,274	7,361	(1.2%)	21,612	34,557	(37.5%)	28,886	41,918	(31.1%)
Distribution	655	387	69.3%	59,178	54,726	8.1%	59,833	55,113	8.6%
Energy	61,533	66,643	(7.7%)	-	-	-	61,533	66,643	(7.7%)
Automobile	27	22	22.7%	64,347	58,672	9.7%	64,374	58,694	9.7%
<b>Total</b>	<b>253,490</b>	<b>288,320</b>	<b>(12.1%)</b>	<b>374,027</b>	<b>405,729</b>	<b>(7.8%)</b>	<b>627,517</b>	<b>694,049</b>	<b>(9.6%)</b>

(Amounts in thousands of Euro)

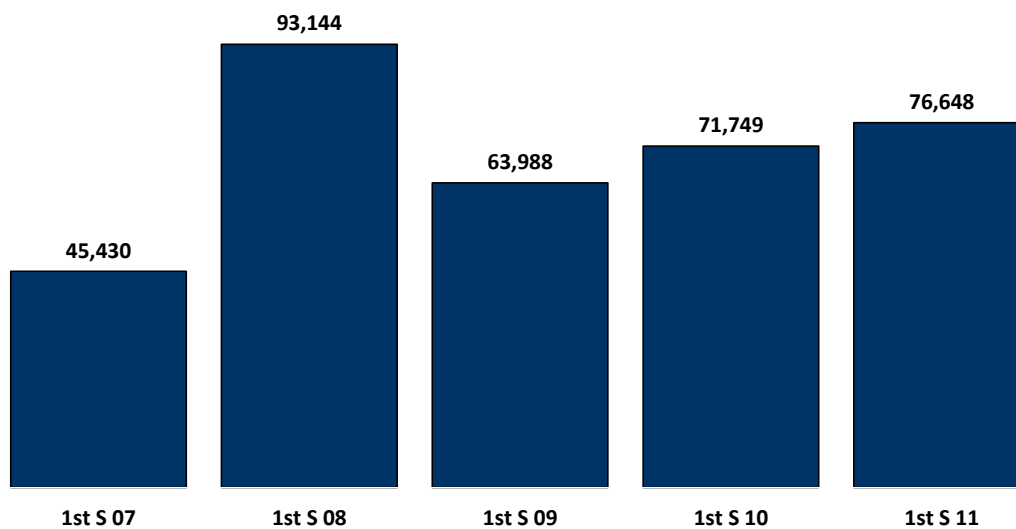
(Values in thousand euros)

The contribution of each of the activity sectors to the total value of consolidated operating income was as follows:



EBITDA has grown by 6.83% in relation to the first six months of last year, to stand at 76,648 thousand euros.

Evolution of EBITDA



(Values in thousand euros)

Analysing this indicator by sector of activity, the table below shows very divergent performance amongst the business areas according to the specific characteristics of each activity and the respective markets in which they operate.

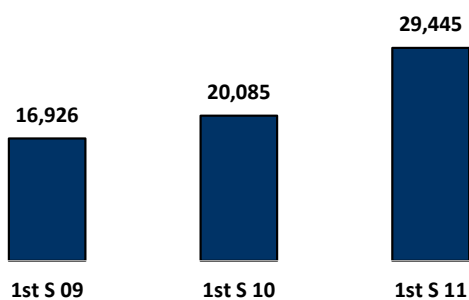
#### EBITDA evolution by Activity

Activity Sector	1st S 11	1st S 10	Var (%)	2nd Q 11	2nd Q 10	Var (%)
	(TD, SA)	(TD-EC)		(TD, SA)	(TD-EC)	
Construction	29,445	20,085	46.6%	3,800	7,564	(49.8%)
Cement, Concrete and Aggregates	1,538	(2,466)	-	1,229	(1,883)	-
Concessions and Services	8,379	6,450	29.9%	4,677	2,474	89.0%
Real estate	20,804	29,459	(29.4%)	5,408	19,144	(71.8%)
Hotel services	9,425	15,779	(40.3%)	5,663	7,652	(26.0%)
Distribution	4,291	3,931	9.2%	1,984	2,330	(14.8%)
Energy	3,268	5,190	(37.0%)	1,260	2,114	(40.4%)
Automobile	6,928	4,533	52.8%	3,417	2,166	57.8%
Not allocated to segments	(7,506)	(11,260)	-	(1,543)	(6,364)	-
Elimination	76	48	-	36	44	-
<b>Total</b>	<b>76,648</b>	<b>71,749</b>	<b>6.8%</b>	<b>25,931</b>	<b>35,241</b>	<b>(26.4%)</b>

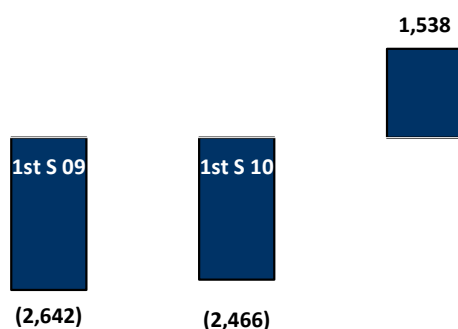
(Values in thousand euros)

In view of the evolution in relation to the 1st Semester of 2010, it is important to note the good increases in Concessions and Services and in Distribution.

#### EBITDA of Construction

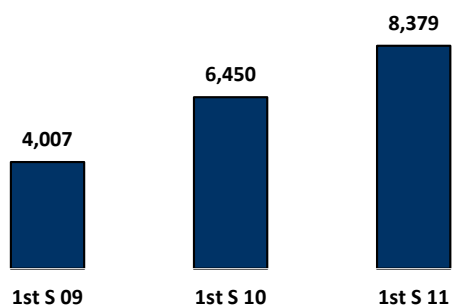


#### EBITDA of Cement, Concrete and Aggregates

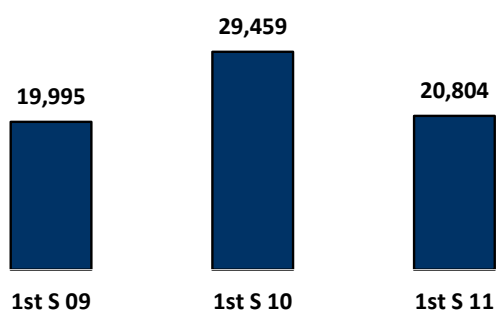




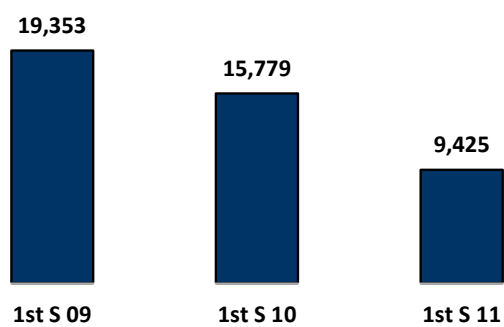
## EBITDA of Concessions and Services



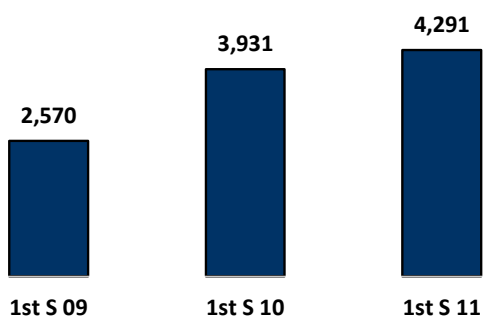
## EBITDA of Real Estate



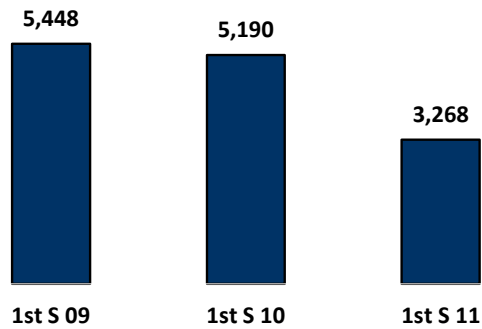
## EBITDA of Hotel Services



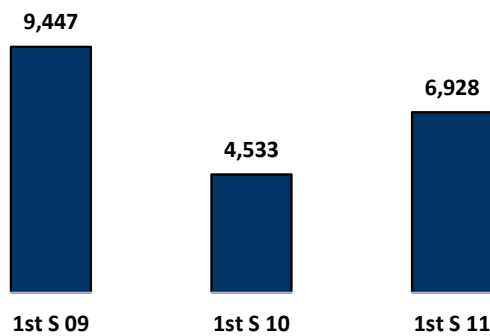
## EBITDA of Distribution



## EBITDA of Energy



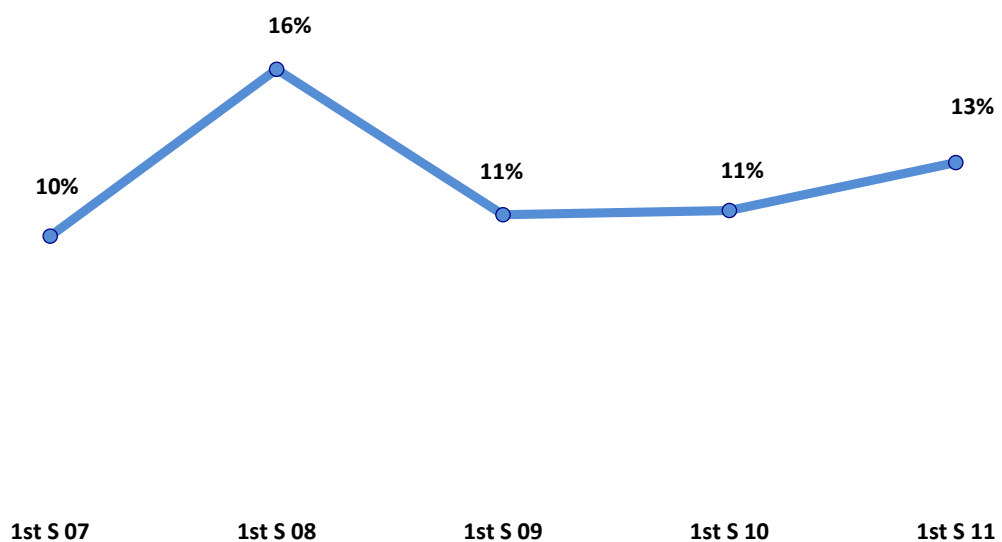
## EBITDA of the Automobile



(Values in thousand euros)

The consolidated EBITDA / Turnover Margin grew by 16.6% in relation to June 2010, having increased from 10.8% to 12.5% as at June 2011.

## Evolution of the EBITDA / Consolidated Turnover Margin



The financial results were negative, showing a loss of 109,029 thousand euros, compared with the positive results as at 30 June 2010 with a profit of 21,035 thousand euros.

	1st S 11 (TD, S.A.)	1st S 10 (TD-EC)	Var (%)	2nd Q 11 (TD, S.A.)	2nd Q 10 (TD-EC)	Var (%)
<b>Financial costs and losses:</b>	<b>104,516</b>	<b>113,082</b>	<b>(7.6%)</b>	<b>37,749</b>	<b>65,535</b>	<b>(42.4%)</b>
Interest paid	34,405	31,855	8.0%	18,827	16,825	11.9%
Unfavourable currency conversion differences	61,104	73,053	(16.4%)	14,602	47,299	(69.1%)
Other financial costs and losses	9,007	8,174	10.2%	4,320	1,411	206.2%
<b>Financial income and gains:</b>	<b>62,605</b>	<b>111,014</b>	<b>(43.6%)</b>	<b>22,986</b>	<b>66,914</b>	<b>(65.6%)</b>
Interest received	10,918	7,508	45.4%	6,978	5,166	35.1%
Favourable currency conversion rate differences	48,804	101,085	(51.7%)	13,958	60,062	(76.8%)
Cash discounts	405	410	(1.2%)	268	181	48.1%
Other financial income and gains	2,478	2,011	23.2%	1,782	1,505	18.4%
<b>Earnings from investment activities:</b>	<b>(67,118)</b>	<b>23,103</b>	<b>-</b>	<b>(69,608)</b>	<b>(55,800)</b>	<b>-</b>
Earnings from associated companies	(21,715)	77,800	-	(22,589)	(573)	-
Dividends	1,072	7,199	(85.1%)	536	6,928	(92.3%)
Other investments	2,399	(628)	-	1,319	(887)	-
Gains / loss in assets available for sale	(48,874)	(61,268)	-	(48,874)	(61,268)	-
<b>Financial profit or loss</b>	<b>(109,029)</b>	<b>21,035</b>	<b>-</b>	<b>(84,371)</b>	<b>(54,421)</b>	<b>-</b>

(Values in thousand euros)

This indicator was influenced by the recording of an impairment loss in the holding owned in “Banco Comercial Português, S.A.”, which had an impact on net income of 48,874 thousand euros and penalised the financial results (61,268 thousand euros in the first semester of 2010).

The disposal of 50% of the Group's holding in the Spanish company “ARENOR, S.L.” and the impairment loss in the remaining 50% had a negative impact of 22,048 thousand euros on the financial results calculated for the second quarter.

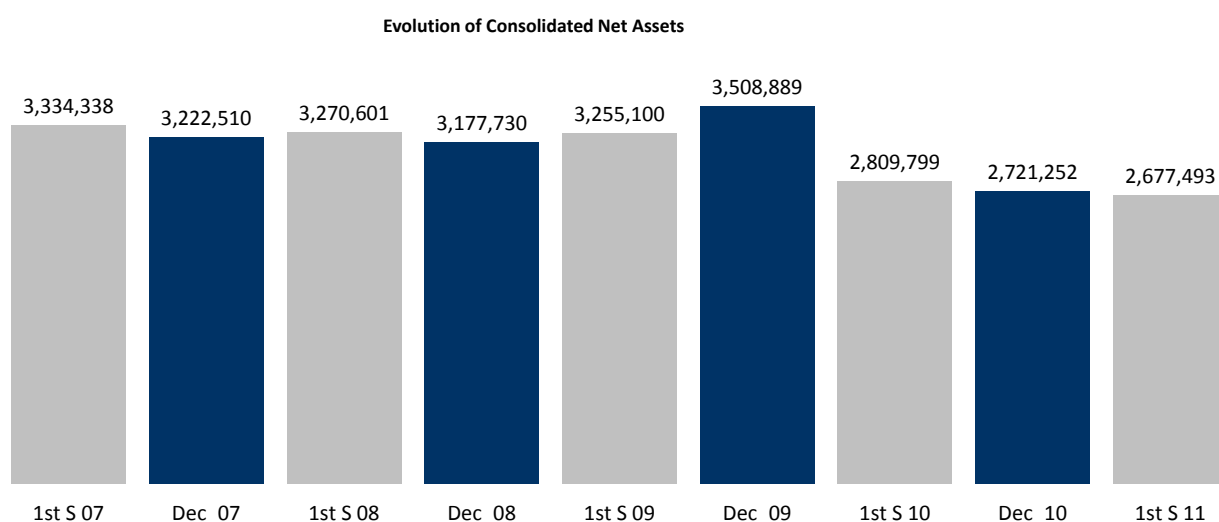
In order to understand the variation in the financial results, it should be noted in particular that, on the one hand, during the first semester of 2011 they were penalised by 12,300 thousand euros due to the devaluation of the Currencies with which the Group operates relative to the Euro (positive currency conversion effect of 28,032 thousand euros year-on-year), while on the other hand, in 2010 the effect was recorded of the capital gains arising from the disposal of the holding in “CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.”, of the value of 71,183 thousand euros as well as the appropriation of net income of the value of 9,237 thousand euros, of that holding up to the date of its sale.

**Income Tax** for the semester ended on 30 June 2011 reached the value of 6,283 thousand euros, while at the end of the first six months of 2010 it had stood at 4,497 thousand euros.

	1st S 11 (TD, S.A.)	1st S 10 (TD-EC)	Var (%)	2nd Q 11 (TD, S.A.)	2nd Q 10 (TD-EC)	Var (%)
Current tax	11,972	12,678	(5.57%)	8,751	3,870	126.12%
Deferred tax	(5,689)	(8,181)	(30.46%)	(4,950)	(3,804)	30.13%
	<b>6,283</b>	<b>4,497</b>	<b>(36.03%)</b>	<b>3,801</b>	<b>66</b>	<b>5659.09%</b>

(Values in thousand euros)

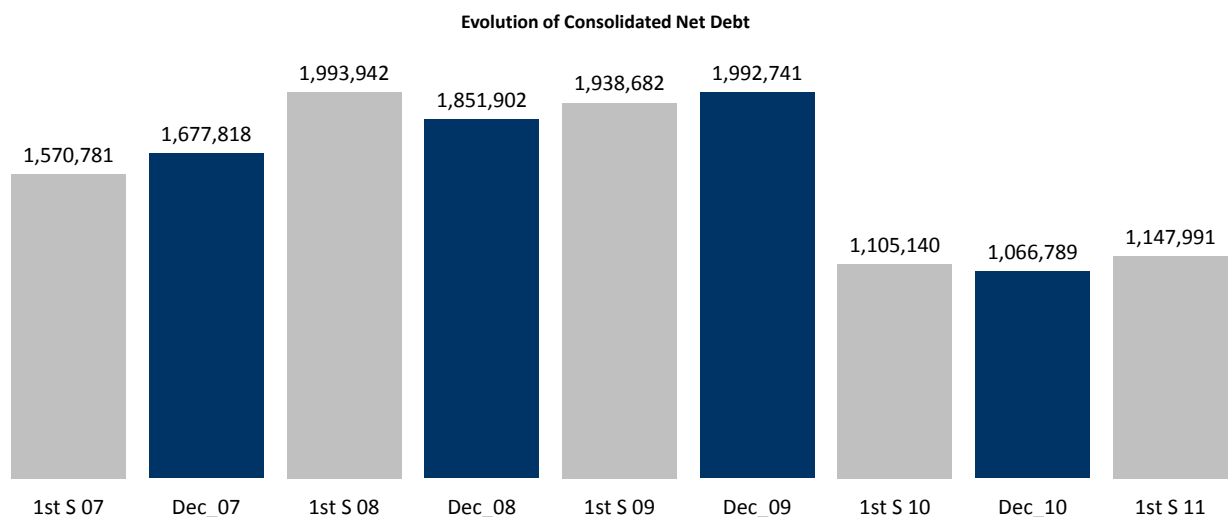
**Total Net Assets** as at 30 June 2011 stood at 2,677,493 thousand euros, having decreased by 1.6% in relation to 31 December 2010.



(Values in thousand euros)

**The Net Debt of the Group** reached 1,147,991 thousand euros at the end of the first semester of this year, reflecting an increase of 81,202 thousand euros in relation to the end of last year.

This increase is essentially the consequence of the pursuit of investments in progress in property, amongst which, in particular, is the conclusion of Hotel Baía, in Luanda, as well as the focus on the strengthening of the productive capacity with the acquisition of new equipment and subscription of the increased share capital of “Banco Comercial Português, S.A.”.

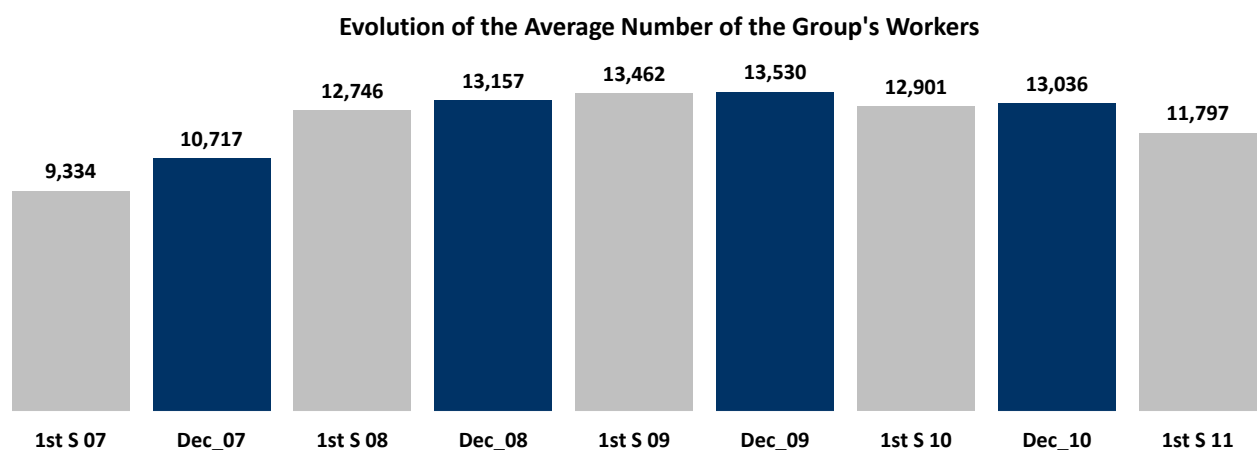


(Values in thousand euros)

**Total Equity** reached 465,257 thousand euros, corresponding to a decrease of 17.2% in relation to 31 December 2010, above all due to the devaluation of the stock market share price of "Banco Comercial Português, S.A." and the devaluation of the Currencies in which the Group operates relative to the Euro.

**Financial Autonomy** fell from 20.7% as at 31 December 2010 to 17.4% as at 30 June 2011.

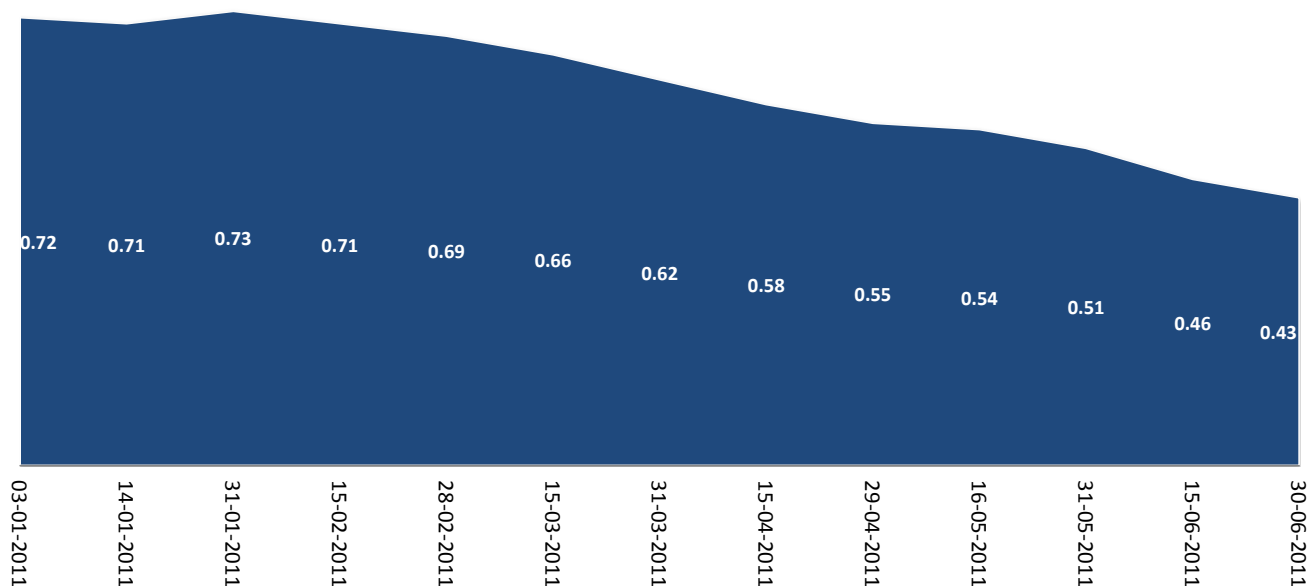
**The Average Number of Workers** at the end of the semester under consideration was 11,797, reflecting a decrease of 9.5% compared with 31 December 2010.



**"Teixeira Duarte, S.A." shares** recorded a devaluation of 41.1% by the end of the first semester, having fallen from €0.73 as at 31 December 2010 to €0.43 as at 30 June 2011.

The graph below shows the evolution of the stock market prices of the shares during the first six months of this year, having fluctuated over this period from a minimum of €0.41 recorded as at 20 June 2011 to a maximum of €0.75 reached on 8 February 2011.

### Teixeira Duarte, S.A. Share Prices



During this period, 8,192,942 shares were traded on the stock market, with a total turnover of 5,292,726.56 euros.

#### **IV. FACTS WHICH OCCURRED AFTER THE END OF THE 1st SEMESTER 2011**

In this chapter we consider that it is appropriate to note that, on the present date, the stock market share price of “Banco Comercial Português, S.A.” reached the value of €0.255, a situation which if it were to be the case as at 30 June 2011 would have an additional negative impact of 48,756 thousand euros on net income and would imply a devaluation of 56,203 thousand euros of the Group's holding in “Banco Comercial Português, S.A.” which would stand at 92,464 thousand euros.

Furthermore, we also disclose that on this date a contract with “Puertos del Litoral Central – PLC, S.A.” was published, following which its participated company “Teixeira Duarte – Engenharia e Construções, S.A.” will undertake the contract work named “Procura y Construcción del Proyecto Definitivo de Ingeniería y Construcción de las Obras Civiles que conforman el Muelle Oeste del Puerto de La Guaira”, in Venezuela.

The estimated value of the abovementioned contract is USD 398,861,858.95, with the forecast period of implementation of the work being 30 months.

Moreover, we also disclose that the said project is integrated in the plan for the expansion and modernisation of the Port of La Guaira and that the aforementioned contract was signed under the “Supplementary Agreement to the Framework Agreement for Cooperation between the Republic of Venezuela and the Portuguese Republic, on matters of economic and energy cooperation”.

## **V. OUTLOOK FOR 2011**

The Teixeira Duarte Group will maintain its attitude of particular caution and vigilance in relation to cost containment and will continue the prudent evaluation of investments in the different sectors and markets of operation, in accordance with the characteristics and current conditions of each sector and market.

The Group continues to expect growth in the Construction sector abroad and in the national market, and will focus its efforts of prudent participation in the main tenders.

The **Portfolio of Orders of the Teixeira Duarte Group** for the construction sector, which reached the impressive total value of 1,963,284 thousand euros as at 30 June 2011, ensures good levels of activity, especially in the current context of such unfavourable economic circumstances.

The development of action in other activity sectors will also be pursued, whenever possible also giving priority to ventures in external markets, which, due to their dynamics, have become increasingly important in the Group.

In view of the current economic climate and consequent reduction of activity, Teixeira Duarte now expects to achieve consolidated operating income of 1,300 million euros in 2011.

## VI. NOTES TO THE MANAGEMENT REPORT

### I. Number of shares of the Members of the Governing Bodies:

In compliance with the duties of information to which the Company is bound under various rules in force, in particular article 9, number 1, sub-paragraph a) and article 14, number 7 of CMVM Regulation number 5/2008, Teixeira Duarte, S.A. presents, below, the list of shares issued by the Company and by companies with which it is in a controlling or group relationship, owned by members of the governing bodies, as well as all the acquisitions, encumbrances or transfers during the first semester of 2011, specifying the amount, date of the fact and consideration paid or received.

I - Number of shares owned by Members of the Governing Bodies as at 31 December 2010:

Name	Capacity	No. of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(a) 7,942,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
Joel Vaz Viana de Lemos	Director	433,862
Carlos Gomes Baptista	Director	25,634
Diogo Bebiano Branco de Sá Viana Rebelo	Director	31,160
António Gonçalves Monteiro	Chairman of the Supervisory Board	-
Mateus Moreira	Member of the Supervisory Board	-
Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(b) 10,000
Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	-
José Pedro Cobra Ferreira	Secretary of the Board of the General Meeting	-
Mariquito, Cooreia & Associados, SROC	Chartered Accountants	-

(a) 7,900,000 shares owned by the company, controlled by the Group, PACIM – Sociedade Gestora de Participações Sociais, S.A.

(b) shares owned under a regime of joint ownership with his wife.

II - Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 30 June 2011:

Name	Transaction	Company	Date	No. of Shares	Price per Share
Pedro Maria Calainho Teixeira Duarte	Sales	TEIXEIRA DUARTE – TRADING, S.A.	22-Jun-11	1,029,450	Exchange of TDSGPS shares (*)

(\*) – This transaction was carried out by the company controlled by the Group, “PACIM – SGPS, S.A.”, whereby for every 30 shares of “Teixeira Duarte, S.A.” sold, it received 1 share representing the share capital of “Teixeira Duarte – SGPS, S.A.”



## III - Number of shares held by Members of the Governing Bodies as at 30 June 2011:

Name	Capacity	No. of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(a) 6,912,550
Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
Joel Vaz Viana de Lemos	Director	433,862
Carlos Gomes Baptista	Director	25,634
Diogo Bebiano Branco de Sá Viana Rebelo	Director	31,160
António Gonçalves Monteiro	Chairman of the Supervisory Board	-
Mateus Moreira	Member of the Supervisory Board	-
Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(b) 10,000
Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeti	-
José Pedro Cobra Ferreira	Secretary of the Board of the General Meeting	-
Mariquito, Cooreia & Associados, SROC	Chartered Accountants	-

(a) 6,870,550 shares owned by the company, controlled by the Group, PACIM – Sociedade Gestora de Participações Sociais, S.A.

(b) shares owned under a regime of joint ownership with his wife.

TEIXEIRA DUARTE, S.A. presents, below and under the terms of number 4 of article 448 of the Commercial Companies Code, the list of shareholders which, as at 30 June 2011 and according to the records of the Company and information received, own at least one tenth of the share capital.

Company	No. of Shares as at 30.06.2011	% Share Capital
TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.	42,250,000	10.06%
TDG - Sociedade Gestora de Participações Sociais, S.A.	155,700,000	37.07%

## LIST OF OWNERS OF QUALIFYING HOLDINGS AS AT 30 JUNE 2011

In compliance with the applicable legal and regulatory provisions, namely those established in sub-paragraph c) of number 1 of article 9 of CMVM Regulation number 5/2008, and based on the Company's records and the information which has been received, TEIXEIRA DUARTE, S.A. discloses the list of owners of qualifying holdings in its share capital as at 30.06.11, indicating the number of shares owned and corresponding percentage voting rights, calculated under the terms of article 20 of the Securities Market Code.

1. TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A. is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM - with which it disagrees in relation to the matter presented in sub-paragraph e) below -, a qualifying holding in the share capital and voting rights of the company TEIXEIRA DUARTE, S.A. of 221,695,880 (two hundred and twenty-one million six hundred and ninety-five thousand eight hundred and eighty) shares, corresponding to 52.78% of the share capital and respective voting rights, as a result of:
  - a) 42,250,000 shares owned directly by it, corresponding to 10.06% of the share capital and voting rights;
  - b) 155,700,000 shares owned by its participated company TDG – Sociedade Gestora de Participações Sociais, S.A., corresponding to 37.07% of the share capital and voting rights;
  - c) 5,800,000 shares owned by its participated company NGDI – Gestão e Investimento Imobiliário, S.A., corresponding to 1.38% of the share capital and voting rights;
  - d) 8,466,246 shares owned by members of the Board of Directors of TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A., corresponding to 2.02% of the share capital and voting rights (none of whom, individually, reach any qualifying holding);
  - e) 9,479,634 shares owned by members of the Board of Directors of TDG – Sociedade Gestora de Participações Sociais, S.A. who are not members of the Board of Directors of the company indicated in sub-paragraph a) above, corresponding to 2.26% of the share capital and voting rights (none of whom, individually, reach any qualifying holding), with this imputation having been made in conformity with the interpretation of the CMVM, where there is disagreement.
  
2. Banco Comercial Português, S.A. is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM, the qualifying holding of 42,049,716 shares, corresponding to 10.0000% of the share capital and voting rights as a result of:
  - a) 500 shares owned by Banco Millennium BCP Investimento, S.A., corresponding to 0.0001% of the share capital and voting rights;
  - b) 41,999,716 shares owned by the Pensions Fund of the Banco Comercial Português Group corresponding to 9.9999% of the share capital and voting rights\*.

3. Miguel Calainho de Azevedo Teixeira Duarte is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of 30,463,701 shares, corresponding to 7.25% of the share capital and voting rights, as a result of:
- a) 69,897 shares owned directly by him, corresponding to 0.02% of the share capital and voting rights;
  - b) 30,299,164 shares owned by the company controlled indirectly by him CIMILE – Sociedade Gestora de Participações Sociais, S.A., corresponding to 7.21% of the share capital and voting rights;
  - c) 94,640 shares owned directly and indirectly by other members of the Board of Directors of the company CIMILE – Sociedade Gestora de Participações Sociais, S.A., other than Miguel Calainho de Azevedo Teixeira Duarte, corresponding to 0.02% of the share capital and voting rights;

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\* Through communication received from “Banco Comercial Português, S.A.” on 8 February 2007, it was indicated that the holding company of the Pensions Fund of the BCP Group exercises its voting rights in an independent manner.

## **STATEMENT OF CONFORMITY**

(under the terms of sub-paragraph c) of number 1 of article 246 of the Securities Market Code)

To the best of the signatories' knowledge, the information disclosed in the present report and respective financial statements has been prepared in conformity with the applicable accounting standards, presenting a true and appropriate image of the assets and liabilities, financial situation and net income of TEIXEIRA DUARTE, S.A., and of the companies included in the consolidation perimeter (TEIXEIRA DUARTE GROUP); and the interim management report faithfully discloses the information required under the terms of number 2 of the same article.

Lagoas Park, 29th August 2011

The Board of Directors,

*Pedro Maria Calainho Teixeira Duarte*

*Manuel Maria Calainho de Azevedo Teixeira Duarte*

*Joel Vaz Viana de Lemos*

*Carlos Gomes Baptista*

*Diogo Bebiano Branco de Sá Viana Rebelo*

**Consolidated Financial Statements**  
**1<sup>st</sup> Semester 2011**



**CONSOLIDATED STATEMENT OF THE FINANCIAL POSITION**  
**AS AT 30 JUNE 2011 AND 31 DECEMBER 2010**  
 (Values in thousand euros)

	Notes	30-06-2011	31-12-2010
<b>Non-current assets:</b>			
Goodwill		57,891	57,907
Intangible assets		11,287	9,392
Tangible fixed assets	13	529,818	532,900
Investment properties	14	509,549	509,516
Investments in associates	15	38,590	88,113
Financial assets available for sale	17	169,620	208,220
Other investments		13,112	13,244
Deferred tax assets	18	104,195	112,050
Customers		97,581	79,033
Other receivables		95	78
Other non-current assets		13,359	13,475
<b>Total non-current assets</b>		<b>1,545,097</b>	<b>1,623,928</b>
<b>Current assets:</b>			
Stocks		296,583	298,543
Customers		414,126	437,608
Other receivables		73,427	56,583
Cash and cash equivalents	20	150,586	137,837
Other investments		7,784	7,053
Other current assets		184,390	158,710
		<b>1,126,896</b>	<b>1,096,334</b>
Non-current assets held for sale		5,500	990
<b>Total current assets</b>		<b>1,132,396</b>	<b>1,097,324</b>
<b>TOTAL ASSETS</b>	<b>7</b>	<b>2,677,493</b>	<b>2,721,252</b>
<b>Equity:</b>			
Share Capital	21	420,000	420,000
Adjustments - investments in associates		(1,638)	2,830
Currency conversion adjustments		22,795	40,893
Reserves and retained earnings		9,499	(36,593)
Consolidated net income		(57,822)	46,392
<b>Equity attributable to shareholders</b>		<b>392,834</b>	<b>473,522</b>
Non-controlling interests		72,423	88,484
<b>TOTAL EQUITY</b>		<b>465,257</b>	<b>562,006</b>
<b>Non-current liabilities:</b>			
Loans	23	578,425	697,661
Provisions		25,218	33,357
Financial leases		219,992	228,731
Deferred tax liabilities	18	64,581	68,551
Other payables		34,843	26,150
Other non-current liabilities		32,642	45,267
<b>Total non-current liabilities</b>		<b>955,701</b>	<b>1,099,717</b>
<b>Current liabilities:</b>			
Loans	23	720,152	506,965
Provisions		3,921	8,455
Suppliers		201,087	227,674
Financial leases		21,719	23,873
Other payables		51,311	44,480
Other current liabilities		258,345	248,082
<b>Total current liabilities</b>		<b>1,256,535</b>	<b>1,059,529</b>
<b>TOTAL LIABILITIES</b>	<b>7</b>	<b>2,212,236</b>	<b>2,159,246</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,677,493</b>	<b>2,721,252</b>

The notes are an integral part of the consolidated statement of the financial position as at 30 June 2011

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE SEMESTER AND QUARTER ENDED ON 30 JUNE 2011**  
 (Values in thousand euros)

	Notes	1st Sem. 11	2nd Q 11
<b>Operating income:</b>			
Sales and services rendered	7 and 8	611,373	302,460
Other operating income	8	16,144	5,696
<b>Total operating income</b>	<b>8</b>	<b>627,517</b>	<b>308,156</b>
<b>Operating costs:</b>			
Cost of sales		(211,574)	(108,981)
Variation in production		5,090	2,929
External supplies and services		(201,287)	(103,549)
Staff costs		(118,249)	(58,503)
Amortisation and depreciation	7	(29,043)	(14,525)
Provisions and impairment losses in assets subject to deprec. and amort. and goodwill	7	(2,026)	(2,710)
Other operating costs		(24,849)	(14,121)
<b>Total operating costs</b>		<b>(581,938)</b>	<b>(299,460)</b>
<b>Operating profits</b>	<b>7</b>	<b>45,579</b>	<b>8,696</b>
Financial costs and losses	7 and 9	(104,516)	(37,749)
Financial income and gains	7 and 9	62,605	22,986
Earnings from investment activities:			
Earnings from associates	7 and 9	(21,715)	(22,589)
Other	7 and 9	(45,403)	(47,019)
<b>Financial profit or loss</b>	<b>9</b>	<b>(109,029)</b>	<b>(84,371)</b>
<b>Pre-tax profit</b>	<b>7</b>	<b>(63,450)</b>	<b>(75,675)</b>
Income tax	10	(6,283)	(3,801)
<b>Consolidated net income for the period</b>		<b>(69,733)</b>	<b>(79,476)</b>
<b>Net income attributable to:</b>			
<b>Shareholders</b>	<b>11</b>	<b>(57,822)</b>	<b>(65,715)</b>
Non-controlling interests		(11,911)	(13,761)
<b>Earnings per share:</b>			
Basic	11	(0.14)	(0.16)
Diluted	11	(0.14)	(0.16)

The notes are an integral part of the consolidated income statement of the semester ended on 30 June 2011.

**CONSOLIDATED COMPREHENSIVE INCOME STATEMENT**  
**FOR THE SEMESTER AND QUARTER ENDED ON 30 JUNE 2011**

(Values in thousand euros)

	1st Sem. 11	2nd Q 11
<b>Consolidated net income for the period</b>	<b>(69,733)</b>	<b>(79,476)</b>
Variation in currency conversion adjustments	(19,999)	1,354
Variation in fair value and disposal of financial assets available for sale	1,075	989
Effect of hedging operations	(2,118)	(3,532)
Effect of the application of the equity method	(4,468)	(237)
Other	(1,506)	(3,325)
	<b>(27,016)</b>	<b>(4,751)</b>
<b>Comprehensive income for the period</b>	<b>(96,749)</b>	<b>(84,227)</b>
<b>Comprehensive income attributable to:</b>		
<b>Shareholders</b>	<b>(80,688)</b>	<b>(69,483)</b>
Non-controlling interests	(16,061)	(14,744)

The notes are an integral part of the consolidated comprehensive income statement of the semester ended on 30 June 2011.



## CONSOLIDATED STATEMENT OF CHANGE IN EQUITY FOR THE SEMESTER ENDED ON 30 JUNE 2011

(Values in thousand euros)

	Notes	Share Capital	Adjustments of shareholdings in associates	Currency conversion adjustments	Reserves and Retained earnings					Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Fair value reserve	Hedging operations reserve	Retained earnings				
<b>Balance as at 01 January 2011</b>		420,000	2,830	40,893	500	2,391	(13,980)	(1,868)	(23,636)	46,392	473,522	88,484	562,006
<b>Comprehensive income for the period:</b>													
Consolidated net income for the period		-	-	-	-	-	-	-	-	(57,822)	(57,822)	(11,911)	(69,733)
Variation in currency conversion adjustments		-	-	(18,098)	-	-	-	-	-	-	(18,098)	(1,901)	(19,999)
Variation in fair value and disposal of financial assets available for sale	17	-	-	-	-	1,075	-	-	-	-	1,075	-	1,075
Effect of hedging operations		-	-	-	-	-	(2,118)	-	-	-	(2,118)	-	(2,118)
Effect of the application of the equity method	15	-	(4,468)	-	-	-	-	-	-	-	(4,468)	-	(4,468)
Other		-	-	-	-	-	-	7,043	-	-	7,043	(2,249)	4,794
<b>Operations with shareholders in the period:</b>													
Application of the consolidated net income for 2010:													
Transfer to the legal and free reserve		-	-	-	5,000	35,092	-	-	-	(40,092)	-	-	-
Dividends distributed		-	-	-	-	-	-	-	-	(6,300)	(6,300)	-	(6,300)
<b>Balance as at 30 June 2011</b>		420,000	(1,638)	22,795	5,500	37,483	(12,905)	(3,986)	(16,593)	(57,822)	392,834	72,423	465,257

The notes are an integral part of the consolidated statement of change in equity for the semester ended on 30th June 2011.

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SEMESTER AND QUARTER ENDED ON 30 JUNE 2011**

(Values in thousand euros)

	Notes	1st Sem. 11	2nd Q 11
<b>OPERATING ACTIVITIES:</b>			
Receipts from customers		609,442	327,529
Payments to suppliers		(438,415)	(222,159)
Staff payments		(115,400)	(60,827)
<b>Cash flow generated by operations</b>		<b>55,627</b>	<b>44,543</b>
Payment/receipt of income tax		(22,569)	(18,692)
Other receipts/payments relative to operating activity		(31,532)	(8,653)
<b>Cash flow from operating activities (1)</b>		<b>1,526</b>	<b>17,198</b>
<b>INVESTMENT ACTIVITIES:</b>			
<b>Receipts derived from:</b>			
Financial investments	20	10,925	4,495
Tangible fixed assets and Investment property		3,404	1,463
Interest and similar income		11,634	7,188
Dividends	20	1,278	736
		<b>27,241</b>	<b>13,882</b>
<b>Payments relative to:</b>			
Financial investments	20	(16,100)	(9,100)
Tangible fixed assets and Investment property		(50,937)	(29,266)
Intangible assets		(344)	(157)
		<b>(67,381)</b>	<b>(38,523)</b>
<b>Cash flow from investment activities (2)</b>		<b>(40,140)</b>	<b>(24,641)</b>
<b>FINANCING ACTIVITIES:</b>			
<b>Receipts derived from:</b>			
Loans raised		<b>1,519,944</b>	<b>645,457</b>
<b>Payments relative to:</b>			
Loans raised		(1,425,993)	(641,944)
Interest and similar costs		(32,245)	(17,519)
Dividends		(6,300)	(6,300)
		<b>(1,464,538)</b>	<b>(665,763)</b>
<b>Cash flow from financing activities (3)</b>		<b>55,406</b>	<b>(20,306)</b>
<b>Variation in cash and cash equivalents (4)=(1)+(2)+(3)</b>		<b>16,792</b>	<b>(27,749)</b>
<b>Effect of exchange rate differences</b>		<b>(3,974)</b>	<b>(395)</b>
<b>Cash and cash equivalents - perimeter change</b>		<b>(69)</b>	<b>(69)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	20	<b>137,837</b>	<b>178,799</b>
<b>Cash and cash equivalents at the end of the period</b>	20	<b>150,586</b>	<b>150,586</b>

The notes are an integral part of the cash flow statement of the semester ended on 30 June 2011

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2011**

### **1 - INTRODUCTORY NOTE**

Teixeira Duarte, S.A. ("TD,SA") has its headquarters in Porto Salvo, it was constituted on 30 November 2009 and its core business is the execution and management of investments, the coordination and supervision of other companies incorporated in or associated to its Business Group.

Since TD,SA became the listed company of the Teixeira Duarte Group ("Group") as of 16 August 2010, the financial statements of the comparable period (30 June 2010) were prepared and published by the formerly listed company of the Group ("TD-EC").

Consequently, the consolidated statements of income, comprehensive income, change in equity and cash flows are not comparable since they do not include comparable data. Nevertheless, the consolidated financial statements of TD-EC for the period relative to the semester ended on 30 June 2010 are available on the Company's website.

The Teixeira Duarte business group ("Group") is composed of the participated companies indicated in Notes 4, 15 and 16. The core activities of the Group are the following: Construction; Cement, Concrete and Aggregates; Concessions and Services; Real Estate; Hotel Services; Distribution; Energy and Automobile (Note 7).

The values indicated are expressed in thousand euros.

### **2 - BASES OF PRESENTATION**

The consolidated financial statements as at 30 June 2011 were prepared using the accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, effective for periods beginning on 1 January 2011 and in conformity with IAS 34 - Interim Financial Reporting.

### **3 - ALTERATIONS OF POLICIES, ESTIMATES AND ERRORS**

During the semester ended on 30 June 2011, there were no alterations of accounting policies in relation to those considered in the preparation of the financial information relative to the financial year ended on 31 December 2010 and referred to in the respective notes, except with respect to the adoption of the standards and interpretations whose enforcement date corresponds to financial years started on 1 January 2011, and whose adoption did not produce significant effects on the net income or financial position of the Group.

Any significant estimates and assumptions made by the Board of Directors in preparing these financial statements are consistent with those followed in the preparation of the financial statements for the financial year ended on 31 December 2010 and referred to in the respective notes.

Moreover, no material errors were corrected relative to previous financial years. **4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER**

As at 30 June 2011, the Parent-company, Teixeira Duarte, S.A. and the following controlled companies were included in the consolidation, by the full method:

<b>Corporate name</b>	<b>Head office</b>	<b>Effective percentage holding</b>
<b>INTERNAL MARKET</b>		
<b>CONSTRUCTION</b>		
BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
Teixeira Duarte – Engenharia e Construções, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
<b>CEMENT, CONCRETE AND AGGREGATES</b>		
C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 1, Lagoas Park Porto Salvo	52.00%
MARINERTES, S.A.	Edifício 1, Lagoas Park Porto Salvo	51.00%
<b>CONCESSIONS AND SERVICES</b>		
INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.	Praça do Bom Sucesso, nº 61 - Escritórios 501 e 502 Porto	100.00%
RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
SATU-Oeiras - Sistema Automático de Transporte (a) Urbano, S.A.	Edifício Paço de Arcos, E.N. 249/3 Paço de Arcos	49.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
TDHOSP - Gestão de Edifício Hospitalar, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%

Corporate name	Head office	Effective percentage holding
<b>REAL ESTATE</b>		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOTD - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
PARCAUTO - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	99.80%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	93.75%
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TRANSBRITAL - Transportes e Britas Pio Monteiro & Filhos, S.A.	Pedreira das Perdigueiras - Laveiras Paço de Arcos	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	99.90%
<b>HOTEL SERVICES</b>		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
EVA - Sociedade Hoteleira, S.A.	Av. República, nº 1 Faro	100.00%
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
ROCHORIENTAL - Sociedade Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDH - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
<b>DISTRIBUTION</b>		
BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - TRADING, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%

Corporate name	Head office	Effective percentage holding
<b>ENERGY</b>		
ACG - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	34.72%
AP GÁS - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	34.72%
DIGAL - Distribuição e Comércio, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	34.72%
DNGÁS - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	49.60%
GOMES & OLIVEIRA, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	34.72%
LUBRILAMEIRÃO, Lda. (b)	Av. da Liberdade, nº 666 Fafe	48.26%
MERCAPETRO - Produtos Petrolíferos, S.A. (b)	Rua Óscar da Silva, 2243 Leça da Palmeira	28.14%
MULTIGÁS - Sociedade Comercial e Distribuidora de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	34.72%
PETRIN - Petróleos e Investimentos, S.A. (b)	Edifício 1, Lagoas Park Porto Salvo	47.50%
PPS - Produtos Petrolíferos, S.A. (b)	Edifício 1, Lagoas Park Porto Salvo	49.60%
PTG - SGPS, S.A.	Edifício 1, Lagoas Park Porto Salvo	99.20%
TANQUIGÁS - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	34.72%
TDARCOL - SGPS, S.A. (c)	Edifício 1, Lagoas Park Porto Salvo	49.60%
<b>AUTOMOBILE</b>		
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
VTD - Veículos Automóveis, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
<b>OTHER</b>		
TDEMPA - Gestão de Participações e Investimentos, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
TDO - SGPS, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
TEDAL - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
<b><u>EXTERNAL MARKET</u></b>		
<b><u>ANGOLA</u></b>		
<b>CONSTRUCTION</b>		
BEL-ere – Engenharia e Reabilitação de Estruturas Angola, Lda.	Alameda Manuel Van-Dúnem, 318 Luanda	100.00%

Corporate name	Head office	Effective percentage holding
<b>CEMENT, CONCRETE AND AGGREGATES</b>		
ANGOCIME - Cimentos de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
<b>CONCESSIONS AND SERVICES</b>		
EDUCARE - Actividades Educativas e Culturais, Lda.	Rua Amílcar Cabral, 27 - R/C C Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
<b>REAL ESTATE</b>		
AFRIMO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	51.00%
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
CASANGOL - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
IMOAFRO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
Teixeira Duarte - Engenharia e Construções (Angola), Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
URBÁFRICA - Sociedade Imobiliária, Lda.	Rua Amílcar Cabral, 35 - 5º C Luanda	90.00%
<b>HOTEL SERVICES</b>		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Rua Comandante Gika – Bairro Maiango Luanda	100.00%
ANGOIMO - Empreendimentos e Construções, Lda.	Rua Amílcar Cabral, 35 – 5º C Luanda	100.00%
Serafim L. Andrade, S.A.R.L.	Rua da Missão, 103 Luanda	80.00%
URBANGO - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
<b>DISTRIBUTION</b>		
MAXI - Comércio Geral, Importação e Exportação, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	100.00%
MAXI RETAIL - Comércio Geral, Lda.	Avenida Pedro de Castro Van - Dúnem Luanda	100.00%
<b>AUTOMOBILE</b>		
AUTO COMPETIÇÃO Angola, Lda.	Rua Eugénio de Castro, Instalações do Cine Atlântico - Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Rua Frederich Engels, 9 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Rua Amilcar Cabral, nº 27 R/C, Letra C Luanda	100.00%
VAUCO - Automóveis e Equipamentos, Lda.	Rua Ho Chi Min (Largo 1º de Maio) Luanda	51.00%
VTD - Veículos Automóveis Angola, Lda.	Via A-1, Lote CCB-5 - Pólo Automóvel Luanda	100.00%

Corporate name	Head office	Effective percentage holding
<b><u>ALGERIA</u></b>		
<b>CONSTRUCTION</b>		
TEIX.CO, SPA (a)	BP 62B Zone D'Active Dar El Beida Algiers	50.00%
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Algiers	99.94%
<b><u>BRAZIL</u></b>		
<b>CONSTRUCTION</b>		
EMPA - Serviços de Engenharia, S.A.	Rua Major Lopes, 800 Bairro São Pedro - Belo Horizonte	100.00%
SOMAFEL Brasil – Obras Ferroviárias, Ltda.	Rua Major Lopes, 800 – sala 306 Bairro São Pedro – Belo Horizonte	60.00%
<b>CONCESSIONS AND SERVICES</b>		
EMPA Logística, Ltda.	Rua Major Lopes, 800 - sala 410 Bairro São Pedro - Belo Horizonte	99.67%
GONGOJI Montante Energia, S.A.	Rua Major Lopes, 800 - sala 310 Bairro São Pedro - Belo Horizonte	99.99%
PAREDÃO de Minas Energia, S.A.	Rua Major Lopes, 800 - sala 306 Bairro São Pedro - Belo Horizonte	99.99%
TABOQUINHA Energia, S.A.	Rua Major Lopes, 800 - sala 308 Bairro São Pedro - Belo Horizonte	99.99%
<b>REAL ESTATE</b>		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 Boa Viagem - Cidade de Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Maratona, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP – Alta Vista I, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - 04, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP – Gilberto Sabino, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	95.00%
TDSP – Alta Vista II, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP – Gualaxos, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista III, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP – Zanzibar, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - 10, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%



<b>Corporate name</b>	<b>Head office</b>	<b>Effective percentage holding</b>
TDSP - 11, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 12, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 13, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 14, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 15, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 16, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 17, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
<b><u>SPAIN</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
G.S.C. - Compañía General de Servicios y Construcción, S.A. Sociedad Unipersonal	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<b><u>GIBRALTAR</u></b>		
<b>CONSTRUCTION</b>		
Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100.00%
<b><u>MACAU</u></b>		
<b>CONSTRUCTION</b>		
Teixeira Duarte - Engenharia e Construções (Macau), Lda.	Rua de Xangai, 175 Edifício Assoc. Comercial de Macau, 10 A Macau	100.00%
<b><u>MOZAMBIQUE</u></b>		
<b>CONSTRUCTION</b>		
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda.	Av. 24 de Julho, 141 Maputo	72.66%
<b>CONCESSIONS AND SERVICES</b>		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. 24 de Julho, 141 Maputo	67.41%
<b>REAL ESTATE</b>		
IMOPAR - Centro Comercial de Maputo, S.A.R.L.	Av. 24 de Julho, 135 Maputo	100.00%
<b>HOTEL SERVICES</b>		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. 24 de Julho, 135 Maputo	100.00%

Corporate name	Head office	Effective percentage holding
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. 24 de Julho, 141 Maputo	98.63%

### NAMIBIA

#### **CEMENT, CONCRETE AND AGGREGATES**

KARIBIB Portland Cement (PTY) (b)	P O Box 9574 Windhoek Namibia	49.40%
KPC Trading and Services (d)	P O Box 2143 Windhoek Namibia	29.64%
SQUIRREL Investments 115 PTY, Ltd. (d)	P O Box 2143 Windhoek Namibia	49.40%

### RUSSIA

#### **CONCESSIONS AND SERVICES**

MMK Cement, Limited Liability Company (d)	Murmansk Russia	36.40%
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### UKRAINE

#### **CEMENT, CONCRETE AND AGGREGATES**

Limited Liability Company Cement	Khutorskya Str., 70 Odessa	52.00%
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### VENEZUELA

#### **CONSTRUCTION**

TEGAVEN - Teixeira Duarte y Asociados, C.A. (a)	Av. Este, 6 - Edif. Centro Parque Carabobo, Piso 6, Of. 601 - Caracas Venezuela	31.71%
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(a) The Group controls these subsidiaries through the subsidiary Teixeira Duarte - Engenharia e Construções, S.A.;

(b) The Group controls these subsidiaries through the subsidiary TDARCOL - SGPS, S.A.;

(c) The Group controls these subsidiaries through the subsidiary PTG - SGPS, S.A.;

(d) The Group controls these subsidiaries through the subsidiary C + P.A. - Cimento e Produtos Associados, S.A..

## **5 - CHANGES IN THE CONSOLIDATION PERIMETER**

During the semester ended 30 June 2011, no companies entered the consolidation perimeter, relative to the consolidation perimeter as at 31 December 2010.

However, note should be made of the exclusion from the consolidation perimeter of TOPCAR – Aluguer de Viaturas, Lda. belonging to the automobile segment in Angola through the sale of the entire holding corresponding to 100% of the share capital. This holding was sold at the value of 28 thousand euros, resulting in book value capital gains of 456 thousand euros, which includes the recording of currency conversion effects of previous years now reclassified to net income for the period.

## 6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into Euros as at 30 June 2011 and 31 December 2010, as well as the results of the operations developed in countries where the functional currency is different from the Euro, for the semester ended on 30 June 2011:

Currency	Closing rate		Var	Average rate
	30-06-2011	31-12-2010		30-06-2011
US Dollar	1.4453	1.3362	0.1091	1.4111
Macaense Pataca	11.5849	10.6972	0.8877	11.3036
Mozambican Metical	41.3900	43.6500	(2.2600)	43.1186
Venezuelan Bolivar	6.2071	5.7385	0.4686	6.0612
Angolan Kwanza	134.4375	121.8310	12.6065	130.8044
Algerian Dinar	103.4900	99.2829	4.2071	101.9993
Moroccan Dirham	11.3001	11.2213	0.0788	11.2971
Brazilian Real	2.2601	2.2177	0.0424	2.2850
Ukrainian Hryvnia	11.5436	10.6462	0.8974	11.2436
Namibian Dollar	9.8569	8.8625	0.9944	9.6466
Cape Verdean Escudo	110.2650	110.2650	-	110.2650
Russian Rouble	40.4000	40.8200	(0.4200)	40.4349
Tunisian Dinar	1.9747	1.9284	0.0463	1.9615

## 7 – INFORMATION BY OPERATING SEGMENTS

The core activities developed by the Group are classified into the following operating segments:

- Construction;
- Cement, concrete and aggregates;
- Concessions and services;
- Real estate;
- Hotel services;
- Distribution;
- Energy;
- Automobile.

The sales and services rendered and the net income of each of the abovementioned operating segments for the semester ended on 30 June 2011, were as follows:

Segment	Sales and services rendered			Net operating income
	External customers	Inter - segmental	Total	
Construction	319,830	52,779	372,609	12,184
Cement, concrete and aggregates	7,102	13,171	20,273	(879)
Concessions and services	27,957	7,873	35,830	6,555
Real estate	46,222	6,483	52,705	19,834
Hotel services	28,790	4,212	33,002	5,900
Distribution	57,710	3,570	61,280	2,898
Energy	60,534	1,709	62,243	2,269
Automobile	63,228	2,788	66,016	6,303
Not allocated to segments	-	-	-	(9,561)
Eliminations	-	(92,585)	(92,585)	76
	<b>611,373</b>	<b>-</b>	<b>611,373</b>	<b>45,579</b>

Financial costs and losses	(104,516)
Financial income and gains	62,605
Earnings from investment activities	(67,118)
<b>Pre-tax profit</b>	<b>(63,450)</b>

Inter-segment transactions are carried out at market prices.

Other information:

Segment	Fixed capital expenditure	Amortisation and depreciation	Provisions and impairment losses
Construction	14,151	15,287	1,974
Cement, concrete and aggregates	334	2,365	52
Concessions and services	3,286	1,824	-
Real estate	13,117	970	-
Hotel services	14,157	3,525	-
Distribution	2,302	1,393	-
Energy	674	999	-
Automobile	145	625	-
Not allocated to segments	-	2,055	-
	<b>48,166</b>	<b>29,043</b>	<b>2,026</b>

The asset and liability items by segment, as at 30 June 2011 and 31 December 2010, and their respective reconciliation with the consolidated total are as follows:

Segment	Assets								Liabilities	
	30-06-2011				31-12-2010				30-06-2011	31-12-2010
	Investments in associates	Financial assets available for sale	Other assets	Total	Investments in associates	Financial assets available for sale	Other assets	Total		
Construction	22,202	-	1,614,881	1,637,083	29,170	-	1,602,338	1,631,508	1,052,657	1,073,981
Cement, concrete and aggregates	10,191	-	98,277	108,468	52,605	-	93,154	145,759	53,882	73,525
Concessions and services	-	20,953	240,745	261,698	-	19,361	228,562	247,923	194,140	185,607
Real estate	293	139,631	1,734,499	1,874,423	453	177,510	1,634,689	1,812,652	1,304,360	1,321,989
Hotel services	-	-	327,567	327,567	8	-	329,023	329,031	300,682	289,665
Distribution	-	-	150,977	150,977	-	-	148,791	148,791	102,037	92,200
Energy	23	-	80,754	80,777	23	-	77,966	77,989	52,846	52,937
Automobile	-	-	164,590	164,590	-	-	177,978	177,978	117,347	119,685
Not allocated to segments	5,881	9,036	512,840	527,757	5,854	11,349	586,781	603,984	61,541	82,272
Eliminations	-	-	(2,455,847)	(2,455,847)	-	-	(2,454,363)	(2,454,363)	(1,027,256)	(1,132,615)
	<b>38,590</b>	<b>169,620</b>	<b>2,469,283</b>	<b>2,677,493</b>	<b>88,113</b>	<b>208,220</b>	<b>2,424,919</b>	<b>2,721,252</b>	<b>2,212,236</b>	<b>2,159,246</b>

The sales, services rendered and information on non-current non-monetary assets by geographical segment were composed as follows for the semester ended on 30 June 2011 and 31 December 2010, respectively:

Geographical segment	Sales and services rendered	Non-monetary non-current assets	
	1st Sem. 11	30-06-2011	31-12-2010
Portugal	242,629	676,158	663,697
Angola	227,057	315,353	324,332
Algeria	25,288	13,953	12,874
Brazil	72,657	43,879	45,554
Spain	13,648	16,174	16,416
Morocco	1,363	1,487	1,717
Mozambique	15,387	15,167	14,904
Ukraine	7,079	23,828	27,484
Venezuela	3,938	212	85
Other	2,327	2,334	2,652
	<b>611,373</b>	<b>1,108,545</b>	<b>1,109,715</b>

Non-current non-monetary assets include goodwill, tangible assets, intangible assets and investment properties.

## 8 - OPERATING INCOME

For the semester and quarter ended on 30 June 2011, operating income was as follows:

	1st Sem. 11	2nd Q 11
<b>Sales and services rendered:</b>		
Sales	454,574	225,576
Services rendered	156,799	76,884
	<b>611,373</b>	<b>302,460</b>
<b>Other operating income:</b>		
Change in the fair value of investment property (Note 14)	4,571	971
Supplementary income	3,285	1,455
Inventory gains	2,226	1,072
Disposal of assets (a)	2,155	710
Tax refunds	858	512
Correction of previous financial years	426	66
Other operating profits and gains	2,623	910
	<b>16,144</b>	<b>5,696</b>
	<b>627,517</b>	<b>308,156</b>

(a) The gains indicated were mainly obtained through the sale of tangible fixed assets of the value of 1,699 thousand euros.

## 9 - FINANCIAL RESULTS

The financial results (profit or loss) for the semester and quarter ended on 30 June 2011 were as follows:

	1st Sem. 11	2nd Q 11
<b>Financial costs and losses:</b>		
Interest paid	(34,405)	(18,827)
Unfavourable currency conversion differences	(61,104)	(14,602)
Other financial costs and losses	(9,007)	(4,320)
	<b>(104,516)</b>	<b>(37,749)</b>
<b>Financial income and gains:</b>		
Interest received	10,918	6,978
Favourable currency conversion rate differences	48,804	13,958
Cash discounts	405	268
Other financial income and gains	2,478	1,782
	<b>62,605</b>	<b>22,986</b>
<b>Earnings from investment activities:</b>		
Earnings from associated companies (a)	(21,715)	(22,589)
Dividends (b)	1,072	536
Other investments	2,399	1,319
Gains / losses in the measurement of assets available for sale (Note 24)	(48,874)	(48,874)
	<b>(67,118)</b>	<b>(69,608)</b>
<b>Financial profit or loss</b>	<b>(109,029)</b>	<b>(84,371)</b>

(a) The earnings from associated companies relative to the semester ended 30 June 2011 include the effect of the application of the equity method to the investments in associate companies of 517 thousand euros (Note 15).

During the semester ended on 30 June 2011, the Group sold 34% of its participated company "ARENOR, S.L." and 3.75% of "ALVORADA PETRÓLEOS, S.A.", recording a capital loss of 11,024 and 184 thousand euros, respectively.

Furthermore, an impairment loss was also recorded in the remaining holding owned in the Spanish company "ARENOR, S.L.", which had an impact on the financial results of 11,024 thousand euros.

(b) As at 30 June 2011 the values presented correspond to dividends received from "Financial assets available for sale" of 314 thousand euros (Note 17) and the rest is from "Other investments".

During the semester ended on 30 June 2011, interest was capitalised in the acquisition cost of qualifying assets of the value of 1,796 thousand euros. For the purposes of capitalisation of financial costs associated to the acquisition cost of the qualifying assets, an average rate of 4.34% was used.

## 10 - INCOME TAX

The subsidiary TD-EC and most of its participated companies in Portugal are subject to Corporate Income Tax ("IRC") at the rate of 12.5% on the taxable amount of up to 12,500 euros, with the rate of 25% being applicable for the remaining taxable amount. Entities with reportable profit are also subject to the Municipal Surcharge (Derrama Municipal), the rate of which may vary to the maximum of 1.5%, as the State Surcharge (Derrama Estadual), incident on taxable profit in excess of 2,000,000 euros, at the rate of 2.5%. Independently of the profit for tax purposes recorded for the year, the abovementioned entities are also subject to autonomous taxation on charges at the rates established in article 88 of the Corporate Income Tax Code. In the calculation of the taxable amount, to which the abovementioned tax rates are applied, non-acceptable amounts for tax purposes are added and subtracted from the book value amounts. These differences between the book value results and the results for tax purposes may be of a temporary or permanent nature.

TD-EC and participated companies which are at least 90% owned, located in Portugal, are subject to the special taxation scheme for groups of companies (since the financial year of 2003). This scheme consists of the aggregation of the taxable profit of all the companies included in the consolidation perimeter, as established in article 69 of the Corporate Income Tax Code, with the Corporate Income Tax rates, increased by the individually determined Municipal and State Taxes, being then applied to the overall result thus obtained, following deduction of the tax losses, under the terms of articles 52 and 71 of the Corporate Income Tax Code.

In accordance with the legislation in force, tax returns are subject to review and correction by the tax authorities for a period of four years (five years for Social Security), except when there have been tax losses, tax benefits have been granted, or inspections, claims or disputes are underway, in which cases, depending on the circumstances, the periods of time are extended or suspended.

The Board of Directors believes that any corrections which might arise from any tax reviews/inspections to these tax returns will not significantly affect the consolidated financial statements as at 30 June 2011 and 31 December 2010.

The Group records deferred taxes corresponding to the temporary differences between the book value of the assets and liabilities and the corresponding tax base, as laid down in IAS 12 - Income Tax (Note 18).

The tax charge recorded for the semester ended on 30 June 2011 may be presented as follows:

	1st Sem. 11	2nd Q 11
<b>Current tax:</b>		
Income tax in Portugal	8,964	7,112
Income tax in other jurisdictions	3,008	1,639
	<b>11,972</b>	<b>8,751</b>
<b>Deferred tax (Note 18):</b>	(5,689)	(4,950)
	<b>6,283</b>	<b>3,801</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to 259 euros thousand were recorded directly in equity, as at 30 June 2011 (Note 18).

## 11 - EARNINGS PER SHARE

The earnings per share for the semester and quarter ended on 31 June 2011 were calculated taking into consideration the following values:

	1st Sem. 11	2nd Q 11
Profit or loss for the effect of calculating net earnings per basic share (profit or loss for the year)	(57,822)	(65,715)
The weighted average number of shares for the effect of calculating net earnings per basic share (thousand)	420,000	420,000
Net earnings per basic share	(0.14)	(0.16)

Since, for the semester ended on 30 June 2011 there is no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

## 12 - DIVIDENDS

The General Meeting of Shareholders, held on 20 May 2011, deliberated the distribution of dividends of 0.015 euros per share. These dividends were deliberated in consideration of the individual financial statements of TD, S.A. at 31 December 2010 and reached 6,300 thousand euros.

## 13 - TANGIBLE FIXED ASSETS

During the semester ended on 30 June 2011, the movements which occurred in the tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses, were as follows:

	Land & natural resources	Buildings & other constructions	Equipment equipment	Equipment equipment	Tools & utensils	Equipment equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tangible fixed assets	Total
<b>Gross assets:</b>										
Balance as at 01 January 2011	38,270	344,550	384,180	70,301	36,000	36,309	9,547	72,669	10	991,836
Perimeter alteration	-	-	(1,361)	(304)	-	(14)	(36)	-	-	(1,715)
Currency conversion effect	(124)	(13,529)	(8,807)	(1,516)	(387)	(1,336)	(420)	(4,707)	(1)	(30,827)
Additions	325	3,241	9,677	1,151	704	501	9,316	17,362	-	42,277
Transfers and write-offs	37	1,518	3,769	2,483	(14)	114	(5,475)	5,290	(9)	7,713
Disposals	(416)	(1,012)	(2,526)	(638)	(23)	(43)	(3)	-	-	(4,661)
<b>Balance as at 30 June 2011</b>	<b>38,092</b>	<b>334,768</b>	<b>384,932</b>	<b>71,477</b>	<b>36,280</b>	<b>35,531</b>	<b>12,929</b>	<b>90,614</b>	-	<b>1,004,623</b>
<b>Accumulated depreciation &amp; impairment losses:</b>										
Balance as at 01 January 2011	164	86,324	265,298	44,338	30,054	28,612	4,146	-	-	458,936
Perimeter alteration	-	-	(613)	(91)	-	(6)	-	-	-	(710)
Currency conversion effect	-	(3,090)	(4,015)	(689)	(167)	(961)	(74)	-	-	(8,996)
Reinforcements	-	5,700	15,881	5,193	662	909	312	-	-	28,657
Transfers and write-offs	-	53	(85)	(88)	43	(61)	(24)	-	-	(162)
Disposals	-	(600)	(1,688)	(566)	(23)	(40)	(3)	-	-	(2,920)
<b>Balance as at 30 June 2011</b>	<b>164</b>	<b>88,387</b>	<b>274,778</b>	<b>48,097</b>	<b>30,569</b>	<b>28,453</b>	<b>4,357</b>	-	-	<b>474,805</b>
<b>Net value:</b>										
As at 30 June 2011	37,928	246,381	110,154	23,380	5,711	7,078	8,572	90,614	-	529,818

The additions to the tangible fixed assets made during the semester ended on 30 June 2011 essentially refer to investments made in premises and equipment.

As at 30 June 2011 the tangible assets in progress include 84,867 thousand euros relative to buildings and other constructions in progress, in particular the following:

- Development of the Tancagem project in Aveiro;
- Expansion of the network of "Cash & Carry" shops in Angola;
- Construction of Hotel Baía, a four star Hotel in Luanda Sul – Angola;



## 14 - INVESTMENT PROPERTIES

During the semester ended on 30 June 2011, the movement which occurred in investment properties was as follows:

	<b>2011</b>
Balance as at 1 January	509,516
Currency conversion effect	(5,622)
Increases / disposals	2,510
Variation in fair value	3,301
Transfer of tangible assets	(156)
<b>Balance as at 30 June</b>	<b>509,549</b>

The income gained from investment properties arising from operating leasing contracts amounted to 13,488 thousand euros in the semester ended on 30 June 2011. Operating costs directly related to investment properties reached 2,892 thousand euros in the semester ended on 30 June 2011.

## 15 - INVESTMENTS IN ASSOCIATED COMPANIES

The following associated companies were recorded through the equity method as at 30 June 2011:

<b>Corporate name</b>	<b>Head office</b>	<b>Effective percentage holding</b>
ALVORADA PETRÓLEO, S.A.	Rua Major Lopes, 800, 3º andar Belo Horizonte - Minas Gerais - Brasil	43.45%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret	27.00%
ARENOR, S.L. (a)	Calle Monte Carmelo, nº 1, 5ºC Seville	17.68%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	21.14%
CIMPOR MACAU Investment Company, S.A. (a)	Av. da Praia Grande, nº 693, Edifício Tai Wah, 15º andar Macau	13.00%
IMOC - Empreendimentos Imobiliários, S.A.R.L.	Av. 24 de Julho, 135 Maputo	46.40%
RPK Gulfstream, Ltd. (a)	Tri Ruchja str. 183003, Murmansk	17.47%
SCP AK10 - Empreendimentos e Participações SPE Ltda.	Avenida Alameda Santos, nº 960 - 19º, Edifício CYK, Cerqueira César, São Paulo	25.00%
STELGEST - Gestão Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	45.00%
TRAVERSOFER - Industrie et Service Ferroviaire, S.A.R.L.	27, Chemin du Réservoir, Hydra, Algiers, Algeria	30.00%

(a) Through its subsidiary C +P.A. - Cimento e Produtos Associados, S.A.

The investments in associated companies showed the following movements in the semester ended on 30 June 2011:

	Holdings	Goodwill	Total
<b>Balance as at 01 January 2011</b>	<b>63,230</b>	<b>24,883</b>	<b>88,113</b>
Effects of the application of the equity method:			
- Effect on net income for the year (Note 9)	517	-	517
- Effect on equity	(4,468)	-	(4,468)
- Dividends received	(206)	-	(206)
Increases	402	-	402
Disposals	(9,996)	(8,838)	(18,834)
Currency conversion effect	(642)	(166)	(808)
Transfer	(18,108)	(8,016)	(26,124)
Other	(2)	-	(2)
<b>Balance as at 30 June 2011</b>	<b>30,727</b>	<b>7,863</b>	<b>38,590</b>

The investments in associate companies as at 30 June 2011 and 31 December 2010 are analysed as follows:

Associated companies	30-06-2011			31-12-2010		
	Holdings	Goodwill	Book value	Holdings	Goodwill	Book value
Arenor, S.L.	-	-	-	26,718	16,033	42,751
Alvorada Petróleos, S.A.	14,330	7,791	22,121	20,113	8,777	28,890
Cimpor Macau Investment Company, S.A.	9,355	-	9,355	9,424	-	9,424
IMOC - Empreendimentos Imobiliários, S.A.R.L.	5,881	-	5,881	5,854	-	5,854
SCP AK10 - Empreendimentos e Participações SPE Ltda.	221	72	293	380	73	453
RPK Gulfstream Ltd.	836	-	836	430	-	430
Other	104	-	104	311	-	311
	<b>30,727</b>	<b>7,863</b>	<b>38,590</b>	<b>63,230</b>	<b>24,883</b>	<b>88,113</b>

The abovementioned holdings are recorded through the equity method which, in the semester ended on 30 June 2011, had the following impacts:

Associated companies	Gains and losses in associate companies (Note 9)	Adjustments of holdings	Dividends	Total
Arenor, S.L.	-	(102)	-	(102)
Alvorada Petróleos, S.A.	(27)	(3,624)	(13)	(3,664)
Cimpor Macau Investment Company, S.A.	(1)	(68)	-	(69)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	480	(453)	-	27
SCP AK10 - Empreendimentos e Participações SPE Ltda.	69	(221)	-	(152)
Other	(4)	-	(193)	(197)
	<b>517</b>	<b>(4,468)</b>	<b>(206)</b>	<b>(4,157)</b>

## 16 - JOINT VENTURES

As at 30 June 2011, the following participated companies were consolidated through the proportional method, since their management and control are exercised jointly with the other partners/shareholders:

Corporate name	Head office	Effective percentage holding
AVIAS - Grupo Ferroviário para a Alta Velocidade, ACE	Edifício 1, Lagoas Park Porto Salvo	14.10%
CAIS DE CRUZEIROS 2ª FASE, ACE	Rua da Tapada da Quinta de Cima Linhó – Sintra	15.00%
CONBATE, ACE	Edifício 2, Lagoas Park Porto Salvo	20.00%
DOURO LITORAL, ACE	Edifício 2, Lagoas Park Porto Salvo	40.00%
D.L.O.E.A.C.E. – Douro Litoral Obras Especiais, ACE	Edifício 2, Lagoas Park Porto Salvo	40.00%
ENGIL/MOTA/TEIXEIRA DUARTE – Requalificações Urbanas, ACE	Av. Fabril do Norte, 1601 Matosinhos	33.33%
FERROVIAL/TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	Edifício Central Park Rua Alexandre Herculano, Nº 3, 2º - Linda-a-Velha	50.00%
GMP – Grupo Marítimo Português, ACE	Edifício 1, Lagoas Park Porto Salvo	20.04%
GMP – Grupo Marítimo Português MEK, ACE	Edifício 1, Lagoas Park Porto Salvo	20.04%
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	Rua Senhora do Porto, 930 Porto	25.00%
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	Edifício Sagres Rua Professor Henrique de Barros, nº 4, 2 A - Prior Velho	25.00%
METROLIGEIRO - Construção de Infraestruturas, ACE	Estrada da Luz, 90 - 6º E Lisbon	26.80%
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	Av. das Forças Armadas, 125 - 2º D Lisbon	33.33%
NOVA ESTAÇÃO, ACE	Av. Frei Miguel Contreiras, nº 54, 7º Lisbon	25.00%
SOMAFEL E OFM - Obras do Metro, ACE	Edifício 1, Lagoas Park Porto Salvo	60.00%
SOMAFEL/FERROVIAS, ACE	Av. Columbano Bordalo Pinheiro, 93 - 7º Lisbon	36.00%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park Porto Salvo	57.30%
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase – Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	Edifício 2, Lagoas Park Porto Salvo	60.00%
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. das Forças Armadas, 125 - 2º C Lisbon	50.00%

As a result of the consolidation of these participated companies, through the proportional consolidation method, as at 30 June 2011 and 31 December 2010, the following values were included in the consolidated financial statements of the Group:

	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	30-06-2011	31-12-2010	30-06-2011	31-12-2010	30-06-2011	31-12-2010	30-06-2011	31-12-2010
CAIS DOS CRUZEIROS - 2ª Fase, ACE	445	1,361	-	-	157	620	29	27
CONBATE, ACE	4,256	2,613	3	4	3,905	2,319	-	28
DOURO LITORAL, ACE	43,113	40,419	14	343	42,039	39,067	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	3,696	6,782	58	106	1,928	4,391	-	-
ENGL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	33	34	-	-	34	34	-	-
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	112	114	-	-	69	208	137	-
GMP - Grupo Marítimo Português, ACE	2,111	2,120	26	37	2,677	2,590	-	-
GMP – Grupo Marítimo Português MEK, ACE	897	802	22	23	912	819	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	74	75	-	-	76	75	-	-
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	39	37	-	-	44	37	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	364	538	-	-	364	538	-	-
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	182	185	-	-	184	185	-	-
NOVA ESTAÇÃO, ACE	2,719	2,399	22	26	1,983	2,426	-	-
SOMAFEL E OFM - Obras do Metro, ACE	46	46	-	-	46	46	-	-
Somafel/Ferrovias, ACE	161	192	-	-	59	60	-	-
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	62	61	-	-	60	58	3	3
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	262	210	-	-	262	210	-	-
TRÊS PUNTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	590	604	-	-	263	276	-	-
	<b>59,162</b>	<b>58,592</b>	<b>145</b>	<b>539</b>	<b>55,062</b>	<b>53,959</b>	<b>169</b>	<b>58</b>

As a result of the consolidation of these participated companies, through the proportional consolidation method, in the semester ended on 30 June 2011, the following values were included in the consolidated financial statements of the Group:

	Income	Costs
CAIS DOS CRUZEIROS - 2ª Fase, ACE	762	504
CONBATE, ACE	8,633	8,278
DOURO LITORAL, ACE	53,050	52,279
DOURO LITORAL OBRAS ESPECIAIS, ACE	5,263	3,436
ENGL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	-	1
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	(9)	(9)
GMP - Grupo Marítimo Português, ACE	17	115
GMP – Grupo Marítimo Português MEK, ACE	394	406
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	2
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	1	5
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	-	2
NOVA ESTAÇÃO, ACE	2,788	2,030
Somafel/Ferrovias, ACE	138	49
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	1	3
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	57	57
	<b>71,095</b>	<b>67,158</b>

Included in the information indicated in Note 24, the Group had provided bank guarantees, fidelity guarantee insurance and letters of comfort as an entrepreneur in these joint ventures to the total value of 38,085 thousand euros as at 30 June 2011 (37,688 thousand euros as at 31 December 2010).

## 17 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the semester ended on 30 June 2011, the movements which occurred in the valuation of the financial assets available for sale, recorded at their respective fair value, were as follows:

	2011
<b>Fair value as at 1 January</b>	<b>208,220</b>
Acquisitions during the period	8,682
Decrease in fair value	(47,282)
<b>Fair value as at 30 June</b>	<b>169,620</b>

The acquisitions made during the semester refer to the acquisition of 23,805,515 shares of Banco Comercial Português, S.A. for the value of 8,682 thousand euros (Note 20).

As at 30 June 2011 and 31 December 2010, the Group owned 362,602,441 and 324,500,000 shares in Banco Comercial Português, S.A., respectively.

The financial assets available for sale, and their respective cost and market values, as at 30 June 2011 and 31 December 2010, are as follows:

	30-06-2011		31-12-2010	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	746,964	148,667	738,282	188,859
Banco Bilbao Vizcaya Argentaria, S.A.	35,958	20,953	35,958	19,361
	<b>782,922</b>	<b>169,620</b>	<b>774,240</b>	<b>208,220</b>

## 18 - DEFERRED TAXES

All situations which might significantly affect future taxes are revealed through the application of the deferred tax rule.

During the semester ended on 30 June 2011, the movements which occurred in deferred tax assets and liabilities are as follows:

	Deferred tax assets	Deferred tax liabilities
	2011	2011
<b>Balance on 1 January</b>	<b>112,050</b>	<b>68,551</b>
<b>Constitution / Reversal</b>		
Net income (Note 10)	2,995	(2,694)
Equity	259	-
<b>Effect of currency conversion &amp; Adjustments</b>	<b>(11,109)</b>	<b>(1,276)</b>
<b>Balance as at 30 June</b>	<b>104,195</b>	<b>64,581</b>

Deferred tax assets were only recorded insofar as it is considered that taxable profits are likely to occur in the future which may be used to recover tax losses or deductible tax differences. This assessment was based on the business plans of the Group's companies, periodically reviewed and updated, and on the available and identified tax planning opportunities.

## 19 - RELATED PARTIES

The transactions and balances between the companies of the Group included in the consolidation perimeter, which are related parties, are eliminated in the consolidation process and are not disclosed in the present note. The balances and transactions between the Group and associated companies, related companies and individuals considered as related parties are detailed below.

The terms or conditions practiced between the Group and related parties are, in substance, identical to those which would normally be contracted, accepted and practiced between independent entities in comparable operations.

The main balances with related entities as at 30 June 2011 and 31 December 2010 are analysed as follows:

	Balances receivable		Balances payable		Loans granted		Other debts	
	#####	#####	#####	#####	#####	#####	#####	#####
AEDL - Auto-Estradas do Douro Litoral, S.A.	-	-	-	-	1,202	-	-	-
ALSOMA, GEIE	-	-	24	24	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	-	31	-	-	-	-
Cimpor Macau Investment Company, S.A.	-	-	-	-	8,536	8,536	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	-	-	-	3	-	-
EIA - Ensino de Investigação e Administração, S.A.	-	-	-	-	-	-	(324)	(324)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2,191	2,349	-	-	-	-	(247)	(247)
ISA - Intelligent Sensing Anywhere, S.A.	-	-	-	15	-	65	-	-
ISQ - Centro Incubação Empresas, S.A.	-	-	-	-	-	-	-	-
Moreira e Cunha, Lda.	7	-	-	-	-	-	2,132	-
MTS, S.A.	-	-	-	-	133	-	(608)	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	36	-	(278)	(55)
STELGEST - Gestão Hoteleira, S.A.	51	27	-	-	-	8	(883)	(716)
Tedeven Imobiliária, CA	-	-	-	-	-	-	(35)	-
TRAVERSOFFER - Industrie et Service Ferroviaire, S.A.R.L.	6	6	-	-	-	-	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	122	-	156	-	-	-	-	-
	<b>2,423</b>	<b>2,428</b>	<b>180</b>	<b>70</b>	<b>9,907</b>	<b>8,612</b>	<b>(243)</b>	<b>(1,342)</b>

The main transactions carried out in the semester ended on 30 June 2011 with related entities were as follows:

	Sales and services rendered	Purchases and services obtained	Interest debited
AVIA PORTUGAL, S.A.	-	13	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1	-	-
Moreira e Cunha, Lda.	32	-	-
STELGEST - Gestão Hoteleira, S.A.	72	-	12
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	122	187	-
	<b>227</b>	<b>200</b>	<b>12</b>

The remuneration attributed to the members of the governing bodies of Teixeira Duarte, S.A., in the semester and quarter ended on 30 June 2011 was as follows:

	1º Sem. 11	2nd Q 11
<b>Executive Directors: (a)</b>		
Short term benefits	534	309
<b>Supervisory Board:</b>		
Short term benefits	17	9
<b>Chartered Accountant:</b>		
Short term benefits	20	10
	<b>571</b>	<b>328</b>

(a) Values paid by TD-EC up to May 2011.

The remuneration attributed to the senior management members of TD-EC in the semester and quarter ended on 30 June 2011 were as follows:

	1º Sem. 11	2º Trim. 11
<b>Alta direcção:</b>		
Benefícios de curto prazo	3.670	2.447
	<b>3.670</b>	<b>2.447</b>

## 20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### Cash and cash equivalents

As at 30 June 2011 and 31 December 2010, this heading is broken down as follows:

	30-06-2011	31-12-2010
Demand deposits	114,601	92,794
Term deposits	31,404	42,339
Cash	4,581	2,704
	<b>150,586</b>	<b>137,837</b>

The cash and cash equivalents heading includes cash, deposits payable on demand, cash investments and term deposits with maturity of less than three months, and for which the risk of change of value is insignificant.

### Cash flow from investment activities

The receipts derived from financial investments in the semester and quarter ended on 30 June 2011, refer to the disposal of holdings in the following entities:

	1st Sem. 11	2nd Q 11
Banco Bilbao Vizcaya Argentaria, S.A.	6,449	219
Alvorada Petróleos, S.A.	2,398	2,398
Banco Comercial Português, S.A.	1,640	1,640
Other	438	238
	<b>10,925</b>	<b>4,495</b>

The payments relative to financial investments in the semester and quarter ended on 30 June 2011, refer to the acquisition of holdings in the following entities:

	1st Sem. 11	2nd Q 11
Banco Comercial Português, S.A.	8,682	8,390
Banco Bilbao Vizcaya Argentaria, S.A.	6,428	218
EMPA - Serviços de Engenharia, S.A.	480	480
Other	510	12
	<b>16,100</b>	<b>9,100</b>

The dividends received in the semester and quarter ended on 30 June 2011, were as follows:

	1st Sem. 11	2nd Q 11
Lusoponte - Concessionária para a Travessia do Tejo, S.A.	387	387
Banco Bilbao Vizcaya Argentaria, S.A.	314	-
Other	577	349
	<b>1,278</b>	<b>736</b>

## 21 - SHARE CAPITAL

As at 30 June 2011, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of 1 euro each.

As at 30 June 2011, TDG - Sociedade Gestora de Participações Sociais, S.A. directly owned 155,700,000 shares representing the share capital of Teixeira Duarte, S.A.

## 22 - RESERVES AND RETAINED EARNINGS

Legal reserve: Pursuant to the current legislation, the Company is obliged to transfer at least 5% of its annual net profit to the legal reserve, until it reaches a minimum of 20% of the capital. This reserve is not distributable to shareholders, but may be used to absorb losses, after all other reserves have been exhausted, or incorporated in the share capital.

Fair value reserve: The fair value reserve represents the difference between the cost value and market value of the financial assets available for sale, not yet recognised in the income statement.

Free reserves: Free reserves are available for distribution.

Reserve of hedging operations: The reserve of hedging operations reflects the effective component (net of the tax effect) of the changes in the fair value of the derivative financial instruments classified as cash flow hedges.

## 23 - LOANS

As at 30 June 2011 and 31 December 2010, the loans raised were as follows:

	30-06-2011	31-12-2010
<b>Non-current liabilities:</b>		
Bank loans a)	145,511	207,258
Commercial paper b)	432,914	490,403
	<b>578,425</b>	<b>697,661</b>
<b>Current liabilities:</b>		
Bank loans a)	566,221	401,318
Commercial paper b)	153,931	105,647
	<b>720,152</b>	<b>506,965</b>
	<b>1,298,577</b>	<b>1,204,626</b>

### a) Bank loans

As at 30 June 2011, the internal bank loans, bank overdrafts and secured current accounts earned interest at the weighted annual average rate of 3.25%.



As at 30 June 2011, the most significant bank loans contracted by the Group essentially correspond to:

- Loan raised from Banco Bilbao Vizcaya Argentaria, contracted on 16 April 2007 of the value of 63,300 thousand euros, which will be repaid on 16 March 2012.
- Loan raised from Banco Caixa Geral, contracted on 11 February 2008 of the current value of 19,820 thousand euros, which will fall due on 11 February 2013.
- Loan raised from Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A., contracted on 21 February 2008 of the current value of 50,312 thousand euros, which will be repaid in 46 equal and successive six-monthly instalments, ending on 10 December 2033.
- Loan raised from Banco Popular Portugal, contracted on 31 October 2008 of the current value of 8,475 thousand euros, which will fall due on 31 October 2011.
- Loan raised from Banco Popular Portugal, contracted on 18 December 2008, of the value of 25,000 thousand euros, which will fall due on 18 December 2011.
- Loan contracted by the Group on 30 December 2008 from Caixa Geral de Depósitos, of the current value of 42,873 thousand euros, which will be repaid in 150 equal and successive monthly instalments, ending on 30 December 2023.
- Loan raised from Banco Fomento de Angola, contracted on 4 March 2009 of the current value of 6,487 thousand euros, which will fall due on 4 January 2014.
- Loan raised from Banco BIC, contracted on 27 April 2009 of the current value of 6,452 thousand euros, which will fall due on 27 November 2014.
- Loan raised from Banco Fomento de Angola, contracted on 15 May 2009 of the current value of 3,330 thousand euros, which will fall due on 30 March 2014.
- Loan raised from Banco Fomento de Angola, contracted on 15 May 2009 of the current value of 7,135 thousand euros, which will fall due on 30 March 2014.
- Loan raised from Banco Itaú, contracted on 8 June 2009 of the current value of 23,053 thousand euros, which will fall due on 20 April 2013.
- Loan raised from Banco Fomento de Angola, contracted on 10 December 2009 of the current value of 1,687 thousand euros, which will fall due on 30 September 2014.
- Loan raised from Banco BICBANCO, contracted on 15 March 2010 of the current value of 5,655 thousand euros, which will fall due on 3 October 2011.
- Loan raised from Banco BICBANCO, contracted on 14 April 2010 of the current value of 762 thousand euros, which will fall due on 11 October 2011.
- Loan raised from Banco Itaú, contracted on 28 April 2010 of the current value of 436 thousand euros, which will fall due on 25 October 2013.
- Loan raised from Banco BMG, contracted on 4 November 2010 of the current value of 611 thousand euros, which will fall due on 31 August 2011.
- Loan raised from Banco Espírito Santo, contracted on 7 November 2010, of the value of 10,000 thousand euros, which will fall due on 30 November 2011.
- Loan raised from Banco BPN Brasil, contracted on 17 January 2011 of the current value of 2,218 thousand euros, which will fall due on 20 January 2014.
- Loan raised from Banco BANRISUL, contracted on 14 February 2011 of the current value of 4,384 thousand euros, which will fall due on 17 February 2014.

- Loan raised from Banco ABC BRASIL, contracted on 2 May 2011 of the current value of 1,820 thousand euros, which will fall due on 22 April 2013.
- Loan raised from Banco FIBRA, contracted on 9 May 2011 of the current value of 4,087 thousand euros, which will fall due on 9 August 2012.
- Loan raised from Banco BES Investimento, contracted on 3 June 2011 of the current value of 4,526 thousand euros, which will fall due on 28 November 2011.
- Loan raised from Banco FIBRA, contracted on 16 June 2011 of the current value of 885 thousand euros, which will fall due on 18 July 2011.
- Loan raised from Banco ALFA, contracted on 27 June 2011 of the current value of 2,215 thousand euros, which will fall due on 27 June 2012.

As at 30 June 2011 and 31 December 2010, the bank loans also include the secured accounts of the value of 395,996 and 301,518 thousand euros, respectively.

## **b) Commercial paper**

As at 30 June 2011, the Group had negotiated the following commercial paper programmes:

- Grouped contract programme, for the placing and underwriting of private commercial paper with Banco Comercial Português on 14 October 2005, of the total sum of 150,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are participants, to the amounts of 15,000 thousand euros and 135,000 thousand euros, respectively. The participation of each company in the programme may vary each time the programme is used, with Teixeira Duarte - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. Sixteen six-monthly and successive issues have been contracted for the total nominal value of the programme, earning interest on a six-monthly basis and in arrears at a rate indexed to the six-month Euribor increased by a spread of 0.875%, and with the repayment of the last issue being on 14 October 2013.
- Grouped programme, for the placing and underwriting of commercial paper contracted on 14 February 2006 with Banco Comercial Português, of the total sum of 50,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are participants, to the amounts of 5,000 thousand euros and 45,000 thousand euros, respectively. The participation of each company in each programme may vary each time it is used, with Teixeira Duarte - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. Sixteen six-monthly and successive issues have been contracted for the total nominal value of the programme, earning interest on a six-monthly basis and in arrears at a rate indexed to the six-month Euribor increased by 0.875% and determined according to the date of the auction, with the repayment of the last issue being on 14 February 2014.
- Grouped programme for the placing and underwriting of commercial paper contracted with Banco Espírito Santo de Investimento and Banco Espírito Santo on 21 August 2006, of the total sum of 100,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. participate, with the entire amount being used by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.. The participation of each company in the programme may vary each time it is used. The duration of the programme is five years minus one day, counting from the contract signing date, the interest is earned in advance and every six months, with the reference rate being indexed to the Euribor for the respective issue period, increased by 0.65% and determined according to the date of each auction.
- Grouped contract programme, for the placing and underwriting of commercial paper with Banco Espírito Santo Investimento on 21 April 2008, of the total sum of 120,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are participants, with the entire amount being used by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.. The participation of each company in each programme may vary each time it is used. The duration of the programme is five years minus one day, counting from the contract signing date, the interest falls due on each repayment date, with the

reference rate being indexed to the Euribor for the respective maturity period, in force on the second business day prior to the subscription date, increased by 0.65% and determined according to the date of the auction.

- Grouped programme for the placing and underwriting of commercial paper contracted with Banco Espírito Santo Investimento on 23 December 2008, of the total sum of 100,000 thousand euros, currently 60,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are participants, with the entire amount being used by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.. The participation of each company in each programme may vary each time it is used. The duration of the programme is five years minus one day, counting from the contract signing date, the interest falls due on each repayment date, with the reference rate being indexed to the Euribor for the respective maturity period, in force on the second business day prior to the subscription date, increased by 0.85% and determined according to the date of the auction.
- Grouped programme for the placing and underwriting of commercial paper contracted with Caixa Geral de Depósitos on 7 July 2010, of the total sum of 70,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are participants, with the entire amount being used by Teixeira Duarte - Engenharia e Construções, S.A. The programme was reduced to 60,000 thousand euros on 28 April 2011. The contract expires on 14 April 2012. The interest falls due in advance on each subscription date, with the reference rate being indexed to the Euribor for the respective maturity period, in force on the second business day prior to each subscription date, plus 1,35% and determined in accordance with the date of each auction.
- Programme for the placing and underwriting of commercial paper, contracted with Banco Comercial Português, S.A. on 18 August 2010, of the total sum of 25,000 thousand euros. The commercial paper is issued with an issue period of 1, 3 and 6 months with the maturity period of the programme being 1 year, renewable, earning interest at a rate indexed to the Euribor of the issue period, increased by 3.45%.
- Programme for the placing and underwriting of commercial paper, contracted with Banco Comercial Português, S.A. on 18 August 2010, of the total sum of 20,000 thousand euros. The commercial paper is issued with an issue period of 1, 3 and 6 months with the maturity period of the programme being 1 year, renewable, earning interest at a rate indexed to the Euribor of the issue period, increased by 3.45%.
- Programme for the placing and underwriting of commercial paper contracted with Banco Espírito Santo on 28 December 2010, of the amount of 34,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. are participants. The programme may be used during three years, counting as of the contract signing date. The interest is earned in advance on each subscription date, with the intervention rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus 0.85% and determined in accordance with the date of each auction.
- Grouped programme, for the placing and underwriting of private commercial paper contracted on 14 January 2011 with Banco Comercial Português, with the total sum used being 20,750 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. are participants, to the amounts of 18,650 thousand euros and 2,100 thousand euros, respectively. The participation of each company in the programme may vary each time the programme is used, with Teixeira Duarte - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. The duration of the programme is up to 6 January 2016, the interest is earned on a six-monthly basis and in arrears, with the reference rate being indexed to the one to six-month Euribor under competitive auction for periods of 7 to 180 days via direct placement, increased by 3.5% and determined according to the date of each auction.

As a result of the commitment of successive renewal during the financial year of the programme contracts, some existing issues as at 30 June 2011 are classified as non-current liabilities.

The non-current bank loans are repayable in the following years:

	30-06-2011	31-12-2010
2012	25,282	145,483
2013	399,282	397,372
2014	55,867	57,887
2015	4,808	23,245
2016 and following	93,186	73,674
	<b>578,425</b>	<b>697,661</b>

As at 30 June 2011 and 31 December 2010, the funding in foreign currency was expressed as follows:

Currency	30-06-2011		31-12-2010	
	Currency	Euros	Currency	Euros
AON	2,060,251	15,325	2,318,720	18,076
BRL	122,916	54,385	79,638	35,910
MAD	7,820	692	2,448	217
MZM	23,709	573	-	-
USD	125,758	87,012	126,081	94,358

The loans denominated in foreign currency earn interest at market rates and were converted into Euros based on the exchange rate on the reporting date.

## 24 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

### Contingent liabilities:

During the financial year ended on 31 December 2010, the Tax Inspection Authorities (DSIT) carried out external inspections to the company Teixeira Duarte - Gestão de Participações Investimentos Imobiliários, S.A. ("TDGP II, S.A."), which is 100% indirectly owned by Teixeira Duarte, S.A..

As a result of these external inspections, of a general scope, to the accounting documentation of TDGP II, S.A. and relative to 2006, 2007 and 2008, the following corrections were made to the initially calculated tax losses:

Year	Calculated Tax Loss	DGCI Correction
2006	24,950	18,837
2007	51,176	29,331
2008	64,606	45,327

These corrections result entirely from the non-acceptance, as a tax cost, of the financial costs incurred with the investment in participated companies under the form of additional paid-in capital.

Since TDGP II S.A. is subject to Corporate Income Tax (IRC) in accordance with the Special Taxation Scheme for Groups of Companies (article 69 and following of the IRC Code), the corrections to the tax losses for 2006 and 2007 were the object of IRC Settlement Statements issued to the controlling company - TD-EC, which filed a judicial review at the Administrative and Fiscal Court of Sintra.

Therefore, the taking of effect of the IRC Settlement Statements is suspended until the definitive decision is read on the judicial reviews which have been filed, regarding which the Board of Directors believes that their outcome will be favourable to TDGPPI, S.A. and, consequently, to the controlling company.

By the date of the closing of the financial statements for the semester ended on 30 June 2011, the corrections relative to 2008 had not yet been the object of any settlement of IRC.

### **Guarantees:**

As at 30 June 2011 and 31 December 2010, the group of companies included in the consolidation had provided the following guarantees to third parties:

	30-06-2011	31-12-2010
Bank guarantees provided	556,103	590,756
Fidelity insurance	155,059	132,625

The bank guarantees were essentially provided for the effect of tenders, advances received and as a completion bonds for works.

To secure the loan contract signed with Banco Caixa Geral, of 19,820 thousand euros, granted by GSC – Compañía General de Servicios y Construcción, S.A., GSC – Compañía General de Servicios y Construcción, S.A. pledged 2,590,000 shares in Banco Bilbao Vizcaya Argentaria, S.A. and mortgaged land situated in Madrid, at C/ Amália, 4 and 6.

Also constituted in favour of Caixa Geral de Depósitos, was a mortgage on lot 3, situated in Lagoas Park, owned by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., to secure a loan contract granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. of the value of 42,873 thousand euros.

Teixeira Duarte - Engenharia e Construções, S.A., BEL-ere - Engenharia e Reabilitação de Estruturas, S.A., EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A., SOMAFEL - Engenharia e Obras Ferroviárias, S.A., OFM - Obras Públicas, Ferroviárias e Marítimas, S.A., RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A., GSC – Compañía General de Servicios y Construcción, S.A. and EMPA – Serviços de Engenharia, S.A. have provided fidelity guarantee insurance as a completion bond for works and services.

Apart from the guarantees indicated above, the following pledges were also provided:

To secure a loan contract signed with Banco Bilbao Vizcaya Argentaria, of the value of 63,300 thousand euros, granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 120,116,342 and 11,050,312 shares in Banco Comercial Português, S.A., respectively.

To secure the commercial paper contract signed with Banco Espírito Santo, of 50,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 67,002,481 and 2,959,728 shares in Banco Comercial Português, S.A., respectively, and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 2,205,882 shares in EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A..

To secure the commercial paper contract signed with Banco Espírito Santo, of 120,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 153,444,607 and 8,028,969 shares in Banco Comercial Português, S.A., respectively, and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 5,294,118 shares in EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A..

To secure the commercial paper contract signed with Banco Espírito Santo, of the value of 60,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 104,000,000 shares in C+P.A. – Cimentos e Produtos Associados, S.A..

To secure the commercial paper contract signed with Caixa Geral de Depósitos, of 60,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. pledged 4,675,000 participation units in the TDF Closed Real Estate Investment Fund.

To secure the commercial paper contract signed with Banco Espírito Santo de Investimento, S.A., of the value of 34,000 thousand euros, granted by Teixeira Duarte – Engenharia e Construções, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 500,000 shares in TDGI – Tecnologia de Gestão de Imóveis, S.A.

To secure debts to third parties, of the value of 14,540 thousand euros, IMOTD - SGPS, S.A. pledged 47,870 shares in V8, S.A. and 47,780 shares in Parcauto, S.A.

To secure the financing contract granted by TDHOSP – Gestão de Edifício Hospitalar, S.A. of the current value of 50,312 thousand euros, Teixeira Duarte - Engenharia e Construções, S.A. pledged to Caixa Geral de Depósitos and Caixa Banco de Investimentos, 1,540,000 shares in TDHOSP – Gestão de Edifício Hospitalar, S.A. Under the same financing contract Teixeira Duarte - Engenharia e Construções, S.A., as shareholder, pledged the credit rights over TDHOSP – Gestão de Edifício Hospitalar, S.A.

#### **Financial commitments:**

As at 30 June 2011 and 31 December 2010, the letters of comfort provided by the subsidiaries reached 492,723 thousand euros and 444,513 thousand euros, respectively.

As at 30 June and 31 December 2010, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of 106,982 and 119,895 thousand euros, respectively. According to the contractual conditions, the Group's liability is restricted essentially to the guarantee of acceptance of the invoices object of the factoring on the part of the customers.

#### **Other:**

As at 30 June 2011 and 31 December 2010, there were no inventories pledged to secure liabilities.

## **25 - APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements for the semester ended on 30 June 2011 were approved by the Board of Directors on 29 August 2011.

## **26 - SUBSEQUENT EVENTS**

In this note, we consider that it is appropriate to refer to the fact that, on the present date, the stock market share price of “Banco Comercial Português, S.A.” reached the value of €0.255, a situation which if it were to be the case as at 30 June 2011 would have an additional negative impact of 48,756 thousand euros on net income and would imply a devaluation of 56,203 thousand euros of the Group's holding in “Banco Comercial Português, S.A.” which would stand at 92,464 thousand euros.

Furthermore, we also disclose that on this date a contract with “Puertos del Litoral Central – PLC, S.A.” was published, following which its participated company “Teixeira Duarte – Engenharia e Construções, S.A.” will undertake the contract work named “Procura y Construcción del Proyecto Definitivo de Ingeniería y Construcción de las Obras Civiles que conforman el Muelle Oeste del Puerto de La Guaira”, in Venezuela.

The estimated value of the abovementioned contract is USD 398,861,858.95, with the forecast period of implementation of the work being 30 months.

Moreover, we also disclose that the said project is integrated in the plan for the expansion and modernisation of the Port of La Guaira and that the aforementioned contract was signed under the “Supplementary Agreement to the Framework Agreement for Cooperation between the Republic of Venezuela and the Portuguese Republic, on matters of economic and energy cooperation”.