



Report and Accounts

1st Quarter **2014**

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Teixeira Duarte, S.A.

LISTED COMPANY

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

Share Capital: € 210.000.000

Single Legal Person and Registration

number at Cascais-Oeiras Commercial Registry 509 234 526

KEY INDICATORS

	1st Q 2010	1st Q 2011	1st Q 2012	1st Q 2013	1st Q 2014	Variation 2014/2013 %
Average number of workers	12,742	11,817	10,412	11,358	12,705	11.9%
Turnover	297	309	283	342	357	4.2%
Operating Income	307	319	293	354	360	1.8%
EBITDA	37	51	39	54	71	31.1%
EBITDA / Turnover Margin	12.3%	16.4%	13.9%	15.7%	19.8%	25.9%
EBIT	22	37	27	38	54	40.3%
Tangible fixed assets + Investment properties	1,059	1,033	1,031	1,044	1,084	3.8%
Investments in associates and joint ventures + Financial assets available for sale + Other investments	380	315	153	130	163	25.7%
Net debt	1,055	1,116	927	1,101	1,194	8.5%
Total Equity	617	549	319	357	411	15.1%
Net Income Attributable to Shareholders	92	8	6	7	16	122.3%

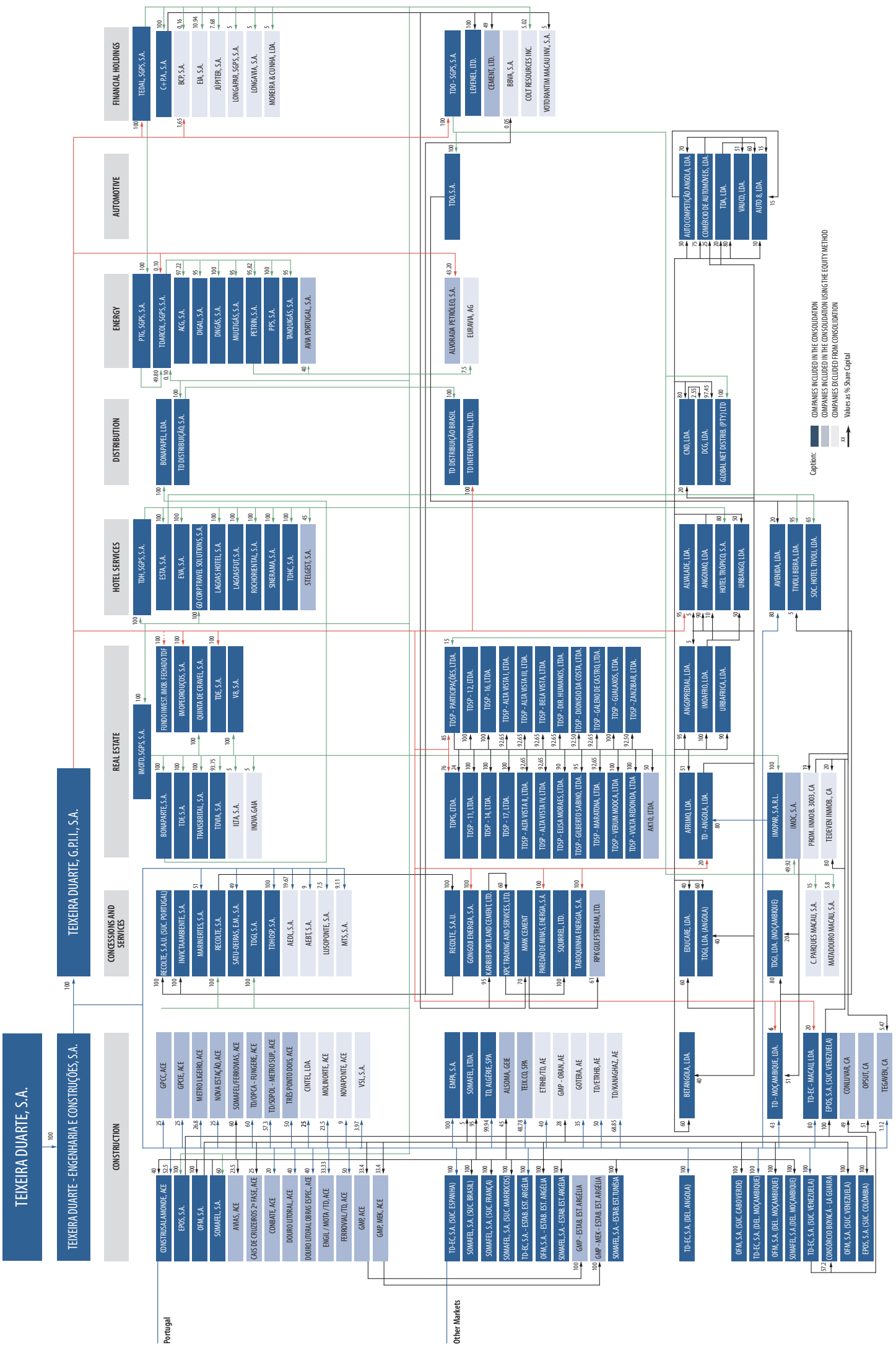
Notes:

The book values are expressed in million euros

The figures in the "Variation 2014/2013 %" column were calculated based on amounts that were not rounded off.

Total Equity includes non-controlling interests.

TEIXEIRA DUARTE GROUP - 1st Quarter 2014



Interim Management Report



I - INTRODUCTION

Under the terms and for the effect of the applicable legal and regulatory provisions, TEIXEIRA DUARTE, S.A. ("TD, S.A.") hereby discloses the Interim Report relative to the first three months of 2014, of which the financial statements attached herewith are also an integral part.

In compliance with and under the regulations on the presentation of periodic information, it is hereby clarified that the elements disclosed herein refer only to the consolidated aspect and that the consolidated financial Statements as at 31 March 2014 were prepared using accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as adopted in the European Union, enforced for periods started on 1 January 2014 and in conformity with IAS 34 – Interim Financial Reporting.

On this issue, it should be noted that, pursuant to the applicable standards, the Group adopted "IFRS 11 - Joint Arrangements for the first time, under the terms and with the scope further detailed in Notes 1 and 3 of the Notes to the Financial Statements. This fact implied that, for purposes of comparability, the indicators of the Consolidated Statements as at 31 March and 31 December 2013 presented herein were restated based on this new standard.

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, pursuant to 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 positive by 15.9 million euros;
- **Turnover** stood at 356.5 million euros;
- **Foreign Market** represents 84.4% of Turnover;
- **EBITDA** reached 70.6 million euros;
- **EBITDA / Turnover Margin** stood at 19.8%;
- **Net Debt** of 1,194 million euros;
- **Net Assets of the Group** of 2,755 million euros;
- **Financial Autonomy** of 14.9%;
- **Order Book of the Teixeira Duarte Group** for the construction sector stood at 2,176 million euros.

II – OVERALL APPRAISAL OF THE ACTIVITY

Income Statement for the quarters ended on 31 March 2014 and 2013

	1st Q 14	1st Q 13 "Restated"	Var (%)	1st Q 13
Operating income	360,389	353,911	1.8%	353,890
Operating costs	(289,752)	(300,046)	(3.4%)	(300,221)
EBITDA	70,637	53,865	31.1%	53,669
Amortisation and depreciation	(15,959)	(14,276)	11.8%	(14,279)
Provisions and impairment losses	(933)	(1,294)	(27.9%)	(1,120)
EBIT	53,745	38,295	40.3%	38,270
Financial results	(25,710)	(24,524)	4.8%	(24,499)
Earnings before tax	28,035	13,771	103.6%	13,771
Income tax	(14,279)	(6,981)	104.5%	(6,981)
Net income	13,756	6,790	102.6%	6,790
Attributable to:				
Shareholders	15,948	7,173	122.3%	7,173
Non-controlling interests	(2,192)	(383)	472.3%	(383)

(Values in thousand euros)

The Net Income Attributable to Shareholders was positive by 15,948 thousand euros.

It is important to highlight that, apart from the improved performance of the Group's companies compared with the same quarter of the previous year, this indicator was influenced by currency conversion differences:

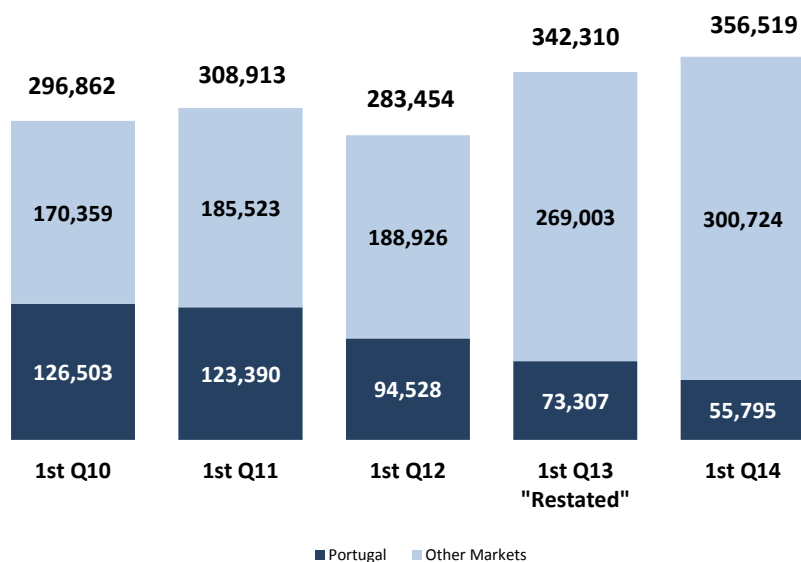
	1st Q 14	1st Q 13 "Restated"	Var (%)	1st Q 13
Currency conversion differences	4,676	(5,695)	-	(5,692)
	4,676	(5,695)	-	(5,692)

(Values in thousand euros)

Turnover recorded an overall increase of 4.2% relative to the same period of 2013, having reached 356,519 thousand euros.

Portugal declined by 23.9% and other markets increased by 11.8%, to account for 84.4% of the total Turnover of the Teixeira Duarte Group.

Evolution of Turnover by Markets



(Values in thousand euros)

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

Turnover by Country

Country	1st Q 14		1st Q 13 "Restated"		Variation
	Value	Contribution	Value	Contribution	
Portugal	55,795	15.6%	73,307	21.4%	(23.9%)
Angola	160,093	44.9%	181,518	53.0%	(11.8%)
Algeria	17,287	4.8%	13,484	3.9%	28.2%
Brazil	33,072	9.3%	18,333	5.4%	80.4%
Spain	7,032	2.0%	6,450	1.9%	9.0%
Mozambique	10,478	2.9%	12,188	3.6%	(14.0%)
Venezuela	71,722	20.1%	34,559	10.1%	107.5%
Other	1,040	0.3%	2,471	0.7%	(57.9%)
	356,519	100.0%	342,310	100.0%	4.2%

(Values in thousand euros)

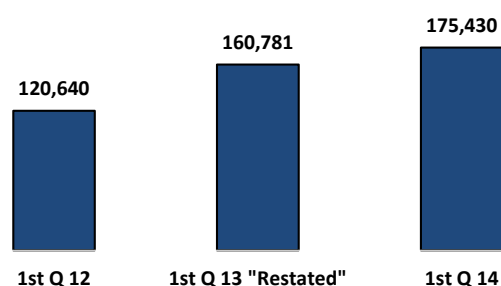
Turnover by Activity

Activity Sector	1st Q 14	Contribution	1st Q 13 "Restated"	Contribution	Variation
Construction	175,430	49.2%	160,781	47.0%	9.1%
Concessions and Services	17,902	5.0%	16,194	4.7%	10.5%
Real estate	22,344	6.3%	21,644	6.3%	3.2%
Hotel services	15,238	4.3%	18,253	5.3%	(16.5%)
Distribution	46,941	13.2%	49,566	14.5%	(5.3%)
Energy	16,452	4.6%	28,812	8.4%	(42.9%)
Automotive	62,212	17.4%	47,060	13.7%	32.2%
	356,519	100.0%	342,310	100.0%	4.2%

(Values in thousand euros)

An analysis of turnover is presented below, taking into account its evolution by activity sector, where the restatement explained above only influenced this indicator in the Construction sector:

Turnover of Construction



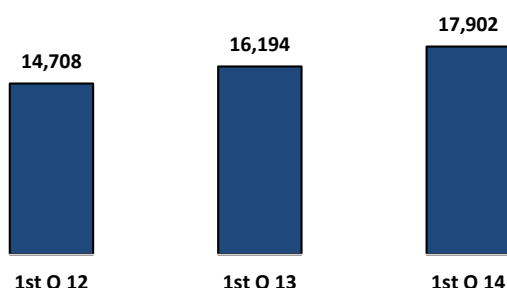
Construction Turnover grew by 9.1% compared with March 2013, with the increased activity in Algeria, Brazil and Venezuela having offset the declines recorded in Portugal, Angola and Mozambique.

The values in Portugal fell by 24.5%, due to the widespread retraction, and in Angola by 48.1% primarily as a result of the fact that one of the major works underway in this country during the first quarter of 2013 is currently at a stage of completion.

Brazil and Venezuela showed very significant growth, with the first having increased from 7,410 thousand euros to 21,827 thousand euros and, the second, from 34,559 thousand euros to 71,722 thousand euros.

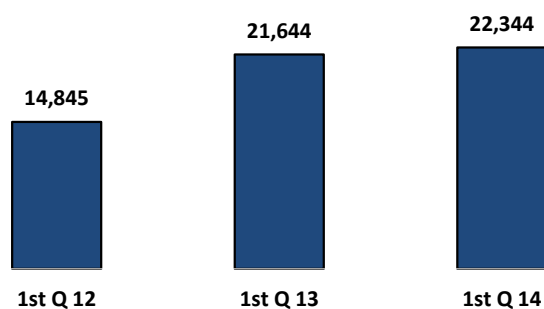
In this context, it should be noted that as at 31 March 2014, the external market represented 88.1% of Construction turnover.

Turnover of Concessions and Services



In Concessions and Services, Turnover grew by 10.5% in relation to the first three months of 2013, with good performance in all the markets in which the Group operates, especially in Portugal, where the attraction of new customers enabled an increase of 29.9% relative to March 2013.

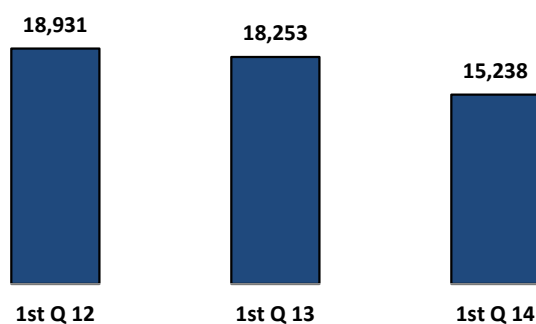
Turnover of Real Estate



Real Estate business, as a whole, grew by 3.2% in relation to the first three months of 2013.

In Portugal, similar values to March 2013 were recorded, while in Brazil the foreign exchange devaluation implied that the 22.7% growth of activity was not reflected in this indicator.

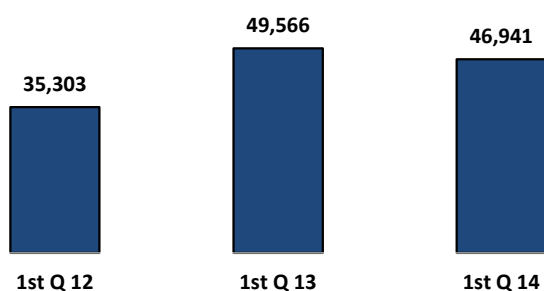
Turnover of Hotel Services



The Turnover of Hotel Services fell by 16.5% year-on-year, essentially penalised by the variations which occurred in Angola, since Portugal and Mozambique recorded values similar to those of March 2013.

In fact, the impact of the closure for remodelling works of “Hotel Trópico”, in Luanda, was such that the improvement recorded in the other two hotels of the Group in the city was insufficient to offset it.

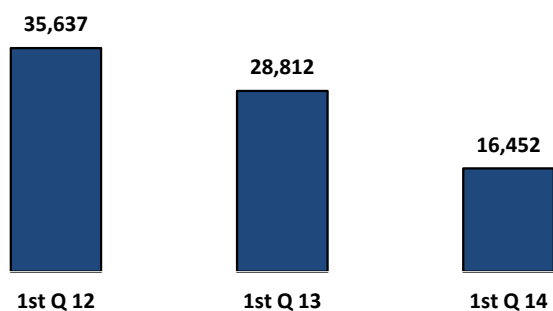
Turnover of Distribution



Distribution declined by 5.3% relative to March 2013.

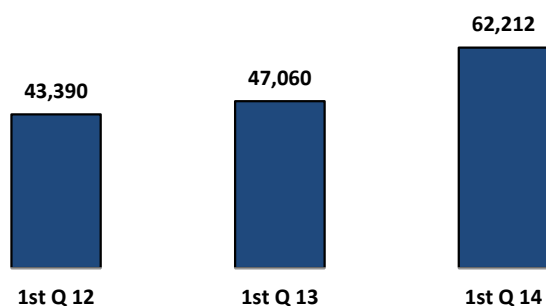
Not considering the currency conversion effect, the activity recorded similar amounts to those of the first three months of the previous year.

Turnover of Energy



In Energy, the Group's Turnover fell by 42.9% year-on-year, essentially as a result of the strong reduction of sales in large outlets.

Turnover of the Automotive sector



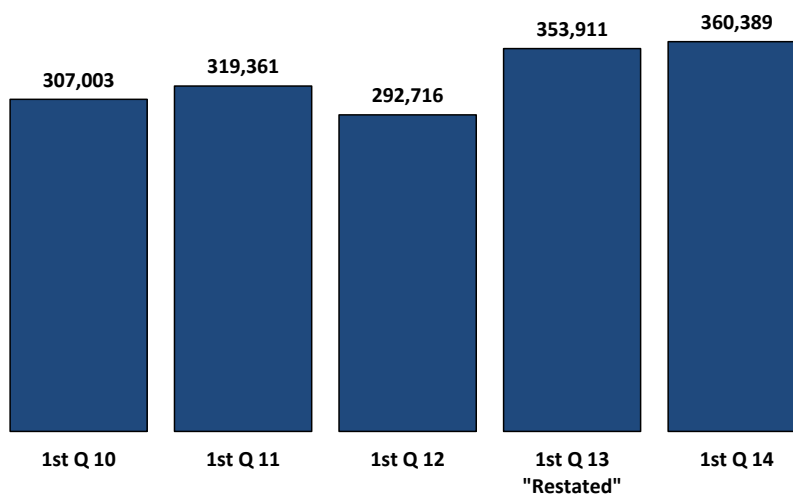
The Automotive sector increased its Turnover by 32.2% in relation to the quarter ended on 31 March 2013.

Not considering the currency conversion effect, the activity grew by 37.8% year-on-year.

(Values in thousand euros)

Operating income increased by 1.8% relative to March 2013, reaching the value of 360,389 thousand euros.

Evolution of Operating Income



(Values in thousand euros)

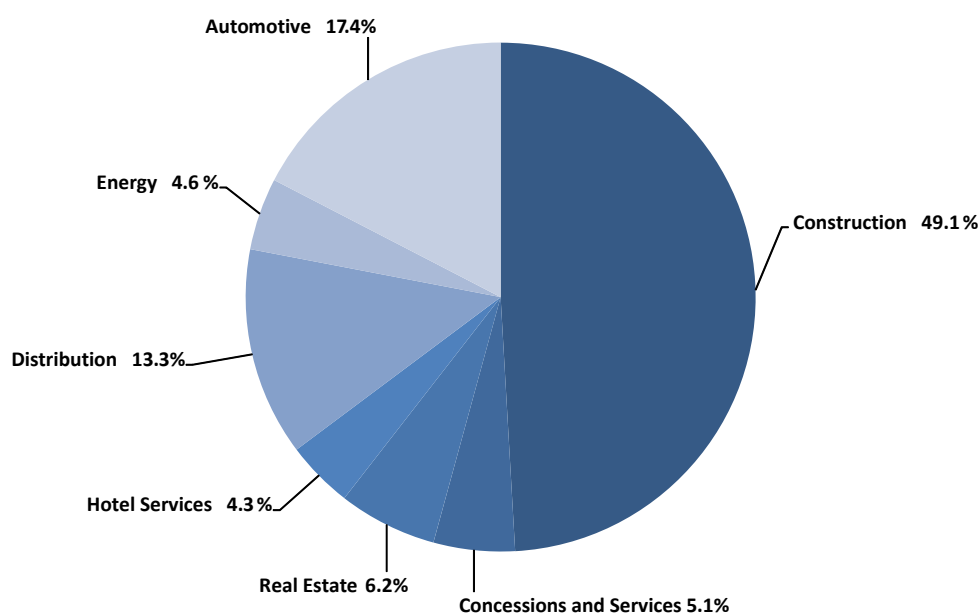
The table below confirms the good performance not only of the Concessions and Services and Automotive sectors, but also in Construction which, in spite of Portugal having declined by 25.1%, in general, increased by 7.9% relative to the first three months of 2013.

Operating Income by activity and geographic market:

Activity Sector	Internal Market			External Market			Total		
	1st Q 14	1st Q 13 "Restated"	Var (%)	1st Q 14	1st Q 13 "Restated"	Var (%)	1st Q 14	1st Q 13 "Restated"	Var (%)
Construction	21,863	29,198	(25.1%)	155,053	134,783	15.0%	176,916	163,981	7.9%
Concessions and Services	6,401	4,907	30.4%	12,190	11,785	3.4%	18,591	16,692	11.4%
Real estate	8,818	8,843	(0.3%)	13,709	14,211	(3.5%)	22,527	23,054	(2.3%)
Hotel services	3,079	2,368	30.0%	12,295	16,213	(24.2%)	15,374	18,581	(17.3%)
Distribution	378	988	(61.7%)	47,380	51,123	(7.3%)	47,758	52,111	(8.4%)
Energy	16,510	31,448	(47.5%)	22	4	450.0%	16,532	31,452	(47.4%)
Automotive	-	-	-	62,691	48,040	30.5%	62,691	48,040	30.5%
Total	57,049	77,752	(26.6%)	303,340	276,159	9.8%	360,389	353,911	1.8%

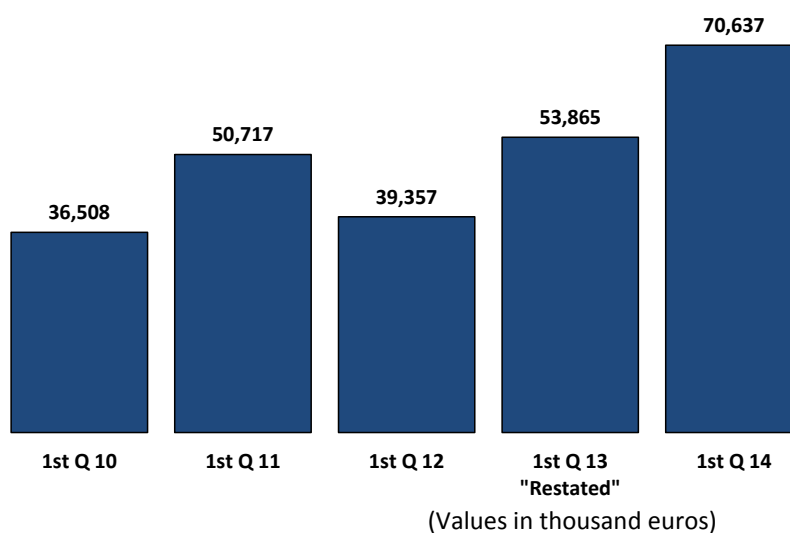
(Values in thousand euros)

In view of the evolution referred to above, the contribution of each activity sector to the total value of the operating income achieved as at 31 March 2014 was as follows:



EBITDA increased by 31.1% relative to March 2013, to stand at 70,637 thousand euros.

Evolution of EBITDA



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

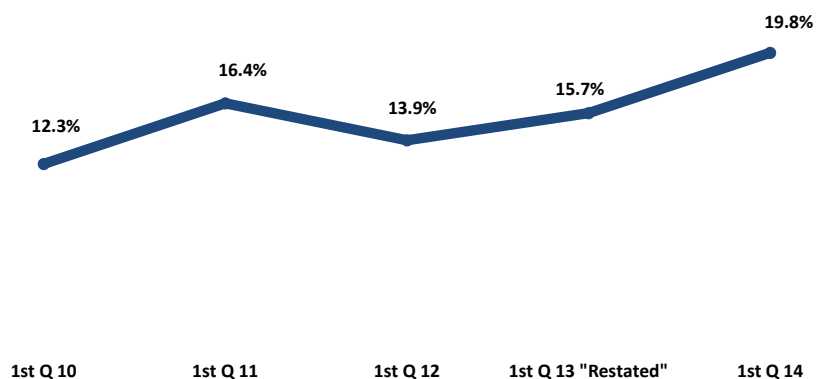
Evolution of EBITDA by Activity

Activity Sector	1st Q 14	1st Q 13 "Restated"	Var (%)
Construction	46,215	21,022	119.8%
Concessions and Services	1,506	4,703	(68.0%)
Real estate	11,137	5,469	103.6%
Hotel services	3,209	7,167	(55.2%)
Distribution	(690)	7,142	-
Energy	635	807	(21.3%)
Automotive	12,615	11,169	12.9%
Not allocated to segments	(3,956)	(3,636)	8.8%
Elimination	(34)	22	-
	70,637	53,865	31.1%

(Values in thousand euros)

The EBITDA / Turnover Margin increased by 25.9% year-on-year, having shifted from 15.7% to 19.8% by March 2014.

Evolution of the EBITDA / Turnover Margin



The financial results were negative by 25,710 thousand euros for the quarter ended on 31 March 2014.

This indicator presents similar amounts to those recorded for the first quarter of the previous year, although with divergent variations in the following headings:

- Increase of 3,860 thousand euros in interest paid;
- Negative effect of 5,900 thousand euros of earnings from associates and joint ventures, with this heading having being negative by 326 thousand euros in March 2013.
- Positive effect of the currency conversion differences of 4,676 thousand euros in the first three months of 2014, which had been negative by 5,695 thousand euros in the same period of the previous year.

	1st Q 14	1st Q 13 "Restated"	Var (%)
Financial costs and losses:	(53,178)	(42,568)	24.9%
Interest paid	(22,747)	(18,887)	20.4%
Unfavourable currency conversion differences	(24,648)	(17,466)	41.1%
Other financial costs and losses	(5,783)	(6,215)	(7.0%)
Financial income and gains:	32,986	16,918	95.0%
Interest received	2,906	4,144	(29.9%)
Favourable currency conversion differences	29,324	11,771	149.1%
Cash discounts received	82	129	(36.4%)
Other financial income and gains	674	874	(22.9%)
Earnings from investment activities:	(5,518)	1,126	-
Earnings from associates and joint ventures	(5,900)	(326)	1709.8%
Dividends	137	1,146	(88.0%)
Other investments	245	306	(19.9%)
Financial results	(25,710)	(24,524)	-

(Values in thousand euros)

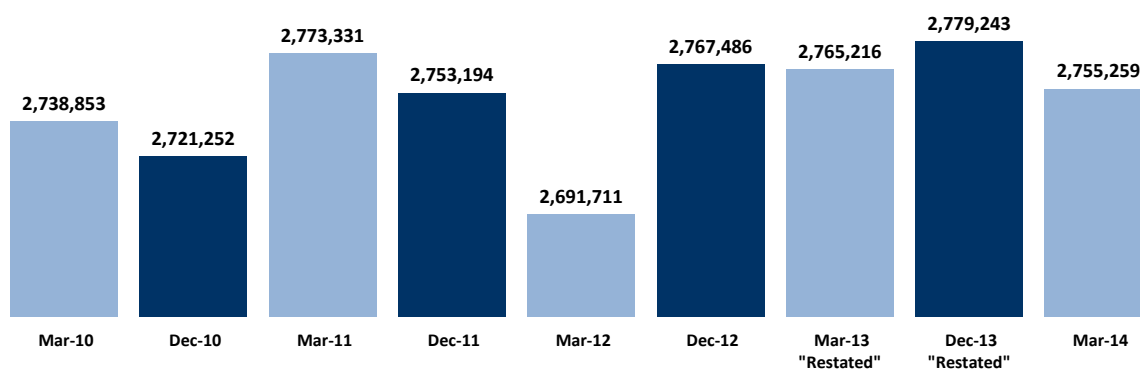
Income Tax for the quarter ended on 31 March 2014 reached the value of 14,279 thousand euros, while at the end of the same period of the previous year it had stood at 6,981 thousand euros.

	1st Q 14	1st Q 13 "Restated"	Var (%)
Current tax	(22,628)	(15,630)	44.8%
Deferred tax	8,349	8,649	(3.5%)
	(14,279)	(6,981)	104.5%

(Values in thousand euros)

Total Net Assets fell by 0.9% in relation to 31 December 2013 "Restated", having reached 2,755,259 thousand euros.

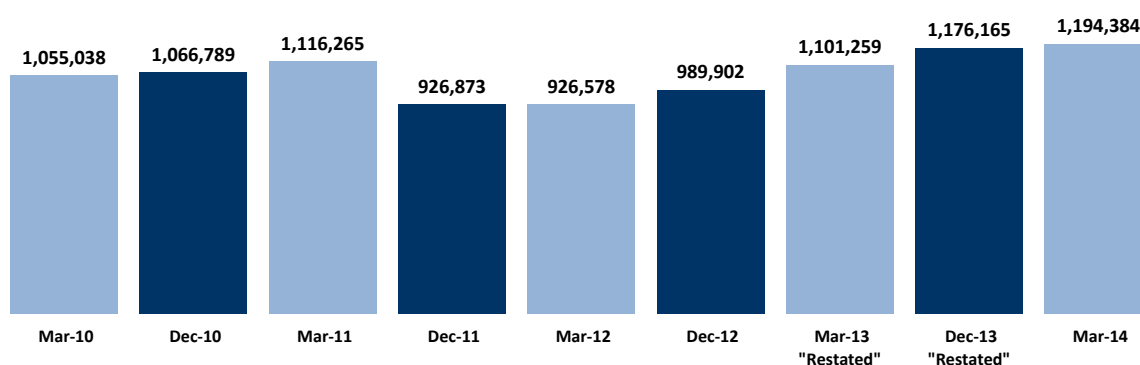
Evolution of Net Assets



(Values in thousand euros)

Net Debt reached 1,194,384 thousand euros as at 30 March 2014, reflecting an increase of 1.5% in relation to the end of the previous year.

Evolution of Net Debt



(Values in thousand euros)

The Equity Attributable to Shareholders increased by 54,121 thousand euros, having shifted from 325,407 thousand euros to 379,528 thousand euros, corresponding to growth of 16.6% in relation to 31 December 2013.

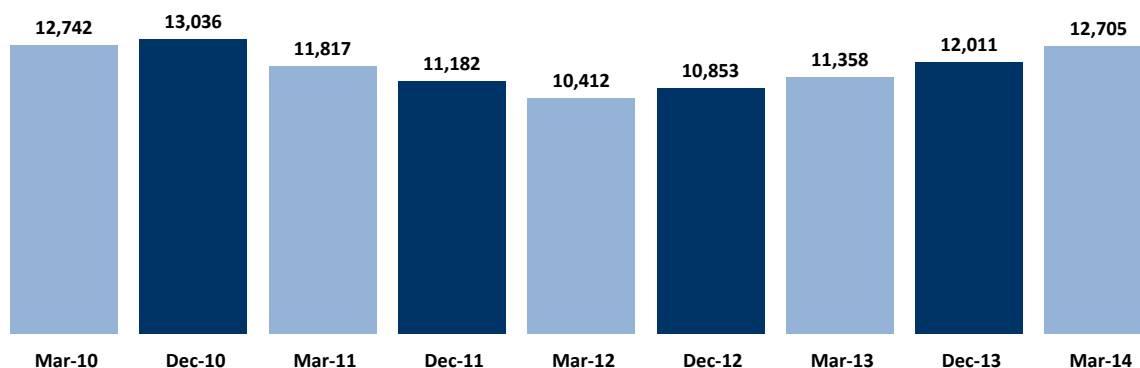
Total Equity grew by 14% to stand at 411,063 thousand euros, influenced essentially by the following factors:

- Positive net income of 13,756 thousand euros;
- Positive currency conversion effect of 22,276 thousand euros, recorded as a result of the appreciation of the Currencies with which the Group operates in relation to the Euro;
- Positive variation in the fair value of the financial assets available for sale, net of deferred tax, of the value of 15,881 thousand euros;
- Negative hedge operation effect of 1,201 thousand euros, as a result of the variation of the fair value of the financial instrument (interest rate swap) contracted in 2008 under the Concession of the Management of Cascais Hospital Building.

Financial Autonomy shifted from 13% as at 31 December 2013 to 14.9% as at 31 March 2014.

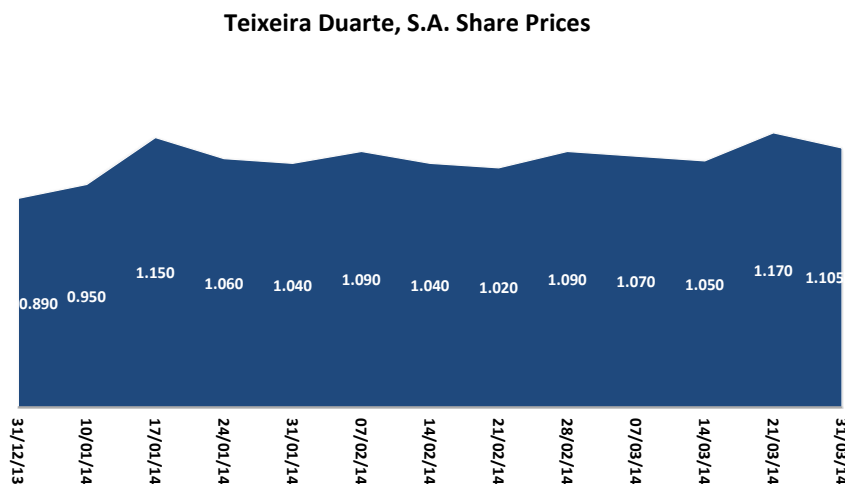
The **Average Number of Workers** at the end of the quarter ended on 31 March 2014 was 12,705, reflecting an increase of 5.8% compared with 31 December 2013.

Evolution of the Average Number of Employees



“Teixeira Duarte, S.A.” shares appreciated from 0.89 euros as at 31 December 2013 to 1.105 euros as at 31 March 2014.

The graph below shows the evolution of the stock market prices of the shares during the first three months of the year, which varied during this period between a minimum of 0.87 euros and maximum of 1.44 euros.



During this period, 26,941,457 shares were traded on the stock market, with a total turnover of 29,843,557 euros.

III. FACTS WHICH OCCURRED AFTER THE END OF THE 1st QUARTER OF 2014

TEIXEIRA DUARTE pursued its activity in the different sectors and markets in which it operates, where the following relevant fact which occurred after the closing of the first quarter of 2014, which was disclosed in due time to the market:

Notification of the service order for new infrastructure work in Algeria, for the value of 121,749,760 euros

On 2 April 2014, the enterprise group which includes "Teixeira Duarte - Engenharia e Construções, S.A." was notified of the Service Order issued by the Algerian entity "AGA- Algérienne de Gestion des Autoroutes" for the contract "Réalisation des Installations et Equipements d'Exploitation de l'autoroute Este-Ouest, Lot Ouest" (Execution of facilities and equipment for the operation of the East-West Motorway, West Lot), in Algeria.

"Teixeira Duarte - Engenharia e Construções, S.A." is the leader of the enterprise group, holding a stake of 48%, with 46% belonging to the Algerian enterprise group "ETRH HADDAD" and 6% to the Spanish "SICE, S.A.".

The contract has a foreseen period of twenty-three months counted from the aforesaid 2 April 2014 and an overall value of € 253,645,332 (two hundred and fifty-three million, six hundred and forty-five thousand and three hundred and thirty-two euros), increased by VAT at the legal rate in force, of which 35.7% is paid in euros and the remaining 64.3% in Algerian dinar. Pursuant to its share in the aforesaid enterprise group, "Teixeira Duarte - Engenharia e Construções, S.A." is entitled to receive € 121,749,760 (one hundred and twenty-one million, seven hundred and forty-nine thousand and sixty euros).

IV. OUTLOOK FOR 2014

For 2014, growth is expected of the activity in various countries of importance in the Group's action in the foreign market, namely a significant increase in Venezuela.

Thus, the Teixeira Duarte Group's Order Book for the construction sector reached the impressive total value of 2,176,068 thousand euros as at 31 March 2014, corresponding to an increase of 6.7% relative to 31 December 2013.

Therefore, and notwithstanding any new contracts that may arise, the Group has assured adequate business levels in construction in the foreign market which, in spite of the current unfavourable circumstances in the domestic market, has implied that, as a whole, Teixeira Duarte already has contracts to the total value of 619,647 thousand euros for 2014 and 547,812 thousand euros for 2015, distributed as follows by the markets of operation of the Teixeira Duarte Group:

	Apr - Dec 2014	Contribution (%)	2015	Contribution (%)
Portugal	71,348	11.5%	23,995	4.4%
Angola	121,942	19.7%	107,495	19.6%
Algeria	103,198	16.7%	181,467	33.1%
Brazil	70,534	11.4%	58,432	10.7%
Mozambique	50,897	8.2%	26,883	4.9%
Venezuela	191,628	30.9%	148,375	27.1%
Other	10,100	1.6%	1,165	0.2%
Total	619,647	100.0%	547,812	100.0%

(Values in thousand euros)

For 2014, Teixeira Duarte maintains the forecast of achieving consolidated operating income of 1,600 million euros.

Lagoas Park, 30 May 2014

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

Jorge Ricardo de Figueiredo Catarino

Consolidated Financial
Statements - 1st Quarter **2014**



CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2014, 31 DECEMBER 2013 AND 1 JANUARY 2013
(Values expressed in thousand euros)

	Notes	31/03/2014	31-12-2013 "Restated"	01-01-2013 "Restated"
Non-current assets:				
Goodwill		29,706	29,706	29,715
Intangible assets		19,095	34,563	31,281
Tangible fixed assets	13	604,784	571,234	529,738
Investment properties	14	478,742	479,965	498,236
Investments in associates and joint ventures	7 and 15	36,600	36,461	51,858
Financial assets available for sale	7 and 16	105,599	84,613	48,597
Other investments		20,115	15,537	14,546
Deferred tax assets	17	192,315	188,514	111,912
Customers		52,555	53,224	58,091
Other receivables		103	97	79
Other non-current assets		2,151	1,561	1,716
Total non-current assets		1,541,765	1,495,475	1,375,769
Current assets:				
Inventories		288,597	289,894	313,575
Customers		444,205	492,135	476,724
Other receivables		82,651	69,315	65,099
Cash and cash equivalents	19	171,913	186,441	241,961
Other investments		618	62	10,888
Other current assets		225,510	245,921	279,698
Total current assets		1,213,494	1,283,768	1,387,945
TOTAL ASSETS	7	2,755,259	2,779,243	2,763,714
Equity:				
Share capital	20	210,000	210,000	210,000
Adjustment of holdings in associates and joint ventures		4,340	1,669	1,607
Currency conversion adjustments		(13,653)	(37,085)	(3,671)
Reserves and retained earnings		162,893	86,849	20,066
Consolidated net income		15,948	63,974	24,003
Equity attributable to shareholders		379,528	325,407	252,005
Non-controlling interests		31,535	35,321	73,863
TOTAL EQUITY		411,063	360,728	325,868
Non-current liabilities:				
Loans	22	671,487	680,980	401,060
Provisions		76,591	72,934	36,148
Financial leases		180,745	184,062	199,580
Deferred tax liabilities	17	52,740	52,693	57,979
Other payables		8,246	9,833	15,110
Other non-current liabilities		62,501	83,906	177,793
Total non-current liabilities		1,052,310	1,084,408	887,670
Current liabilities:				
Loans	22	694,810	681,626	834,905
Suppliers		162,684	167,002	186,737
Financial leases		21,226	21,634	22,015
Other payables		68,222	83,927	20,260
Other current liabilities		344,944	379,918	486,259
Total current liabilities		1,291,886	1,334,107	1,550,176
TOTAL LIABILITIES	7	2,344,196	2,418,515	2,437,846
TOTAL LIABILITIES AND EQUITY		2,755,259	2,779,243	2,763,714

The notes are an integral part of the consolidated statement of financial position as at 31 March 2014.

CONSOLIDATED INCOME STATEMENT
FOR THE QUARTERS ENDED ON 31 MARCH 2014 AND 2013
 (Values expressed in thousand euros)

	Notes	1st Q 14	1st Q 13 "Restated"
Operating income:			
Sales and services rendered	7 and 8	356,519	342,310
Other operating income	8	3,870	11,601
Total operating income	8	360,389	353,911
Operating costs:			
Cost of sales		(130,512)	(110,343)
Change in production		(637)	(1,094)
External supplies and services		(83,590)	(108,977)
Staff costs		(62,949)	(62,069)
Amortisation and depreciation	7	(15,959)	(14,276)
Provisions and impairment losses in depreciable and amortisable assets and Goodwil	7	(933)	(1,294)
Other operating costs		(12,064)	(17,563)
Total operating costs		(306,644)	(315,616)
Net operating income	7	53,745	38,295
Financial costs and losses	7 and 9	(53,178)	(42,568)
Financial income and gains	7 and 9	32,986	16,918
Earnings from investment activities:			
Earnings from associates and joint ventures	7 and 9	(5,900)	(326)
Other	7 and 9	382	1,452
Financial results		(25,710)	(24,524)
Earnings before tax	7	28,035	13,771
Income tax	10	(14,279)	(6,981)
Consolidated net income for the quarter		13,756	6,790
Net income attributable to:			
Shareholders	11	15,948	7,173
Non-controlling interests		(2,192)	(383)
Earnings per share:			
Basic (euros)	11	0.04	0.02
Diluted (euros)	11	0.04	0.02

The notes are an integral part of the consolidated income statement of the quarter ended on 31 March 2014.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME
FOR THE QUARTERS ENDED ON 31 MARCH 2014 AND 2013
 (Values expressed in thousand euros)

	Notes	1st Q 14	1st Q 13 "Restated"
Consolidated net income for the quarter		13,756	6,790
Income and costs that will not be subsequently reclassified to net income			
Other changes in equity		(3,048)	(2,300)
		(3,048)	(2,300)
Income and costs that may be subsequently reclassified to net income			
Fair value of financial assets available for sale	16	15,881	6,605
Currency conversion adjustments		22,276	19,592
Adjustment of holdings in associates and joint ventures	15	2,671	(76)
Hedge financial instruments		(1,201)	559
		39,627	26,680
Net income recognised directly in equity		36,579	24,380
Comprehensive income for the quarter		50,335	31,170
Comprehensive income attributable to:			
Shareholders		54,121	32,202
Non-controlling interests		(3,786)	(1,032)

The notes are an integral part of the consolidated statement of other comprehensive income for the quarter ended on 31 March 2014.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE QUARTERS ENDED ON 31 MARCH 2014 AND 2013 "Restated"
(Values expressed in thousand euros)

	Notes	Reserves and retained earnings											Total
		Share capital	Adjustment of holdings in associates and joint ventures	Currency conversion adjustments	Legal reserve	Free reserves	Fair value reserve	Hedge operation reserve	Retained earnings	Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	
Balance as at 1 January 2013 "Restated"	20	210,000	1,607	(3,671)	5,500	65,700	995	(11,011)	(41,118)	24,003	252,005	73,863	325,868
Comprehensive income for the period:													
Consolidated net income for the period		-	-	-	-	-	-	-	-	7,173	7,173	(383)	6,790
Variation in currency conversion adjustments		-	-	20,558	-	-	-	-	-	-	20,558	(966)	19,592
Variation in fair value and divestment of financial assets available for sale	16	-	-	-	-	-	6,605	-	-	-	6,605	-	6,605
Effect of hedge operations		-	-	-	-	-	-	559	-	-	559	-	559
Effect of the application of the equity method	15	-	(76)	-	-	-	-	-	-	-	(76)	-	(76)
Other		-	-	-	-	-	-	-	(2,617)	-	(2,617)	317	(2,300)
Operations with shareholders in the period:													
Appropriation of the consolidated net income for 2012:		-	-	-	-	-	-	-	24,003	(24,003)	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2013		210,000	1,531	16,887	5,500	65,700	7,600	(10,452)	(19,722)	7,173	284,207	72,831	357,038
Balance as at 1 January 2014 "Restated"	20	210,000	1,669	(37,085)	10,000	75,378	34,074	(8,305)	(24,298)	63,974	325,407	35,321	360,728
Comprehensive income for the period:													
Consolidated net income for the period		-	-	-	-	-	-	-	-	15,948	15,948	(2,192)	13,756
Variation in currency conversion adjustments		-	-	23,432	-	-	-	-	-	-	23,432	(1,156)	22,276
Variation in fair value and divestment of financial assets available for sale	16	-	-	-	-	-	15,881	-	-	-	15,881	-	15,881
Effect of hedge operations		-	-	-	-	-	-	(1,201)	-	-	(1,201)	-	(1,201)
Effect of the application of the equity method	15	-	2,671	-	-	-	-	-	-	-	2,671	-	2,671
Other		-	-	-	-	-	-	-	(2,610)	-	(2,610)	(438)	(3,048)
Operations with shareholders in the period:													
Appropriation of the consolidated net income for 2013:		-	-	-	-	-	-	-	63,974	(63,974)	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2014		210,000	4,340	(13,653)	10,000	75,378	49,955	(9,506)	37,066	15,948	379,528	31,535	411,063

The notes are an integral part of the consolidated statement of changes in equity for the quarter ended on 31 March 2014.

CONSOLIDATED CASH FLOW STATEMENT
FOR THE QUARTERS ENDED ON 31 MARCH 2014 AND 2013
 (Values expressed in thousand euros)

	Notes	1st Q 14	1st Q 13 "Restated"
OPERATING ACTIVITIES:			
Revenue from customers		341,634	262,644
Payments to suppliers		(211,058)	(248,214)
Payments to staff		(59,651)	(57,835)
Cash flow generated by operations		70,925	(43,405)
Income tax payment/revenue		(8,014)	(5,051)
Other revenue/payments relative to operating activity		(8,544)	(14,730)
Cash flow from operating activities (1)		54,367	(63,186)
INVESTMENT ACTIVITIES:			
Revenue derived from:			
Financial investments	19	10,654	8,684
Tangible fixed assets and investment properties		455	981
Interest and similar income		4,089	4,407
Dividends	19	137	1,146
		15,335	15,218
Payments relative to:			
Financial investments	19	(15,603)	(5,954)
Tangible fixed assets and investment properties		(41,335)	(17,419)
Intangible assets		(146)	(288)
		(57,084)	(23,661)
Cash flow from investment activities (2)		(41,749)	(8,443)
FINANCING ACTIVITIES:			
Revenue derived from:			
Loans raised		472,384	844,935
Payments relative to:			
Loans raised		(468,693)	(789,610)
Interest and similar costs		(26,984)	(18,525)
		(495,677)	(808,135)
Cash flow from financing activities (3)		(23,293)	36,800
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(10,675)	(34,829)
Effect of currency conversion differences		(3,853)	(17,101)
Cash and cash equivalents at the beginning of the period	19	186,441	241,961
Cash and cash equivalents at the end of the period	19	171,913	190,031

The notes are an integral part of the cash flow statement of the quarter ended on 31 March 2014.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2014

1 - INTRODUCTION

Teixeira Duarte, S.A. ("Company" or "TD, S.A.") with head office in Porto Salvo, was incorporated on 30 November 2009, with share capital of 210,000,000 euros, represented by 420,000,000 shares with the nominal value of 0.50 euro each, and its core business is the implementation and management of investments, the coordination and supervision of other companies integrated in or related to its business Group.

The business group of Teixeira Duarte ("Group") is composed of the companies in which it holds stakes, indicated in Notes 4 and 15. The Group's core business is the following: Construction; Concessions and Services; Real Estate; Hotel Services; Distribution; Energy and Automotive (Note 7).

The values indicated herein are expressed in thousand euros, since this is the currency used preferably in the economic environment in which the Group operates.

During the quarter ended on 31 March 2014, the Group adopted, for the first, IFRS 11 - Joint Arrangements, which classifies joint arrangements as joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity) and requires the use of the equity method in joint ventures, thus eliminating the method of proportional consolidation. This standard has replaced IAS 31 - Interests in Joint Ventures and SIC 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers. With the adoption of this new standard, the Group no longer proportionally consolidates its investments in joint ventures, namely the Enterprise Groups ("ACE"). The impacts of the adoption of this standard are detailed in Note 3.

Furthermore, following the new law issued in 2014 by Venezuela (Foreign Exchange Agreement number 25), which establishes a new foreign exchange rate for certain currency sale transactions, applicable as of 24 January 2014, there was significant devaluation of the Venezuelan bolívar (Note 6).

2 - BASIS OF PRESENTATION

The consolidated financial statements as at 31 March 2014 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 2014 and in conformity with IAS 34 - Interim Financial Reporting.

3 - ALTERATIONS OF POLICIES, ESTIMATES AND ERRORS

The accounting policies adopted are consistent with those used in the preparation of the financial statements for the financial year ended on 31 December 2013, and described in the respective notes, except with respect to standards and interpretations whose enforcement date corresponds to financial years started on or after 1 January 2014. This is the case of the adoption of IFRS 11 - Joint Arrangements, which led to the discontinuation of the application of the proportional consolidation method to investments in joint ventures, namely Enterprise Groups ("ACE").

As a result of the adoption of IFRS 11, the following alterations were made to the previously reported Consolidated Statement of Financial Position as at 31 December 2013 and 1 January 2013, and to the previously reported Consolidated Income and Cash Flow Statements for the quarter ended on 31 March 2013:

Reconciliation of Financial Position as at 31 December 2012 and 1 January 2013:

	01-01-2013 "Restated"	Application of IFRS 11	31/12/2012
Non-current assets:			
Tangible fixed assets	529,738	(37)	529,775
Investments in associates and joint ventures	51,858	1,149	50,709
Other non-current assets	794,173	-	794,173
Total non-current assets	1,375,769	1,112	1,374,657
Current assets:			
Customers	476,724	(127)	476,851
Other receivables	65,099	1,004	64,095
Cash and cash equivalents	241,961	(4,102)	246,063
Other current assets	604,161	(1,659)	605,820
Total current assets	1,387,945	(4,884)	1,392,829
TOTAL ASSETS	2,763,714	(3,772)	2,767,486
Equity:			
Equity attributable to shareholders	252,005	-	252,005
Non-controlling interests	73,863	-	73,863
TOTAL EQUITY	325,868	-	325,868
Non-current liabilities:			
Provisions	36,148	(2,055)	38,203
Other non-current liabilities	851,522	-	851,522
Total non-current liabilities	887,670	(2,055)	889,725
Current liabilities:			
Suppliers	186,737	(1,093)	187,830
Other payables	20,260	1,163	19,097
Other current liabilities	1,343,179	(1,787)	1,344,966
Total current liabilities	1,550,176	(1,717)	1,551,893
TOTAL LIABILITIES	2,437,846	(3,772)	2,441,618
TOTAL LIABILITIES AND EQUITY	2,763,714	(3,772)	2,767,486

Reconciliation of Financial Position as at 31 March 2013:

	31-03-2013 "Restated"	Application of IFRS 11	31/03/2013
Non-current assets:			
Tangible fixed assets	544,315	(31)	544,346
Investments in associates and joint ventures	52,005	1,227	50,778
Other non-current assets	814,920	-	814,920
Total non-current assets	1,411,240	1,196	1,410,044
Current assets:			
Customers	499,754	(22)	499,776
Other receivables	65,702	1,376	64,326
Cash and cash equivalents	190,031	(4,064)	194,095
Other current assets	598,489	(1,459)	599,948
Total current assets	1,353,976	(4,169)	1,358,145
TOTAL ASSETS	2,765,216	(2,973)	2,768,189
Equity:			
Equity attributable to shareholders	284,207	-	284,207
Non-controlling interests	72,831	-	72,831
TOTAL EQUITY	357,038	-	357,038
Non-current liabilities:			
Provisions	35,914	(1,877)	37,791
Other non-current liabilities	745,318	-	745,318
Total non-current liabilities	781,232	(1,877)	783,109
Current liabilities:			
Suppliers	158,477	(630)	159,107
Other payables	23,534	1,160	22,374
Other current liabilities	1,444,935	(1,626)	1,446,561
Total current liabilities	1,626,946	(1,096)	1,628,042
TOTAL LIABILITIES	2,408,178	(2,973)	2,411,151
TOTAL LIABILITIES AND EQUITY	2,765,216	(2,973)	2,768,189

Reconciliation of Financial Position as at 31 December 2013:

	31-12-2013 "Restated"	Application of IFRS 11	31/12/2013
Non-current assets:			
Tangible fixed assets	571,234	(23)	571,257
Investments in associates and joint ventures	36,461	563	35,898
Other non-current assets	887,780	-	887,780
Total non-current assets	1,495,475	540	1,494,935
Current assets:			
Customers	492,135	(170)	492,305
Other receivables	69,315	8	69,307
Cash and cash equivalents	186,441	(3,471)	189,912
Other current assets	535,877	(1,260)	537,137
Total current assets	1,283,768	(4,893)	1,288,661
TOTAL ASSETS	2,779,243	(4,353)	2,783,596
Equity:			
Equity attributable to shareholders	325,407	-	325,407
Non-controlling interests	35,321	-	35,321
TOTAL EQUITY	360,728	-	360,728
Non-current liabilities:			
Provisions	72,934	(1,473)	74,407
Other non-current liabilities	1,011,474	-	1,011,474
Total non-current liabilities	1,084,408	(1,473)	1,085,881
Current liabilities:			
Suppliers	167,002	(771)	167,773
Other payables	83,927	(235)	84,162
Other current liabilities	1,083,178	(1,874)	1,085,052
Total current liabilities	1,334,107	(2,880)	1,336,987
TOTAL LIABILITIES	2,418,515	(4,353)	2,422,868
TOTAL LIABILITIES AND EQUITY	2,779,243	(4,353)	2,783,596

Reconciliation of the Consolidated Cash Flow Statement for the quarter ended on 31 March 2013:

	1st Q 13 "Restated"	Application of IFRS 11	1st Q 13
OPERATING ACTIVITIES:			
Revenue from customers	262,644	(119)	262,763
Payments to suppliers	(248,214)	631	(248,845)
Payments to staff	(57,835)	8	(57,843)
Cash flow generated by operations	(43,405)	520	(43,925)
Income tax payment/revenue	(5,051)	-	(5,051)
Other revenue/payments relative to operating activity	(14,730)	(482)	(14,248)
Cash flow from operating activities (1)	(63,186)	38	(63,224)
INVESTMENT ACTIVITIES:			
	15,218	-	15,218
Payments relative to:			
	(23,661)	-	(23,661)
Cash flow from investment activities (2)	(8,443)	-	(8,443)
FINANCING ACTIVITIES:			
Revenue derived from:			
Loans raised	844,935		844,935
Payments relative to:			
	(808,135)	-	(808,135)
Cash flow from financing activities (3)	36,800	-	36,800
Variation in cash and cash equivalents (4)=(1)+(2)+(3)	(34,829)	38	(34,867)
Effect of currency conversion differences	(17,101)	-	(17,101)
Cash and cash equivalents at the beginning of the period	241,961	(4,102)	246,063
Cash and cash equivalents at the end of the period	190,031	(4,064)	194,095

Reconciliation of the Consolidated Income Statement for the quarter ended on 31 March 2013:

	1st Q 13 "Restated"	Application of IFRS 11	1st Q 13
Operating income:			
Sales and services rendered	342,310	30	342,280
Other operating income	11,601	(9)	11,610
Total operating income	353,911	21	353,890
Operating costs:			
Cost of sales	(110,343)	-	(110,343)
Change in production	(1,094)	-	(1,094)
External supplies and services	(108,977)	168	(109,145)
Staff costs	(62,069)	8	(62,077)
Amortisation and depreciation	(14,276)	3	(14,279)
Provisions and impairment losses in depreciable and amortisable assets and Goodwi	(1,294)	(174)	(1,120)
Other operating costs	(17,563)	(1)	(17,562)
Total operating costs	(315,616)	4	(315,620)
Net operating income	38,295	25	38,270
Financial costs and losses	(42,568)	16	(42,584)
Financial income and gains	16,918	(36)	16,954
Earnings from investment activities:			
Earnings from associates and joint ventures	(326)	(5)	(321)
Other	1,452		1,452
Financial results	(24,524)	(25)	(24,499)
Earnings before tax	13,771	-	13,771
Income tax	(6,981)	-	(6,981)
Consolidated net income for the quarter	6,790	-	6,790
Net income attributable to:			
Shareholders	7,173	-	7,173
Non-controlling interests	(383)	-	(383)
Earnings per share:			
Basic (euros)	0.02	-	0.02
Diluted (euros)	0.02	-	0.02

4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 31 March 2014, TEIXEIRA DUARTE, S.A. and the following controlled companies were included in the consolidation, by the full method:

Corporate name	Head office	Effective percentage holding
<u>INTERNAL MARKET</u>		
CONSTRUCTION		
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%
CONCESSIONS AND SERVICES		
INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.	Praça do Bom Sucesso, nº 61 - Escritórios 501 e 502 Porto	100.00%
MARINERTES, S.A.	Edifício 1, Lagoas Park Porto Salvo	51.00%
RECOLTE – Serviços e Meio Ambiente, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
SATU-Oeiras - Sistema Automático de Transporte Urbano, S.A. (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%
REAL ESTATE		
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%
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	100.00%

Corporate name	Head office	Effective percentage holding
HOTEL SERVICES		
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%
GO CORP TRAVEL SOLUTIONS – Agência de Viagens, S.A.	Rua da Comunidade Lusíada, nº 2, Letra C 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%
DISTRIBUTION		
BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - DISTRIBUIÇÃO S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
ENERGY		
ACG - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	48.61%
DIGAL - Distribuição e Comércio, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	47.50%
DNGÁS - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
MULTIGÁS - Sociedade Comercial e Distribuidora de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	47.50%
PETRIN - Petróleos e Investimentos, S.A. (b)	Edifício 1, Lagoas Park Porto Salvo	47.91%
PPS - Produtos Petrolíferos, S.A. (b)	Edifício 1, Lagoas Park Porto Salvo	50.00%
PTG - SGPS, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
TANQUIGÁS - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	47.50%
TDARCOL - SGPS, S.A. (c)	Edifício 1, Lagoas Park Porto Salvo	50.00%
AUTOMOTIVE		
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%

Corporate name	Head office	Effective percentage holding
OTHER		
C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 1, Lagoas Park Porto Salvo	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%
<u>EXTERNAL MARKET</u>		
<u>SOUTH AFRICA</u>		
DISTRIBUTION		
Global Net Distributors (Pty) Ltd.	Po Box 15318 Farrarmere – Benon – Gauteng 1518 South Africa	100.00%
<u>ANGOLA</u>		
CONSTRUCTION		
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
CONCESSIONS AND SERVICES		
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%
REAL ESTATE		
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%
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%
HOTEL SERVICES		
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%
HOTEL TRÓPICO, S.A.	Rua da Missão, 103 Luanda	80.00%

Corporate name	Head office	Effective percentage holding
URBANGO - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
DISTRIBUTION		
CND – Companhia Nacional de Distribuição, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	100.00%
DCG – Distribuição e Comércio Geral, Lda.	Avenida Pedro de Castro Van - Dúnem Luanda	100.00%
AUTOMOTIVE		
AUTO COMPETIÇÃO Angola, Lda.	Rua Eugénio de Castro, Instalações do Cine Atlântico - Luanda	100.00%
AUTO 8, Lda.	Via A-1, Lote CCB-5 - Pólo Automóvel Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Rua Frederich Engels, 9 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Rua Amílcar 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%
ALGERIA		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Algiers	99.94%
BRAZIL		
CONSTRUCTION		
EMPA - Serviços de Engenharia, S.A.	Rua Major Lopes, 800 Bairro São Pedro - Belo Horizonte	100.00%
SOMAFEL Brasil – Obras Ferroviárias e Marítimas, Ltda.	Rua Major Lopes, 800 – sala 306 Bairro São Pedro – Belo Horizonte	60.00%
CONCESSIONS AND SERVICES		
GONGOJI Montante Energia, S.A.	Rua Major Lopes, 800 - sala 310 Bairro São Pedro - Belo Horizonte	100.00%
PAREDÃO de Minas Energia, S.A.	Rua Major Lopes, 800 - sala 306 Bairro São Pedro - Belo Horizonte	100.00%
TABOQUINHA Energia, S.A.	Rua Major Lopes, 800 - sala 308 Bairro São Pedro - Belo Horizonte	100.00%
REAL ESTATE		
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%

Corporate name	Head office	Effective percentage holding
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 – Verum Mooca, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
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	92.50%
TDSP – Dionísio da Costa, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.50%
TDSP - 11, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - 12, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP – Volta Redonda, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - 14, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista IV, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - 16, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - 17, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
DISTRIBUTION		
TDD - Distribuição Brasil, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	100.00%
CYPRUS		
OTHER		
LEVENEL, Limited	Irakli, Egkomi, 2413 Nicosia	100.00%
SPAIN		
CONCESSIONS AND SERVICES		
RECOLTE, Servicios Y Medioambiente, S.A.U.	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%

Corporate name	Head office	Effective percentage holding
<u>GIBRALTAR</u>		
CONSTRUCTION		
Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100.00%
<u>MACAU</u>		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Rua de Xangai, 175 Edifício Assoc. Comercial de Macau, 10 A Macau	100.00%
<u>MOZAMBIQUE</u>		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. 24 de Julho, 141 Maputo	74.46%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. 24 de Julho, 141 Maputo	69.55%
REAL ESTATE		
IMOPAR - Centro Comercial de Maputo, S.A.R.L.	Av. 24 de Julho, 135 Maputo	100.00%
HOTEL SERVICES		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. 24 de Julho, 135 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. 24 de Julho, 141 Maputo	98.72%
<u>NAMIBIA</u>		
CONCESSIONS AND SERVICES		
KARIBIB Portland Cement (PTY)	P O Box 9574 Windhoek Namibia	95.00%
KPC Trading and Services	P O Box 2143 Windhoek Namibia	57.00%
SQUIRREL Investments 115 PTY, Ltd.	P O Box 2143 Windhoek Namibia	95.00%
<u>RUSSIA</u>		
CONCESSIONS AND SERVICES		
MMK Cement, Limited Liability Company	Murmansk Russia	70.00%

Corporate name	Head office	Effective percentage holding
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VENEZUELA

CONSTRUCTION

Consorcio Boyacá – La Guaira	Av. San Juan Bosco Ota Coromoto no Aplica Urb. Altamira – Caracas Venezuela	57.20%
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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.

5 - CHANGES IN THE CONSOLIDATION PERIMETER

During the quarter ended on 31 March 2014, no companies entered or left the consolidation perimeter, relative to the consolidation perimeter as at 31 December 2013.

6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency as at 31 March 2014 and 31 December 2013, as well as the earnings of operations developed in countries where the functional currency is different from the Euro, for the quarters ended on 31 March 2014 and 2013:

Currency	Closing rate			Average rate		
	31/03/2014	31/12/2013	Var	31/03/2014	31/03/2013	Var
US Dollar	1.3788	1.3791	(0.02%)	1.3727	1.3170	4.23%
Macaense Pataca	11.0182	11.0141	0.04%	10.9707	10.5219	4.27%
Mozambican Metical	41.8200	41.2400	1.41%	41.5575	39.5075	5.19%
Venezuelan Bolivar (a)	14.7532	8.6774	70.02%	15.4689	6.9509	122.55%
Angolan Kwanza	133.9980	134.5920	(0.44%)	133.4458	126.0405	5.88%
Algerian Dinar	108.1372	108.1034	0.03%	107.2769	103.2285	3.92%
Moroccan Dirham	11.2296	11.2621	(0.29%)	11.2338	11.1469	0.78%
Brazilian Real	3.1276	3.2576	(3.99%)	3.2200	2.6376	22.08%
Ukrainian Hryvnia	15.6839	11.3638	38.02%	13.1292	10.6882	22.84%
Namibian Dollar	14.5875	14.5660	0.15%	14.7989	11.7131	26.34%
Cape Verdean Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian Rouble	48.7800	45.3246	7.62%	47.9490	40.2378	19.16%
Tunisian Dinar	2.1797	2.2701	(3.98%)	2.1998	2.0621	6.68%
South Africa Rand	14.5875	14.5660	0.15%	14.7989	11.7131	26.34%
Columbian Peso	2,715.9300	2,661.6600	2.04%	2,732.2850	na	-

(a) As mentioned in the Introduction, following the new law issued in 2014 by Venezuela (Foreign Exchange Agreement number 25), which establishes a new foreign exchange rate for certain currency sale transactions, applicable as of 24 January 2014, there was significant devaluation of the Venezuelan bolívar during this quarter. Specifically, this legislation is applicable for the settlement of currency sale transactions intended, namely, for the payment of "international investments" (a concept which includes the repatriation of start-up capital and remittance of interest and dividends). The settlement of currency for these transactions will be made at the exchange rate arising from the last allocation of currency made through the auction system (SICAD).

7 – SEGMENTAL INFORMATION

The Group organises its activity according to the following business segments:

- Construction;
- Concessions and services;
- Real estate;
- Hotel services;
- Distribution;
- Energy;
- Automotive.

The sales and services rendered and the earnings of each of operating segment referred to above, for the quarters ended on 31 March 2014 and 2013 "Restated", were as follows:

Segment	Sales and services rendered						Net operating income	
	1st Q 14			1st Q 13 "Restated"			1st Q 14	1st Q 13 "Restated"
	Customers abroad	Inter-segmental	Total	Customers abroad	Inter-segmental	Total		
Construction	175,430	28,697	204,127	160,781	15,449	176,230	35,926	11,760
Concessions and services	17,902	2,764	20,666	16,194	3,922	20,116	718	3,695
Real estate	22,344	2,636	24,980	21,644	3,285	24,929	9,827	4,882
Hotel services	15,238	3,184	18,422	18,253	2,191	20,444	1,290	4,585
Distribution	46,941	1,110	48,051	49,566	2,201	51,767	(2,267)	5,927
Energy	16,452	583	17,035	28,812	689	29,501	214	355
Automotive	62,212	2,577	64,789	47,060	2,781	49,841	12,028	10,705
Not allocated to segments	-	976	976	-	-	-	(3,957)	(3,636)
Elimination	-	(42,527)	(42,527)	-	(30,518)	(30,518)	(34)	22
	356,519	-	356,519	342,310	-	342,310	53,745	38,295
Financial costs and losses (Note 9)							(53,178)	(42,568)
Financial income and gains (Note 9)							32,986	16,918
Earnings from investment activities (Note 9)							(5,518)	1,126
Earnings before tax							28,035	13,771

Inter-segmental transactions are carried out under market conditions and terms, equivalent to transactions conducted with third parties.

The accounting policies in the different segments are consistent with the Group's policies.

Other information:

Segment	Fixed capital expenditure		Amortisation and depreciation through profit or loss		Provisions and impairment losses (a)	
	1st Q 14	1st Q 13 "Restated"	1st Q 14	1st Q 13 "Restated"	1st Q 14	1st Q 13 "Restated"
	Construction	9,159	18,474	9,100	7,946	1,189
Concessions and services	1,361	437	1,044	1,006	(256)	2
Real estate	2,758	187	1,310	611	-	(24)
Hotel services	13,197	923	1,919	2,582	-	-
Distribution	9,502	2,327	1,577	1,215	-	-
Energy	341	2,953	421	452	-	-
Automotive	1,206	1,441	587	464	-	-
Not allocated to segments	-	-	1	-	-	-
	37,524	26,742	15,959	14,276	933	1,294

(a) Net impairment losses relative to depreciable and amortisable assets and goodwill.

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 31 March 2014 and 31 December 2013 "Restated", are as follows:

Segment	Assets								Liabilities	
	31/03/2014				31-12-2013 "Restated"				31/03/2014	31-12-2013 "Restated"
	Investments in associates and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total	Investments in associates and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total		
Construction	1,286	-	1,904,317	1,905,603	1,552	-	1,849,050	1,850,602	1,369,334	1,431,171
Concessions and services	783	24,560	231,996	257,339	842	25,208	232,336	258,386	179,160	176,292
Real estate	801	73,775	1,610,267	1,684,843	71	54,080	1,565,408	1,619,559	897,765	887,726
Hotel services	-	-	312,057	312,057	-	-	303,808	303,808	221,756	215,297
Distribution	-	-	228,037	228,037	-	-	221,756	221,756	200,004	184,806
Energy	24	-	74,834	74,858	24	-	76,064	76,088	47,386	49,271
Automotive	-	-	166,202	166,202	-	-	146,448	146,448	129,355	108,128
Not allocated to segments	33,706	7,264	1,030,342	1,071,312	33,972	5,325	971,611	1,010,908	222,834	211,041
Elimination	-	-	(2,944,992)	(2,944,992)	-	-	(2,708,312)	(2,708,312)	(923,398)	(845,217)
	36,600	105,599	2,613,060	2,755,259	36,461	84,613	2,658,169	2,779,243	2,344,196	2,418,515

The sales, services rendered and information on non-current non-monetary assets by geographical segment are broken down as follows for the quarters ended on 31 March 2014 and 2013 and as 31 March 2014 and 31 December 2013 "Restated", respectively:

Geographic segment	Sales and services rendered		Non-monetary non-current assets	
	1st Q 14	1st Q 13	31/03/2014	31-12-2013
		"Restated"		"Restated"
Portugal	55,796	73,307	608,024	608,311
Angola	160,093	181,518	398,439	369,578
Algeria	17,287	13,484	11,577	12,395
Brazil	33,073	18,333	53,044	52,643
Spain	7,032	6,450	13,625	12,946
Mozambique	10,477	12,188	26,308	24,911
Venezuela	71,722	34,559	20,063	33,343
Other	1,039	2,471	1,247	1,341
	356,519	342,310	1,132,327	1,115,468

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

8 - OPERATING INCOME

For the quarters ended on 31 March 2014 and 2013 "Restated", operating income was as follows:

	1st Q 14	1st Q 13 "Restated"
Sales and services rendered:		
Sales	287,103	289,470
Services rendered	69,416	52,840
	356,519	342,310
Other operating income:		
Supplementary income	922	1,369
Reversal of impairment losses in accounts receivable	648	267
Divestment of assets (a)	148	717
Own work capitalised (b)	131	3,014
Reversal of inventory impairment losses	64	1,384
Inventory gains	35	2,348
Tax refunds	2	1,219
Variation in the fair value of investment properties	-	260
Other operating income	1,920	1,023
	3,870	11,601
	360,389	353,911

(a) The gains indicated above were obtained through the divestment of tangible fixed assets.

(b) Own work capitalised essentially corresponds to costs associated to the construction of properties.

9 - FINANCIAL RESULTS

The financial results for the quarters ended on 31 March 2014 and 2013 "Restated" were as follows:

	1st Q 14	1st Q 13 "Restated"
Financial costs and losses:		
Interest paid	(22,747)	(18,887)
Unfavourable currency conversion differences	(24,648)	(17,466)
Other financial costs and losses	(5,783)	(6,215)
	(53,178)	(42,568)
Financial income and gains:		
Interest received	2,906	4,144
Favourable currency conversion differences	29,324	11,771
Cash discounts received	82	129
Other financial income and gains	674	874
	32,986	16,918
Earnings from investment activities:		
Earnings from associates and joint ventures (a)	(5,900)	(326)
Dividends (b)	137	1,146
Other investments	245	306
	(5,518)	1,126
Financial results	(25,710)	(24,524)

(a) The earnings from associates and joint ventures for the quarters ended on 31 March 2014 and 2013 "Restated" correspond to the effect of the application of the equity method to these investments (Note 15).

(b) As at 31 March 2014, the values presented correspond to dividends received from "Other Investments" (873 thousand euros as at 31 March 2013). As at 31 March 2013, 273 thousand euros were also received from "Financial assets available for sale".

During the quarters ended on 31 March 2014 and 2013, no interest was capitalised on the acquisition cost of qualifying assets.

10 - INCOME TAX

"TD, SA" is subject to the special taxation regime for corporate groups (RETGS), which covers all the companies in which it holds a stake, directly or indirectly, of at least 75% of the respective share capital, provided that this stake confers more than 50% of the voting rights and that they are also resident in Portugal and taxed under the general regime of Corporate Income Tax ("IRC").

All the other participated companies, not covered by the special taxation regime for corporate groups, are taxed individually, based on their respective tax bases and applicable rates of Corporate Income Tax, Municipal Surcharge and State Surcharge.

"TD, S.A." and most of the companies in which it holds a stake, based in Portugal, are subject to Corporate Income Tax ("IRC") at the rate of 23%. Entities which record taxable profit are also subject to the Municipal Surcharge, whose rate may vary to the maximum of 1.5%, as well as the State Surcharge, incident on the portion of taxable profit in excess of 1,500,000 euros, 7,500,000 euros and 35,000,000 euros, at the rates of 3%, 5% and 7%, respectively. Regardless of the profit for tax purposes recorded for the year, the entities referred to above are also subject to autonomous taxation on the expenses and at the rates established in article 88 of the Corporate Income Tax Code.

In the calculation of the taxable profit, to which the aforesaid tax rates are applied, non-acceptable amounts for tax purposes are added to and subtracted from the book value profit or loss. These differences between the book value profit or loss and the profit or loss for tax purposes may be of a temporary or permanent nature.

Pursuant to the legislation in force, tax returns in Portugal may be reviewed and corrected by the tax authorities for a period, in general, of four years (five years for Social Security).

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 reported as at 31 March 2014.

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 17).

The income taxes recognised for the quarters ended on 31 March 2014 and 2013 are as follows:

	1st Q 14	1st Q 13
Current tax:		
Income tax in Portugal	(11,258)	(5,395)
Income tax in other jurisdictions	(11,370)	(10,235)
Current tax	(22,628)	(15,630)
Deferred tax (Note 17):	8,349	8,649
	(14,279)	(6,981)

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to (4,714) thousand euros were recorded directly in equity as at 31 March 2014 ((942) thousand euros as at 31 March 2013) (Note 17).

11 - EARNINGS PER SHARE

The earnings per share for the quarters ended on 31 March 2014 and 2013 were calculated taking into account the following amounts:

	1st Q 14	1st Q 13
Net income for the effect of calculating earnings per basic share (net income for the period)	15,948	7,173
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420,000	420,000
Earnings per basic share	0.04	0.02

Due to the fact that, for the quarters ended on 31 March 2014 and 2013, there are 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 Company's separate financial statements relative to 31 December 2013 have not yet been approved by the Shareholders, and the General Meeting of Shareholders has been called for 31 May 2013.

13 - TANGIBLE FIXED ASSETS

During the quarters ended on 31 March 2014 and 2013 "Restated", 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	Basic equipment	Transport equipment	Tools & utensils	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tang. fixed assets	Total
Gross assets:										
Balance as at 1 January 2013	33,826	409,337	377,713	79,540	36,989	40,078	18,721	43,985	183	1,040,373
Currency conversion adjustments	(223)	4,909	687	493	170	542	396	(587)	(54)	6,333
Additions	-	637	9,898	1,872	777	404	632	9,819	-	24,039
Transfers and write-offs	(2)	(1,533)	1,235	488	(61)	(51)	(2,285)	3,079	(129)	740
Divestments	(33)	(197)	(835)	(657)	(27)	(215)	(3)	-	-	(1,967)
Balance as at 31 March 2013	33,568	413,153	388,698	81,736	37,848	40,758	17,461	56,296	-	1,069,518
Balance as at 1 January 2014	31,683	434,063	406,263	82,356	41,065	41,134	10,004	65,873	-	1,112,441
Currency conversion adjustments	87	(1,053)	(1,480)	32	(245)	(373)	77	(2,460)	-	(5,415)
Additions	-	634	3,761	2,507	462	403	2,082	27,401	-	37,250
Transfers and write-offs	(141)	3,673	(1,060)	400	411	(43)	363	11,264	-	14,867
Divestments	-	(73)	(1,425)	(433)	(4)	(79)	-	-	-	(2,014)
Balance as at 31 March 2014	31,629	437,244	406,059	84,862	41,689	41,042	12,526	102,078	-	1,157,129
Accumulated depreciation and impairment losses:										
Balance as at 1 January 2013	166	112,976	274,235	57,894	28,893	31,316	5,155	-	-	510,635
Currency conversion adjustments	-	353	984	504	11	513	42	-	-	2,407
Reinforcements	-	3,719	6,366	2,496	625	712	122	-	-	14,040
Transfers and write-offs	-	(161)	56	(40)	(69)	(35)	(7)	-	-	(256)
Divestments	-	(165)	(608)	(637)	(26)	(184)	(3)	-	-	(1,623)
Balance as at 31 March 2013	166	116,722	281,033	60,217	29,434	32,322	5,309	-	-	525,203
Balance as at 1 January 2014	166	133,284	280,370	58,481	31,097	32,367	5,442	-	-	541,207
Currency conversion effect	-	(342)	(248)	20	(194)	(83)	-	-	-	(847)
Reinforcements	-	4,060	7,730	2,226	715	765	165	-	-	15,661
Transfers and write-offs	-	(174)	(1,886)	101	(62)	(4)	(2)	-	-	(2,027)
Divestments	-	(39)	(1,151)	(381)	(3)	(75)	-	-	-	(1,649)
Balance as at 31 March 2014	166	136,789	284,815	60,447	31,553	32,970	5,605	-	-	552,345
Net value:										
As at 31 March 2013	33,402	296,431	107,665	21,519	8,414	8,436	12,152	56,296	-	544,315
As at 31 March 2014	31,463	300,455	121,244	24,415	10,136	8,072	6,921	102,078	-	604,784

The additions to tangible fixed assets carried out during the quarter ended on 31 March 2014 essentially refer to investments in facilities and equipment.

As at 31 March 2014, the tangible assets in progress include 75,316 thousand euros relative to buildings and other constructions in progress, in particular the following:

- For the Hotel sector, the remodelling of Hotel Trópico in Angola;
- For the Distribution sector, the expansion of the network of shops in Angola;
- For the Energy sector, the development of the tank facility project in Aveiro.

14 - INVESTMENT PROPERTIES

During the quarters ended on 31 March 2014 and 2013, the movement which occurred in investment properties was as follows:

	2014	2013
Balance as at 1 January	479,965	498,236
Currency conversion adjustments	16	2,517
Increases / divestments	(812)	(1,435)
Variation in fair value	(427)	260
Transfer of tangible fixed assets	-	12
Balance as at 31 March	478,742	499,590

The income gained from investment properties arising from operating lease contracts reached 8,119 thousand euros for the quarter ended on 31 March 2014 (7,999 thousand euros as at 31 March 2013). In the quarter ended on 31 March 2014, direct operating costs related to investment properties reached 739 thousand euros (973 thousand euros as at 31 March 2013).

15 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following associates and joint ventures were recorded through the equity method as at 31 March 2014:

Corporate name	Head office	Effective percentage holding
ALVORADA PETRÓLEO, S.A.	Rua Major Lopes, 800, 3º andar Belo Horizonte - Minas Gerais - Brazil	43.20%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret	27.00%
AVIAS - Grupo Ferroviário para a Alta Velocidade, ACE	Edifício 1, Lagoas Park Porto Salvo	14.10%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	21.32%
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%
CONSORCIO MINERO LUSO VARGAS C.A. (CONLUVAR)	Av. La Armada, Edifício Centro Socialista Demivargas, Piso 4 1162 La Guaira – Catia La Mar	49.00%
DOURO LITORAL, ACE	Edifício 8, 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%
IMOC - Empreendimentos Imobiliários, S.A.R.L.	Av. 24 de Julho, 135 Maputo	4.,92%
Limited Liability Company Cement	Khutorskya Str., 70 Odessa	49.00%
METROLIGEIRO - Construção de Infraestruturas, ACE	Estrada da Luz, 90 - 6º E Lisbon	26.80%
NOVA ESTAÇÃO, ACE	Av. Frei Miguel Contreiras, nº 54, 7º Lisbon	25.00%
RPK Gulfstream, Ltd.	Tri Ruchja str. 183003, Murmansk	42.70%
SCP AK10 - Empreendimentos e Participações SPE Ltda.	Avenida Alameda Santos, nº 960 - 19º, Edifício CYK, Cerqueira César, São Paulo	25.00%
SOMAFEL/FERROVIAS, ACE	Av. Columbano Bordalo Pinheiro, 93 - 7º Lisbon	36.00%
STELGEST - Gestão Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	45.00%
TEIX.CO, SPA	BP 62B Zone D'Active Dar El Beida Algiers	48.78%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park Porto Salvo	57.30%

Corporate name	Head office	Effective percentage
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		holding
TEIXEIRA DUARTE/OPCA - Fungere – Parcela 1.18 do Parque das Nações em Lisboa - 3 ^a 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 - 2 ^o C Lisbon	50.00%

The investments in associates showed the following movements during the quarters ended on 31 March 2014 and 2013 "Restated":

	Holdings	Goodwill	Total
Balance as at 1 January 2013	40,155	11,703	51,858
Effects of the application of the equity method:			
- Effect on net income for the period (Note 9)	(326)	-	(326)
- Effect on equity	(76)	-	(76)
Currency conversion adjustments	180	-	180
Other	366	3	369
Balance as at 31 March 2013	40,299	11,706	52,005
Balance as at 1 January 2014	24,768	11,693	36,461
Effects of the application of the equity method:			
- Effect on net income for the period (Note 9)	(5,900)	-	(5,900)
- Effect on equity	2,671	-	2,671
Increases	865	-	865
Currency conversion adjustments	(34)	2	(32)
Other	2,535	-	2,535
Balance as at 31 March 2014	24,905	11,695	36,600

The investments in associates and joint ventures as at 31 March 2014 and 31 December 2013 "Restated" are detailed as follows:

Associates	31/03/2014			31-12-2013 "Restated"		
	Holdings	Goodwill	Value of financial position	Holdings	Goodwill	Value of financial position
Limited Liability Company Cement (a)	16,072	11,643	27,715	16,072	11,643	27,715
IMOC - Empreendimentos Imobiliários, S.A.R.L.	5,991	-	5,991	6,257	-	6,257
RPK Gulfstream, Ltd.	783	-	783	842	-	842
Alvorada Petróleos, S.A.	728	-	728	-	-	-
SCP AK10 - Empreendimentos e Participações SPE Ltda.	21	52	73	21	50	71
Other	1,310	-	1,310	1,576	-	1,576
	24,905	11,695	36,600	24,768	11,693	36,461

(a) Financing loan of 16,072 thousand euros as at 31 March 2014 and 31 December 2013 "Restated".

The holdings referred to above are recorded through the equity method which, in the quarters ended on 31 March 2014 and 2013 "Restated", had the following impacts:

1st Q 14				
Associates	Gains and losses in associates (Note 9)	Adjustments of holdings	Dividends	Total
Alvorada Petróleos, S.A.	4	60	-	64
Limited Liability Company Cement	(5,324)	2,583	-	(2,741)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(621)	-	-	(621)
SCP AK10 - Empreendimentos e Participações SPE Ltda.	(1)	-	-	(1)
Other	42	28	-	70
	(5,900)	2,671	-	(3,229)

1st Q 13 "Restated"				
Associates	Gains and losses in associates (Note 9)	Adjustments of holdings	Dividends	Total
Alvorada Petróleos, S.A.	(157)	(21)	-	(178)
Limited Liability Company Cement	(137)	(56)	-	(193)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	65	641	-	706
SCP AK10 - Empreendimentos e Participações SPE Ltda.	(2)	-	-	(2)
Other	(95)	(640)	-	(735)
	(326)	(76)	-	(402)

16 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the quarters ended on 31 March 2014 and 2013, the movements which occurred in the valuation of the financial assets available for sale, stated at their respective fair value, were as follows:

	2014	2013
Fair value as at 1 January	84,613	48,597
Increase in fair value	20,986	7,346
Fair value as at 31 March	105,599	55,943

As at 31 March 2014 and 31 December 2013, the Group held 357,000,000 shares of Banco Comercial Português, S.A., classified as financial assets available for sale.

The financial assets available for sale, and their respective cost and market values, as at 31 March 2014 and 31 December 2013, are as follows:

	31/03/2014		31/12/2013	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	717,321	81,039	717,321	59,405
Banco Bilbao Vizcaya Argentaria, S.A.	35,958	24,560	35,958	25,208
	753,279	105,599	753,279	84,613

17 - DEFERRED TAXES

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

During the quarters ended on 31 March 2014 and 2013, the movements which occurred in deferred tax assets and liabilities, in accordance with the temporary difference which generated them, were as follows:

	Deferred tax assets		Deferred tax liabilities	
	2014	2013	2014	2013
Balance as at 1 January	188,514	111,912	52,693	57,979
Constitution / Reversal				
Net income (Note 10)	8,564	8,818	215	169
Equity	(4,906)	(942)	(192)	-
Currency conversion effect and adjustments	143	(515)	24	456
Balance as at 31 March	192,315	119,273	52,740	58,604

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

As of 1 January 2014, the deduction of tax losses in Portugal, including tax losses recorded in previous periods, is limited to 70% of the taxable profit for the year when this deduction is made.

18 - RELATED PARTIES

The transactions and balances between “TD, S.A.” and the Group's companies included in the consolidation perimeter, which are related parties, were eliminated in the consolidation process and are not disclosed in the present note. The balances and transactions between the Group and associates, joint ventures, related parties and individuals with significant voting rights and their own companies, are detailed below.

The terms or conditions applied between these related parties are, in substance, identical to those which would normally be contracted, accepted and applied between independent entities in comparable transactions.

The main balances with related entities as at 31 March 2014 and 31 December 2013 "Restated" are detailed as follows:

Entity	Balance receivable		Balance payable		Loans granted		Other debts	
	31/03/2014	31-12-2013 "Restated"	31/03/2014	31-12-2013 "Restated"	31/03/2014	31-12-2013 "Restated"	31/03/2014	31-12-2013 "Restated"
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	-	-	-	5,373	819	-	-
AEDL - Auto Estradas do Douro Litoral, S.A.	-	-	-	-	1,202	1,202	-	-
ALSOMA, GEIE	-	-	-	24	-	-	-	-
AVIAS, ACE	-	48	-	-	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	-	-	4	4	-	-
CONBATE, ACE	35	57	-	-	-	-	-	24
Minero Luso Vargas Consortium - CONLUVAR	2,793	4,783	358	779	-	-	3	6
OPSUT 2010 Consortium	1,414	1,560	424	-	-	-	-	-
DOURO LITORAL, ACE	71	50	62	61	-	-	-	(102)
DOURO LITORAL OBRAS ESPECIAIS, ACE	1	-	-	-	-	-	(269)	(269)
EIA - Ensino de Investigação e Administração, S.A.	9	-	-	-	-	-	(324)	(324)
GMP - Grupo Marítimo Português, ACE	70	58	10	10	-	-	-	-
GMP – Grupo Marítimo Português MEK, ACE	22	21	-	-	-	-	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	79	-	59	-	-	-	(48)
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	-	-	-	-	-	-	-	(1)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	4,525	1,554	-	-	-	-	(2,104)	(2,092)
Limited Liability Company Cement	147	-	-	-	16,072	16,072	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	-	-	-	150	150	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	20	14	1	1	-	-	-	(2)
Moreira e Cunha, Lda.	25	33	-	-	-	-	-	(80)
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	805	1,005	35	35	-	-	-	-
Promociones Inmobiliárias 3003, C.A.	-	55	-	-	-	-	(31)	(37)
RPK Gulfstream, Ltd.	-	-	-	-	2,045	2,200	-	-
SOMAFEL/FERROVIAS, ACE	-	1	-	-	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	-	19	-	-	-	-	(687)	(736)
TEGAVEN - Teixeira Duarte Y Asociados, C.A.	4,729	6,106	794	1,349	82	139	37,269	68,521
TEIX.CO SPA	1,381	1,381	720	720	-	-	(291)	(291)
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	65	64	11	6	-	-	-	(2)
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	24	17	71	54	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	1	35	35	-	-	-	(134)
NOVA ESTAÇÃO, ACE	-	-	-	-	-	-	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	3	-	-	-	-	-
	16,182	16,952	2,524	3,133	25,668	21,326	33,566	64,433

The main transactions carried out in the quarters ended on 31 March 2014 and 2013 "Restated", with related entities were as follows:

	Sales and services rendered		Purchases and services received		Interest debited	
	1st Q 14	1st Q 13 "Restated"	1st Q 14	1st Q 13 "Restated"	1st Q 14	1st Q 13 "Restated"
CONBATE, ACE	60	67	-	-	-	-
Minero Luso Vargas Consortium - CONLUVAR	55	499	2,885	2,212	-	-
OPSUT 2010 Consortium	139	598	186	646	-	-
DOURO LITORAL, ACE	15	25	5	-	-	-
GMP - Grupo Marítimo Português, ACE	12	-	-	-	-	-
GMP – Grupo Marítimo Português MEK, ACE	1	-	-	-	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	-	2	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2,329	5	62	21	-	-
Limited Liability Company Cement	-	-	-	-	442	442
METROLIGEIRO - Construção de Infraestruturas, ACE	5	-	-	-	-	-
Moreira e Cunha, Lda.	23	14	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	11	26	2	-	-	16
SOMAFEL/FERROVIAS, ACE	-	1	-	-	-	-
TEIX.CO SPA	-	-	-	-	-	-
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	-	5	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	11	15	17	-	-	-
TEGAVEN - Teixeira Duarte Y Associados, C.A.	29	-	73	-	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	3	-	-	-
	2,691	1,250	3,240	2,879	442	458

The remunerations of the members of the governing bodies of TD, S.A. for the quarters ended on 31 March 2014 and 2013 were as follows:

	1st Q 14	1st Q 13
Executive directors:		
Short term benefits	214	177
Supervisory board:		
Short term benefits	17	17
Chartered accountant:		
Short term benefits	15	15
	246	209

The remunerations of the members of the senior management staff of TD, S.A. for the quarters ended on 31 March 2014 and 2013 were as follows:

	1st Q 14	1st Q 13
Senior staff:		
Short term benefits	1,573	1,811
	1,573	1,811

19 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents

As at 31 March 2014 and 31 December 2013 "Restated", this heading is broken down as follows:

	31/03/2014	31-12-2013 "Restated"
Demand deposits	124,071	134,088
Term deposits	32,772	34,104
Other cash investments	6,081	2,704
Cash	8,989	15,545
	171,913	186,441

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

Cash flow from investment activities

The revenue derived from financial investments in the quarters ended on 31 March 2014 and 2013, refer to the divestment of holdings in the following entities:

	1st Q 14	1st Q 13
Banco Bilbao Vizcaya Argentaria, S.A.	10,654	5,642
Banco Comercial Português, S.A.	-	2,823
Other	-	219
	10,654	8,684

The payments relative to financial investments in the quarters ended on 31 March 2014 and 2013, refer to the acquisition of holdings in the following entities:

	1st Q 14	1st Q 13
Banco Bilbao Vizcaya Argentaria, S.A.	10,965	5,680
AEBT - Vias do Baixo Tejo, S.A.	4,554	-
Other	84	274
	15,603	5,954

The dividends received in the quarters ended on 31 March 2014 and 2013, were as follows:

	1st Q 14	1st Q 13
CPM - Companhia de Parques de Macau, S.A.R.L.	137	213
Banco Bilbao Vizcaya Argentaria, S.A.	-	375
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	392
Other	-	166
	137	1,146

20 - SHARE CAPITAL

As at 31 March 2014 and 2013, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of 0.50 euro each.

As at 31 March 2014, TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A. directly held 197,950,000 shares representing the share capital of TEIXEIRA DUARTE, S.A., corresponding to 47.13% of its share capital.

21 - RESERVES AND RETAINED EARNINGS

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

Fair value reserve: The fair value reserve arises from 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: The free reserves are available for distribution.

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

22 - LOANS

As at 31 March 2014 and 31 December 2013, the following loans had been raised:

	31/03/2014	31/12/2013
Non-current liabilities:		
Bank loans a)	199,765	209,200
Commercial paper b)	471,722	471,780
	671,487	680,980
Current liabilities:		
Bank loans a)	632,310	569,278
Commercial paper b)	62,500	112,348
	694,810	681,626
	1,366,297	1,362,606

a) Bank loans

As at 31 March 2014, the domestic bank loans, bank overdrafts and pledged current accounts earned interest at the weighted annual average rate of 4.83% (3.74% as at 31 March 2013).

As at 31 March 2014, the most significant bank loans contracted by the Group essentially correspond to:

Loan raised from Banco Caixa Geral (Spain), contracted on 11 February 2008 of the present value of 15,820 thousand euros, which will fall due on 11 February 2016.

Loan raised from Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A., contracted on 21 February 2008 of the present value of 47,276 thousand euros, which will be repaid in 40 equal and successive instalments, ending on 10 December 2033.

Loan raised from Banco BIC de Angola, contracted on 20 October 2008 of the present value of 1,815 thousand euros, which will fall due on 27 November 2014.

Loan taken out by the Group at Caixa Geral de Depósitos, S.A. on 30 December 2008, of the present value of 34,329 thousand euros, which will be repaid in 117 equal and successive monthly instalments, ending on 30 December 2023.

Loan raised from Banco Fomento de Angola, contracted on 6 February 2009 of the present value of 272 thousand euros, which will fall due on 30 September 2014.

Loan raised from Banco Caixa Geral Totta Angola, contracted on 21 December 2011 of the present value of 14,715 thousand euros, which will fall due on 28 February 2019.

Loan raised from Banco Espírito Santo de Investimento, S.A., contracted on 29 December 2011, of the present value of 1,352 thousand euros, which will fall due on 27 November 2015.

Loan raised from Banco Bradesco, S.A., contracted on 27 March 2012 of the present value of 8,034 thousand euros, which will fall due on 27 November 2015.

Loan raised from Banco BPI, S.A., contracted on 19 July 2012 of the present value of 2,139 thousand euros, which will fall due on 19 July 2015.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the present value of 11,940 thousand euros, which will fall due on 5 December 2019.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the present value of 26,513 thousand euros, which will fall due on 13 December 2019.

Loan raised from Banco Privado Atlântico, contracted on 12 October 2012 of the present value of 20,135 thousand euros, which will fall due on 18 October 2017.

Loan raised from Banco Popular Portugal, S.A., contracted on 13 December 2012, of the present value of 5,419 thousand euros. The present principal will be repaid over the contract period, and in accordance with the table of agreed haircuts, by the product of the sale of the mortgaged real estate properties, with the remainder being settled through bullet repayment on 13 December 2015.

Factoring line from Banco Espírito Santo, S.A. of the amount of 35,000 thousand euros, which is being used to the value of 34,887 thousand euros.

Under a credit line from Caixa Geral de Depósitos, S.A. of the amount of 35,000 thousand dollars of the United States of America, for advances on revenue from invoices relative to exports, which is used to the value of 19,456 thousand dollars.

Under a Commercial Discount Line abroad (advance of credit letters), at Banco Espírito Santo, S.A. of the amount of 40,000 thousand euros, which is being used to the value of 19,466 thousand euros as at 31 March 2014.

As at 31 March 2014 and 31 December 2013, the bank loans also include pledged current accounts of the value of 492,449 and 453,408 thousand euros, respectively.

b) Commercial paper

As at 31 March 2014, the Group had negotiated the following commercial paper programmes:

- Grouped programme for the placing and underwriting of commercial paper contracted with Banco Espírito Santo de Investimento, S.A. and Banco Espírito Santo, S.A. on 16 December 2005, to the sum of 100,000 thousand euros, currently 46,000 thousand euros, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. and its associate TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. take part, 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, counted as of the contract signing date. The issue periods are from 1 to 6 months and earn interest in advance at the Euribor rate of the period plus a spread of 2.5%, with the repayment of the last issue being on 20 August 2018. This programme stipulates semi-annual repayments starting on 20 August 2015 of the value of 1,000 thousand euros on the first date and 2,500 thousand euros thereafter, and settlement of the remaining value on the repayment date of the last issue of the programme.

Programme for the placing and underwriting of commercial paper commercial paper, contracted with Banco Comercial Português, S.A. on 18 August 2008, of 20,000 thousand euros, with annual renovation. The interest is earned in arrears, with the rate being indexed to the three-month Euribor plus a spread of 5.75% determined according to each issue date.

Programme for the placing and underwriting of commercial paper commercial paper, contracted with Banco Comercial Português, S.A. on 18 August 2008, of 25,000 thousand euros, with annual renovation. The interest is earned in arrears, with the rate being indexed to the three-month Euribor plus a spread of 5.75% determined according to each issue date.

Grouped programme, for the placing and underwriting of commercial paper contracted with Caixa Geral de Depósitos, S.A. on 7 July 2010, to the 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. take part, with the entire amount being used by TEIXEIRA DUARTE - Engenharia e Construções, S.A. The participation of each company in each programme may vary each time it is used. The programme was reduced to 60,000 thousand euros on 28 April 2011 and renewed on 11 May 2012 for a further 3 years counted as of 14 April 2012. The current amount is 50,000 thousand euros, with another repayment of 10,000 thousand having been established for 14 May 2014. 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 5.25% and determined in accordance with the date of each auction.

Programme for the placing and underwriting of commercial paper contracted with Banco Espírito Santo Investimento, S.A. and Banco Espírito Santo, S.A. on 28 December 2010, of the amount of 34,000 thousand euros, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. participates. The programme had an initial use of three years, which was extended up to 28 January 2015 counted 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 3% 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, S.A., with the total amount 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. take part, 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 five years, starting from the contract signing date, the interest is earned on a six-monthly basis 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 4.375% and determined according to the date of each auction, with the repayment of the last issue being made on 6 January 2016.

Grouped programme for the placing and underwriting of commercial paper contracted on 28 December 2011, with Banco Comercial Português, S.A. of the total amount of 43,000 thousand euros, currently 36,000 thousand euros, in which TEIXEIRA DUARTE, S.A., TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. take part, where on this date the amounts used by each were 250 thousand euros, 250 thousand euros and 35,500 thousand euros, respectively. Each of the future issues must necessarily be carried out together by all the issuers and the participation of each issuer cannot be less than 250 thousand euros. The programme may be used over seven years counted as of the date of the first issue, with repayments being foreseen at the end of each semester at increasing values between 2,000 thousand euros and 6,500 thousand euros. The applicable interest rate is the Euribor for each issue period, in force on the second business day prior to its beginning, increased by a spread of 4.25%.

Grouped programme for commercial paper issues, contracted on 6 November 2013 with Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A., of the value of 100,000 thousand euros, in which Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and Teixeira Duarte – Engenharia e Construções, S.A. participate, with the amounts of 90,000 thousand euros and 10,000 thousand euros, respectively. The participation of each company in the programme may vary in each of its issues. The duration of the programme is five years, counted as of the contract signing date, with the interest falling due in advance and the reference rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus a spread of 5.00% and determined according to the date of each auction, with the repayment of the last issue being on 6 November 2018. The Programme will be subject to partial repayments, to occur on a semi-annual basis as of May 2015 of 1,500 thousand euros, as of May 2016 of 2,000 thousand euros, and the penultimate instalment being in May 2018 of 2,500 thousand euros.

Grouped programme for commercial paper issues, contracted on 30 December 2013 with Banco Espírito Santo, S.A. and Banco Espírito Santo de Investimento, S.A., of the value of 203,000 thousand euros, granted by the issuers Teixeira Duarte – Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., and by the guarantors TEDAL – Sociedade Gestora de Participações Sociais, S.A., Teixeira Duarte – Engenharia e Construções, S.A., Quinta de Cravel – Imobiliária, S.A. and V8 – Gestão Imobiliária, S.A., which is being fully used by Teixeira Duarte – Engenharia e Construções, S.A.. The participation of each company in each programme may vary in each of its issues. The duration of the programme is five years minus 1 day, counted as of the contract signing date, with the interest falling due in advance and the reference rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus a spread of 5.00% and determined according to the date of each auction, with the repayment of the last issue being on 29 November 2018. The Programme will be subject to partial repayments, to occur on a semi-annual basis as of April 2014 of 1,250 thousand euros, on December 2015 of 8,000 thousand euros, and as of June 2016 of 5,000 thousand euros.

As at 31 March 2014 and 31 December 2013, the repayment of non-current bank loans is defined as follows:

	31/03/2014	31/12/2013
2015	168,908	164,209
2016	67,685	82,051
2017	46,778	46,190
2018	318,113	323,461
2019 and following	70,003	65,069
	671,487	680,980

As at 31 March 2014 and 31 December 2013, the funding in foreign currency was expressed as follows:

Currency	31/03/2014		31/12/2013	
	Currency	Euro	Currency	Euro
Venezuelan Bolivar	968,637	65,656	409,000	47,134
US Dollar	45,418	32,940	80,572	58,423
Moroccan Dirham	691	62	-	-
Angolan Kwanza	14,436,881	107,740	12,754,485	94,764
South African Rand	1,218	84	1,117	77
Brazilian Real	45,304	14,485	40,487	12,428

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

23 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Contingent liabilities:

Following various inspections conducted by the Taxation and Customs Authority (AT) to the accounts of TEIXEIRA DUARTE - Gestão de Participações Investimentos Imobiliários, S.A. ("TDGP II, S.A."), a company 100% held indirectly by TEIXEIRA DUARTE, S.A. relative to the financial years of 2007 to 2011, the following corrections were made to the tax losses that had initially been reported for this participated company:

Year	Calculated tax loss	AT Correction
2007	46,632	29,331
2008	50,590	45,938
2009	50,182	24,807
2010	18,165	6,467
2011	12,779	3,213

With the exception of the amount of 611 thousand euros included in the correction to the tax loss for 2008 (relative, according to the AT, to the undue application of number 10 of article 22 of the EBF to the distribution of income by the TDF Real Estate Investment Fund), these corrections arise entirely from the non-acceptance, as a tax cost, of the financial costs incurred with the investment made 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 (RETGS) (article 69 and following of the IRC Code), the corrections to the tax losses of the financial years of 2008 and 2009 were the object of Statements of Payment of IRC and compensatory interest issued to the controlling company, TEIXEIRA DUARTE - Engenharia e Construções, S.A., which filed judicial reviews at the Administrative and Fiscal Court of Sintra.

During 2013, "TD-EC, SA", as the controlling company, was notified of the Report of Conclusions for the financial year of 2010 and consequent additional Statements of Payment of IRC and compensatory interest associated to the corrections for the financial year of 2010. The Company is currently preparing the corresponding objection, considering the applicable legal periods.

Notwithstanding the unfavourable outcome to the claims of "TDGP II, S.A." and, consequently, the controlling company, under the proceedings relative to the financial year of 2006, the Board of Directors continues to expect a different outcome for the other financial years under court proceedings.

It should be noted that the Statement of Payment of IRC and compensatory interest for the financial year of 2008 issued to "TD-EC, S.A.", as the controlling company, apart from the corrections described above relative to the participated company "TDGPII, S.A.", also includes a correction to the taxable profit calculated at an individual level for "TD-EC, S.A."

The total amount of corrections to taxable profit reached 35,467 thousand euros, of which "TD-EC, S.A." objected to 32,595 thousand euros, related to tax credit, the system of re-investment of tax gains and the undue application of number 10 of article 22 of the EBF.

The correction relative to the financial year of 2011 for the participated company "TDGPII, S.A." had not been the object of any additional payment required by the controlling company, as at the closing date of March 2014.

Guarantees:

As at 31 March 2014 and 31 December 2013 "Restated", the group of companies included in the consolidation had provided the following guarantees to third parties:

	31/03/2014	31-12-2013 "Restated"
Bank guarantees provided	309,353	326,831
Fidelity insurance	295,811	379,078

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

TEIXEIRA DUARTE - Engenharia e Construções, 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, Serviços e Meio Ambiente, S.A., RECOLTE, Servicios y Medioambiente, S.A.U., EMPA - Serviços de Engenharia, S.A. and the Boyacá - La Guaira Consortium, have provided completion bonds in order to guarantee the good implementation of works and services rendered.

In order to secure the loan contract signed with Banco Caixa Geral, S.A., of the present value of 15,820 thousand euros, granted by RECOLTE, Servicios y Medioambiente, S.A.U., RECOLTE, Servicios y Medioambiente, S.A.U. pledged 2,400,000 shares of Banco Bilbao Vizcaya Argentaria, S.A.

A mortgage was also constituted in favour of Caixa Geral de Depósitos, S.A. 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 present value of 34,329 thousand euros.

In order to secure a contract signed with Banco Caixa Totta Angola, of the present value of 14,715 thousand euros, URBANGO - Gestão Imobiliária, Lda. mortgaged a property owned by it, number 256 - 1st section, located in Chicala.

In order to secure a contract signed with BIC, of the present value of 26,513 thousand euros, ANGOIMO - Empreendimentos e Construções, Lda. mortgaged a property owned by it, number 2554, located in Samba.

In order to secure a contract signed with BIC, of the present value of 11,940 thousand euros, ANGOIMO - Empreendimentos e Construções, Lda. mortgaged a property owned by it, number 2554, located in Samba.

In order to secure a loan contract signed with Banco BPI, S.A., of the present value of 2,139 thousand euros, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. mortgaged 12 fractions of the property located at Campo Grande, number 9 in Lisbon.

In order to secure the commercial paper contract signed on 28 December 2011 with Banco Comercial Português, S.A., of the present value of 36,000 thousand euros, granted by TEIXEIRA DUARTE, S.A., TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., constituted a general mortgage on the properties implanted respectively on lots 6, 18 and 19, located in Lagoas Park, owned by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.

In order to secure the loan of the present value of 5,419 thousand euros, signed with Banco Popular Portugal, S.A. on 13 December 2012, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A., QUINTA DE CRAVEL - Imobiliária, S.A. and V8 - Gestão Imobiliária, S.A., V8 - Gestão Imobiliária, S.A. mortgaged their fractions owned of the urban property located on Rua de Castro Portugal, numbers 497 and 511; Rua Professora Rita Lopes Ribeiro Fonseca, numbers 28, 34, 40, 46, 52, 58, 64, 70, 76, 80, 94 and 96; and Rua Doutor Miguel Assunção Lopes, number 15, Locality and Parish of Vila Nova de Gaia, as well as the fractions of the urban property called lot 14, located on Rua Guilherme Duarte Camarinha, numbers 30, 38, 42, 48, 54, 62, 70 and 74, and Rua Professora Rita Lopes Ribeiro Fonseca, numbers 12 and 18, Locality of Candal, Parish of Vila Nova de Gaia, for the total value of 5,419 thousand euros.

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

In order to secure the commercial paper contract signed with Banco Espírito Santo Investimento, S.A. and Banco Espírito Santo, S.A. of the value of 46,000 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 325,000,000 and 32,000,000 shares of Banco Comercial Português, S.A., respectively.

In order to secure the commercial paper contract signed with Banco Espírito Santo Investimento, S.A. and Banco Espírito Santo, S.A. of the value of 203,000 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 12,500,000 shares of EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A., 200,000.000 shares of C+P.A. – Cimentos e Produtos Associados, S.A., and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. pledged 1,325,000 participation units of the TDF Closed Real Estate Investment Fund. TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. constituted a voluntary mortgage on an urban property it owns, destined for warehouses, workshops, materials laboratory and parking of equipment, located on Avenida da Indústria, Alto Estanqueiro - Jardim, Montijo, of the value of 15,516 thousand euros. QUINTA DE CRAVEL – Imobiliária, S.A. also mortgaged the lots for construction numbers 8, 10, 11, 12, 13, 19, 26 and 31, located at Quinta de Cravel, Mafamude, Vila Nova de Gaia, for the total value of 6,839 thousand euros. V8 – Gestão Imobiliária, S.A. mortgaged the lots for construction numbers 1, 2, 3, 5, 6, 8 and 16, 18, 20 and 30 located at Empreendimento Santa Maria Design District, Santa Marinha, Vila Nova de Gaia, for the total value of 30,079 thousand euros.

In order to secure the commercial paper contract signed with Caixa Geral de Depósitos, S.A. of the value of 70,000 thousand euros, currently 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. pledged 4,550,000 participation units of the TDF Closed Real Estate Investment Fund. As at the date of the present report, the programme was being entirely used by TEIXEIRA DUARTE – Engenharia e Construções, S.A.

In order to secure the commercial paper contract signed with Banco Espírito Santo de Investimento, S.A. and Banco Espírito Santo, 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 of TDGI - Tecnologia de Gestão de Imóveis, S.A.

In order to reinforce the guarantees provided under the financial lease contract signed on 31 December 2008 with Banco Comercial Português, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 9,000,000 shares of SOMAFEL - Engenharia e Obras Ferroviárias, S.A.

In order to secure debts to third parties, of the value of 560 thousand euros, IMOTD - SGPS, S.A. pledged 24,000 shares of V8, S.A.

In order to secure the loan contract granted by TDHOSP - Gestão de Edifício Hospitalar, S.A. of the present value of 47,276 thousand euros, TEIXEIRA DUARTE - Engenharia e Construções, S.A. pledged to Caixa Geral de Depósitos, S.A. and Caixa Banco de Investimentos, S.A., 1,540,000 shares of TDHOSP - Gestão de Edifício Hospitalar, S.A. Under the same loan 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 31 March 2014 and 2013, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached 448,613 thousand euros and 475,758 thousand euros, respectively.

As at 31 March 2014 and 31 December 2013, factoring contracts without right of recourse were in force, which were recorded as reduction of accounts receivable of the value of 87,458 thousand euros and 99,829 thousand euros, respectively. Pursuant to the contractual conditions, the Group's liability is essentially restricted to the guarantee of acceptance on the part of customers of the invoices which are the object of factoring.

Other:

As at 31 March 2014 and 31 December 2013, there were no inventories pledged to secure liabilities.

24 – MEASUREMENT AT FAIR VALUE

Estimated fair value - assets and liabilities measured at fair value

The table below presents the Group's assets and liabilities measured at fair value as at 31 March 2014, according to the following hierarchical levels of fair value:

- Level 1: the fair value of financial instruments is based on lending net market prices as at the reference date of the statement of financial position;
- Level 2: the fair value of financial instruments is not determined based on lending net market prices, but rather through use of valuation models;
- Level 3: the fair value of financial instruments is not determined based on lending net market prices, but rather through use of valuation models whose main inputs are not observable on the market;

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale	Shares	105,599	-	-
Financial assets at fair value through profit or loss	Shares	618	-	-
Investment properties	Buildings and land	-	478,742	-
Liabilities:				
Financial liabilities at fair value	Hedge derivatives	12,590	-	-

Except with respect to non-current loans, most financial assets and liabilities mature in the short term, hence it is considered that their fair value is identical to the respective book values.

Most of the loans are taken out at variable interest rates. Therefore, it is deemed that the corresponding book value (amortised cost) does not differ significantly from the respective market value.

25 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the quarter ended on 31 March 2014 were approved by the Board of Directors on 30 May 2014.

26 - SUBSEQUENT EVENTS

TEIXEIRA DUARTE pursued its activity in the different sectors and markets in which it operates, where the following relevant fact which occurred after the closing of the first quarter of 2014, which was disclosed in due time to the market:

Notification of the service order for new infrastructure work in Algeria, for the value of 121,749,760 euros

On 2 April 2014, the enterprise group which includes "Teixeira Duarte - Engenharia e Construções, S.A." was notified of the Service Order issued by the Algerian entity "AGA- Algérienne de Gestion des Autoroutes" for the contract "Réalisation des Installations et Equipements d'Exploitation de l'autoroute Este-Ouest, Lot Ouest" (Execution of facilities and equipment for the operation of the East-West Motorway, West Lot), in Algeria.

"Teixeira Duarte - Engenharia e Construções, S.A." is the leader of the enterprise group, holding a stake of 48%, with 46% belonging to the Algerian enterprise group "ETRHB HADDAD" and 6% to the Spanish "SICE, S.A.".

The contract has a foreseen period of twenty-three months counted from the aforesaid 2 April 2014 and an overall value of € 253,645,332 (two hundred and fifty-three million, six hundred and forty-five thousand and three hundred and thirty-two euros), increased by VAT at the legal rate in force, of which 35.7% is paid in euros and the remaining 64.3% in Algerian dinar. Pursuant to its share in the aforesaid enterprise group, "Teixeira Duarte - Engenharia e Construções, S.A." is entitled to receive € 121,749,760 (one hundred and twenty-one million, seven hundred and forty-nine thousand and sixty euros).