



**ANNUAL
REPORT**

2013



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Annual Report **2013**

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 509.234.526 at Cascais Commercial Register (Oeiras)

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Teixeira Duarte, S.A.

BOARD OF THE GENERAL MEETING

Chairman	Mr. Rogério Paulo Castanho Alves
Deputy Chairman	Mr. José Gonçalo Pereira de Sousa Guerra Constenla
Secretary	Mr. José Pedro Poiares Cobra Ferreira

BOARD OF DIRECTORS

Chairman	Mr. Pedro Maria Calainho Teixeira Duarte
Directors	Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte
	Mr. Joel Vaz Viana de Lemos
	Mr. Carlos Gomes Baptista
	Mr. Diogo Bebiano Branco de Sá Viana Rebelo
	Mr. Jorge Ricardo de Figueiredo Catarino

SUPERVISORY BOARD

Chairman	Mr. António Gonçalves Monteiro
Member	Mr. Mateus Moreira
Member	Mr. Miguel Carmo Pereira Coutinho
Alternate	Mr. Horácio Lisboa Afonso

CHARTERED ACCOUNTANT

Mariquito, Correia & Associados
Chartered Accountants Firm, represented by
Mr. António Francisco Escarameia Mariquito - ROC

COMPANY SECRETARY

Permanent	Mr. José Pedro Poiares Cobra Ferreira
Alternate	Mrs. Maria António Monteiro Ambrósio

REPRESENTATIVE FOR MARKET RELATIONS

Mr. José Pedro Poiares Cobra Ferreira

Teixeira Duarte - Engenharia e Construções, S.A.

BOARD OF THE GENERAL MEETING

Chairman	Mr. José Pedro Poiares Cobra Ferreira
Secretary	Mrs. Maria Filipa Rebelo Pereira de Matos Alves Torgo

BOARD OF DIRECTORS

Chairman	Mr. Pedro Maria Calainho Teixeira Duarte
Directors	Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte
	Mr. Joel Vaz Viana de Lemos
	Mr. João José de Gouveia Capelão
	Mr. João José do Carmo Delgado
	Mr. Fernando Paulo Baptista Gomes de Araújo
	Mr. Pedro Miguel Pinho Plácido
	Mr. Luís Augusto Tavares Moreira da Silva

STATUTORY AUDITOR

Permanent	Mariquito, Correia & Associados Chartered Accountants Firm, represented by Mr. António Francisco Escarameia Mariquito - ROC
Alternate	Júlio Alves, Mário Baptista & Associados Chartered Accountants Firm, represented by Mr. Júlio Lourenço Alves

COMPANY SECRETARY

Permanent	Mr. José Pedro Poiares Cobra Ferreira
Alternate	Mrs. Maria António Monteiro Ambrósio

TEIXEIRA DUARTE ORGANIZATIONAL CHART 2013

BOARD OF DIRECTORS

Adviser to the Board of Directors

Mr. António Costeira Faustino

Markets	
Portugal	South Africa
Angola	Cape Verde
▪ Delegation Mr. Valdemar Marques	China
Algeria	France
▪ Delegation Mr. Ricardo Acabado	Morocco
Brazil	Namibia
▪ Delegation Mr. João Delgado	Russia
Spain	São Tomé and Príncipe
▪ Delegation Mr. António Carlos Teixeira Duarte	
Mozambique	
▪ Delegation Mr. Carlos Timóteo	
Venezuela	
▪ Delegation Mr. Luís Alves	

Corporate Centre

Central Departments

Juridical

Mrs. Maria António Ambrósio

Management Systems and Technology

Mr. Agripino Fonseca
Mr. Ivo Rosa

Human Resources and Administrative Services

Mr. Ginja Sebastião
Mrs. Isabel Amador

Information Technology

Mr. José Gaspar

Finance and Accounting

Mr. Martins Rovisco
Mr. Sérgio Castro

Procurement

Mr. Leal da Silva

Corporate Services

Corporate Secretariat

Mr. José Pedro Cobra Ferreira

Accounts Consolidation

Mr. Alexandre de Jesus

Internal Audit

Mr. Mário Ferreira Faria

Activity Sectors

Construction

Central Departments

Geotechnics and Rehabilitation

Mr. Magalhães Gonçalves
Mr. Hélder Matos
Mr. João Pedro Lopes
Mr. Duarte Nobre
Mr. António Dinil

Edifications

Mr. Luís Mendonça
Mr. Fernando Martins
Mr. Luís Santos
Mr. Pedro Costa
Mr. Carlos Guedes

Infrastructures

Mr. Sampayo Ramos
Mr. Sousa Barros
Mr. Oliveira Rocha
Mr. Rosa Saraiva
Mr. Fernando Frias
Mr. Correia Leal

Mechanical Engineering

Mr. Henrique Nicolau

Shuttering and Prestressing Operating Centre

Mr. Marques dos Santos

Equipment

Mr. Rodrigo Ouro

Participated Companies

Underground Works

▪ **E.P.O.S., S.A.**
Mr. Costa Simões
Mr. Dias de Carvalho

Railway Works

▪ **SOMAFEL, S.A.**
Mr. Magalhães Gonçalves
Mr. Paulo Serradas

Maritime Works

▪ **OFM, S.A.**
Mr. Magalhães Gonçalves
Mr. Paulo Serradas

Central Departments

Planning and Studies

Mr. Garcia Fernandes
Mr. Luís Menezes
Mr. Pedro Nunes

Electromechanical Instalations

Mrs. Helena Galhardas

Infrastructure Studies

Mr. João Torrado

Projects

Mr. Baldomiro Xavier

Proposals

Mrs. Maria António Ambrósio

Concessions and Services

▪ **TDGI, S.A.**

Mr. Rogério Fonseca
Mr. Rodolfo Valentim

▪ **RECOLTE, S.A.**

Mr. Magalhães Gonçalves
Mr. Luís Carreira
Mr. Angel Rodriguez

▪ **SATU-OEIRAS, E.M., S.A.**

Mrs. Helena Galhardas

▪ **TDHOSP, S.A.**

Mr. Diogo Rebelo

▪ **EDUCARE, Lda.**

Mr. Viana de Lemos

Real Estate

Mr. Diogo Rebelo
Mr. Alfredo Silva

Hotel Services

Mr. Manuel Maria Teixeira Duarte
Mr. Luís Vicente

Distribution

Mr. Diogo Rebelo
Mr. Manuel Lopes

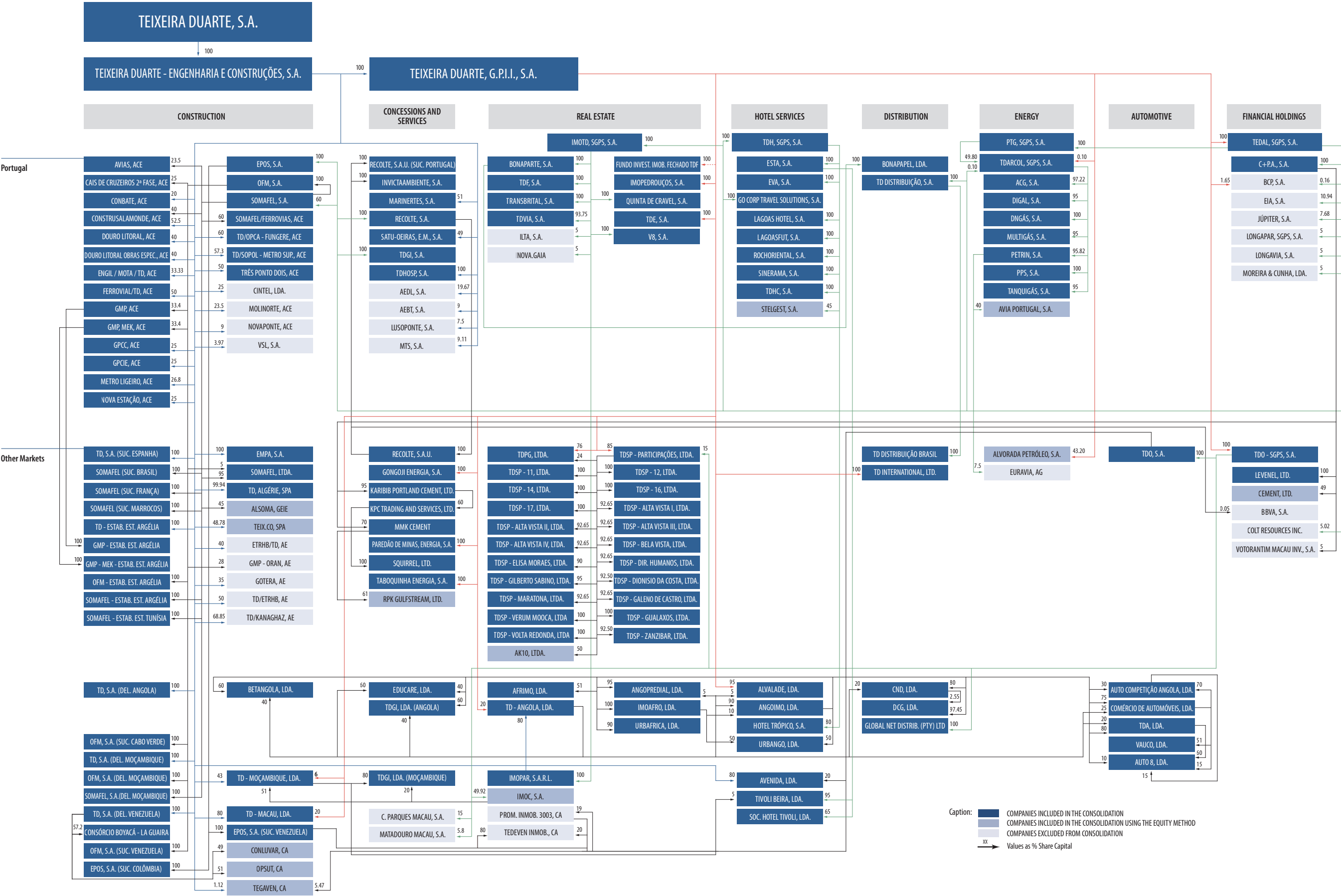
Energy

Mr. Artur Caracol

Automotive

Mr. Diogo Rebelo
Mr. Silva Pereira

TEIXEIRA DUARTE GROUP 2013



Teixeira Duarte, S.A.

Notes:
 The book values are expressed in million euros.
 The figures in the "Variation 2013/2012 %" column were calculated based on amounts that were not rounded off.
 Total Equity includes non-controlling interests.

	2009	2010	2011	2012	2013	Variation 2013/2012 %
Average number of workers	13,530	13,036	11,182	10,853	12,011	10.7%
Turnover	1,320	1,380	1,200	1,383	1,581	14.3%
Operating Income	1,423	1,445	1,263	1,440	1,630	13.2%
EBITDA	213	150	117	209	213	1.9%
EBITDA / Turnover Margin	16.1%	10.9%	9.8%	15.1%	13.5%	(10.8%)
EBIT	157	84	51	143	114	(20.4%)
Tangible fixed assets + Investment properties	983	1,042	1,037	1,028	1,051	2.3%
Investments in associates + Financial assets available for sale + Other investments	1,276	317	153	125	136	9.1%
Net Debt	1,993	1,067	927	990	1,173	18.5%
Total Equity	515	562	333	326	361	10.7%
Net Income Attributable to Shareholders	116	46	(200)	24	64	166.5%

Management Report of the Board of Directors **2013**



I. INTRODUCTION

The Board of Directors of "Teixeira Duarte, S.A." (TD,SA), in compliance with the regulatory and legal provisions for publicly traded companies, hereby presents its management report for the financial year of 2013.

The present report will address the consolidated activity of TD,SA as leader of the Business Group comprising the universe of holdings identified in the table of the "Teixeira Duarte Group - 2013" presented on the preliminary pages, and will disclose only brief notes on the Company in its individual capacity, namely with respect to the proposed appropriation of net income.

Since each of these units has its own management bodies, which report on their individual activities, this document will provide only some observations for the purpose of allowing for a better perspective of the Group as a whole.

In this context and in order to assess the development of the activity of these companies more appropriately, note will also be made, where justified, of some of their individual economic and financial indicators.

The most appropriate way of presenting the topics of the present Report will be to start with a brief description of the economic background, followed by an overall assessment of the action of the Teixeira Duarte Group, focusing on the most significant data relative to transversal and integrated matters concerning the Corporate Centre.

The subsequent chapters will address the Group's different activity sectors, with an analysis of the respective performance over 2013, distinguishing for each the main markets of action, with particular emphasis on the Construction area.

Reference will also be made to the significant stakes held in listed companies during 2013, that is "Banco Comercial Português, S.A." and "Banco Bilbao Vizcaya Argentaria, S.A."

The relevant events that took place between the end of the financial year and the date on which this Report was prepared will then be described, followed by the outlook for 2014, currently in progress, ending with the proposed appropriation of net income.

Attached to this document are, under the applicable legislation, tables with the different information relative to the holdings in the share capital of TD,SA (namely pursuant to the provisions in articles 447 and 448 of the Commercial Companies Code and CMVM Regulation number 5/2008), as well as the detailed report on the Company's structure and corporate governance practices (prepared in compliance with article 245-A of the Securities Market Code and CMVM Regulation number 4/2013).

Moreover, this report also includes the individual and consolidated financial statements with the respective notes, where the former were prepared in accordance with the Accounting Standardisation System (SNC) and the latter pursuant to the International Financial Reporting Standards as adopted in the European Union, as well as the respective Reports and Opinions of the Audit Bodies, the Legal Certification of Accounts and the Audit Report produced by an auditor registered at the Portuguese Securities Market Commission (CMVM).

Under the terms and for the purposes of subparagraph c) of paragraph 1 of Article 245 of the Securities Market Code, the undersigned state that, to the best of their knowledge, the Management Report, the annual accounts, the legal certification of accounts and all other documents presenting the accounts were prepared in accordance with the applicable accounting standards, conveying a true and fair view of the assets and liabilities, the financial position and results of TD,SA and of the companies included in its consolidation perimeter, and also faithfully reflect the business development, performance and position of each company, containing a description of the main risks and uncertainties they face.

II. ECONOMIC CONTEXT

Brief notes are presented below on the economic context observed in 2013 in the main markets of operation of the Teixeira Duarte Group.

PORTUGAL

During 2013, in Portugal, Teixeira Duarte operated in the Construction, Concessions and Services, Real Estate, Hotel Services, Distribution, Energy and Automotive sectors.

Throughout 2013, the Portuguese economy continued with the correction of the macroeconomic imbalances through a series of budget consolidation measures and an ordered and gradual deleveraging of the private sector, which culminated in strong contraction of internal demand.

Placed under the Economic and Financial Assistance Programme (PAEF), these measures have been implemented in a very adverse international macroeconomic context, namely due to the recession experienced in the euro zone.

Accordingly, some of the main internal and external economic imbalances in Portugal have been corrected, primarily in terms of the structural consolidation of public accounts, the improvement of the foreign trade balance, reflected in a net funding capacity of the Portuguese economy, and the reallocation of resources towards the sectors producing tradable goods and services.

In 2013, the unemployment rate stood at 16.3%. However, this rate reached the historically high level of 17.8% in April 2013, having fallen back to 15.5% by December of the same year. In comparison with the preceding year, an exacerbation was recorded in this indicator, which had stood at 15.7%.

The budget deficit ended 2013 at 4.9% of gross domestic product (GDP), a value below the target agreed with the troika, which was 5.9%.

There was a 4.6% increase in Portuguese exports in 2013, albeit reflecting a slowdown in relation to the 5.7% increase recorded in 2012. Imports increased by 0.8% (-5.2% in 2012), which enabled a coverage of 83.6% in 2013, compared to 80.6% in 2012.

The figures achieved are determinant for our external balance, namely through the reduction of 1,630 million euros in the trade balance.

According to the 11th assessment of the troika, whose conclusions were disclosed on 28 February, the forecast growth of GDP for 2014 is 1.2%, whereas GDP contracted by 1.4% in 2013, and 5.5% growth of exports.

ANGOLA

During 2013, in Angola, Teixeira Duarte operated in the Construction, Concessions and Services, Real Estate, Hotel Services, Distribution and Automotive sectors.

According to the most recent projections of the International Monetary Fund (IMF), the growth of the Angolan economy stood at 5.6%, and it is expected that this figure should remain high during the next few years. This evolution has also been the result of the attention that has been given to education and training, with direct impact on the availability of qualified labour.

The objective defined for 2013 of maintaining the inflation rate at one-digit levels has been achieved, with this rate having reached a value around 9%. This, in spite of the intended and accomplished "de-dollarization", through the obligation of payments made by the oil sector in the internal market being exclusively in national currency, leading to an increase of the monetary mass in circulation greater pressure on internal demand. The stable exchange rate also contributed positively to this evolution.

ALGERIA

During 2013, in Algeria, Teixeira Duarte operated in the Construction sector.

Over the last few years, the Algerian economy has shown a very positive evolution, primarily due to the good performance of the oil and gas sector, which accounts for around 40% of GDP, 70% of State revenue and 98% of exports.

According to IMF estimates, the growth of the Algerian economy stood at 3.1% in 2013.

The projections for 2014 and subsequent years point to growth rates above 3%, supported not only by the expected recovery of the hydrocarbon sector, but also by the buoyancy of all other economic activities, particularly the services and construction sector, with construction being strongly driven by the public investment programme launched by the government.

BRAZIL

During 2013, in Brazil, Teixeira Duarte operated in the Construction, Concessions and Services, Real Estate and Distribution sectors.

Brazil is the principal economy of Latin America, and the seventh largest world economy, according to the International Monetary Fund (IMF) and Centre for Economics and Business Research (CEBR).

GDP growth closed the year at 2.3% in 2013, according to data published by the Brazilian Institute for Geography and Statistics (IBGE). In a list of countries selected and presented by this institute, the growth of the Brazilian economy in 2013 appears as the third largest at a worldwide level, following the expansion of 7.7% of China and 2.8% of South Korea.

Under the objective of the Central Bank to counter the surplus demand, in April 2013 and in response to the deterioration of the inflationary scenario during the last two years, the Monetary Policy Committee (COPOM) started a new upward cycle in benchmark interest rates, when the short term interest rate of the Brazilian economy (Selic) stood at 7.25% a.a., after almost two years without increase. This economic policy is expected to be maintained in 2014, making credit more expensive and stimulating saving.

For 2014, the IMF has forecast a contribution of the emerging and developing countries to world economic growth that will continue above 70%. In the specific case of Brazil, the IMF forecasts the same growth as in 2013, that is, 2.3%.

SPAIN

Most of Teixeira Duarte's activity in Spain during 2013 was conducted in the Concessions and Services, and Real Estate sectors.

GDP at current prices reached the value of 1,022,988 million euros, corresponding to a reduction of 1.22% in relation to 2012. However, in the fourth quarter of 2013, growth of 0.2% was record in relation to the previous quarter, which could indicate the onset of economic recovery.

In Spain, the unemployment rate at the end of the year stood at 26.03%, albeit 1.17% lower than that recorded in 2012.

The first quarter of 2014 confirms the upturn of the Spanish economy, with the continuation of GDP growth and employment creation. It is expected that the recovery of private consumption should continue, although at a lower rate than that recorded in the second semester of 2013.

Spain thus pursues its fiscal consolidation programme, currently in a more economically favourable environment.

MOZAMBIQUE

In Mozambique, during 2013, Teixeira Duarte operated in the Construction, Concessions and Services, Real Estate and Hotel Service sectors. It is estimated that real GDP growth in Mozambique should have reached 7.5% in 2013.

Exports and direct foreign investment have continued strong, and equally relevant has been the renewed commitment of the authorities in pursuing prudent economic policies which foster a sustainable growth of the economy.

It is also important to highlight the reduction of the unemployment rate, derived from the creation of over 260,000 new jobs in 2013, as well as the fact that the forecast inflation rate stands at 4.2%, in contrast to the estimates which pointed to an inflation rate of around 7.5%.

VENEZUELA

Teixeira Duarte operates in this country in the Construction sector.

In Venezuela the performance of the economy is linked to the export of oil and, consequently, to the evolution of oil prices on international markets. Venezuela produced an average of 2.3 million barrels/day in 2013, with an average price above 95 USD/barrel. Venezuela is considered the fourth largest economy of Latin America (accounting for 8% of the economy of South America).

GDP recorded growth of 0.7% and inflation reached 56.2% in 2013. It is also important to note that in February 2013, the Bolívar (VEF) depreciated by 46.5% relative to the Dollar (USD), with the exchange rate standing at 6.3 VEF/USD.

In spite of this macroeconomic context and the difficult overall international circumstances, the Venezuelan government continued to focus all its energy on social policies and investment in the country's infrastructures, maintaining coherent action which has given rise to increasingly better social indicators.

III. GENERAL OVERVIEW

- FINANCIAL REVIEW

The financial elements analysed herein are consolidated and, as such, are prepared in accordance with the International Accounting Standards (IAS/IFRS).

	2013	2012	Var (%)
Operating income	1,629,927	1,440,101	13.2%
Operating costs	(1,416,813)	(1,231,006)	15.1%
EBITDA	213,114	209,095	1.9%
Amortisation and depreciation	(62,856)	(60,747)	3.5%
Provisions	(36,213)	(5,105)	609.4%
EBIT	114,045	143,243	(20.4%)
Financial results	(101,246)	(80,061)	26.5%
Pre-tax profit	12,799	63,182	(79.7%)
Income tax	51,947	(37,125)	-
Net income	64,746	26,057	148.5%
Attributable to:			
Shareholders	63,974	24,003	166.5%
Non-controlling interests	772	2,054	(62.4%)

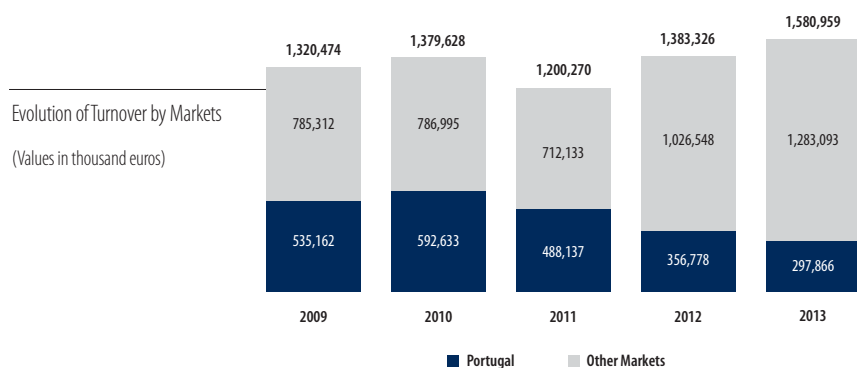
Income Statement for the years
ended on 31 December 2013
and 2012

(Values in thousand euros)

The **Consolidated Net Income Attributable to Shareholders** came to 63,974 thousand euros.

It is important to note, in addition to the performance achieved by the Group's companies in 2013, other factors that also influenced the net income for 2013 and 2012, some of which resulted in the increase in costs related to "Provisions and impairment losses". Among these factors, we highlight the following:

(Values in thousand euros)	2013	2012
Alteration of the tax statement of capital gains and losses of holdings	65,487	-
Impact on net income of provisions for the Regional Government of Madeira	(9,207)	-
Impact on net income of provisions for losses related to the company "SATU - Oeiras - Sistema Automático de Transporte Urbano, E.M., S.A."	(11,054)	-
Currency conversion differences	(7,378)	2,309
Impairment loss in "Banco Comercial Português, S.A."	-	(23,844)
Impairment loss in "KARIBIB Portland Cement Ltd"	-	(3,033)
Divestment of subscription rights of "Banco Comercial Português, S.A."	-	8,479
	37,848	(16,089)



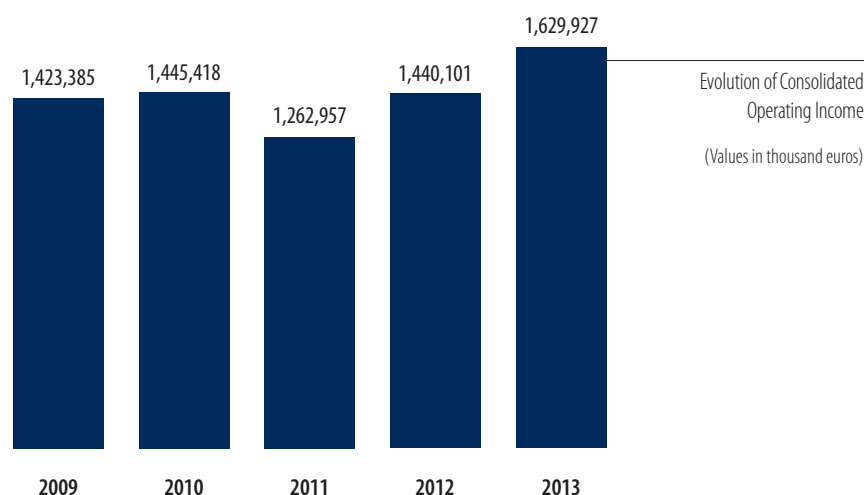
Turnover increased by 14.3% relative to 2012, having reached 1,580,959 thousand euros.

The decline of 16.5% recorded in Portugal was largely offset by the 25% increase in the foreign market, which now represents 81.2% of the total turnover of the Teixeira Duarte Group.

The table below reflects the decline recorded in Portugal and the growth achieved in the other countries in which the Group operates, especially the Venezuelan market, reflecting this country's importance in the Group's order book for the Construction sector.

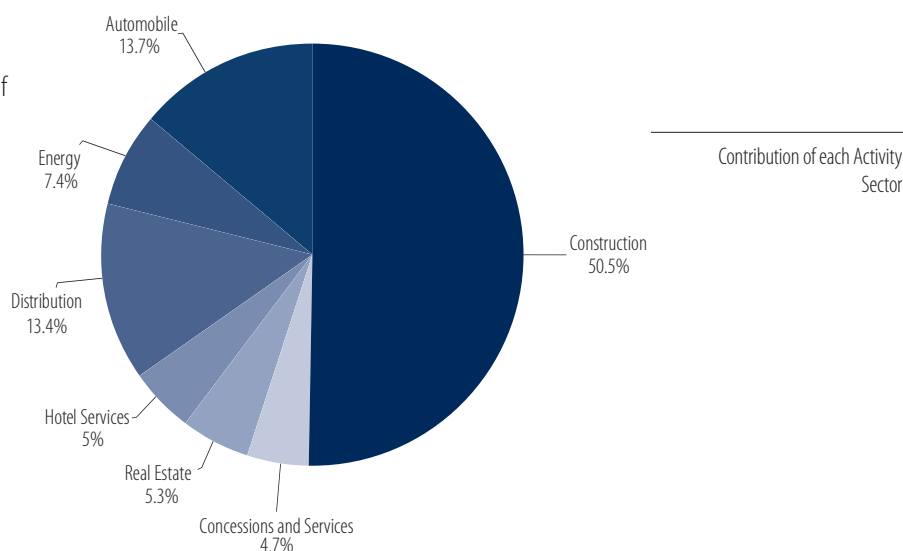
Evolution of Turnover by Country (Values in thousand euros)	2013		2012		Variation
	Value	Contribution	Value	Contribution	
Portugal	297,866	18.8%	356,778	25.8%	(16.5%)
Angola	748,176	47.3%	703,139	50.8%	6.4%
Algeria	81,434	5.2%	56,879	4.1%	43.2%
Brazil	98,504	6.2%	88,703	6.4%	11.0%
Spain	28,253	1.8%	22,745	1.6%	24.2%
Mozambique	62,817	4.0%	37,998	2.7%	65.3%
Venezuela	253,648	16.0%	108,842	7.9%	133.0%
Other	10,261	0.6%	8,242	0.6%	24.5%
	1,580,959	100.0%	1,383,326	100.0%	14.3%

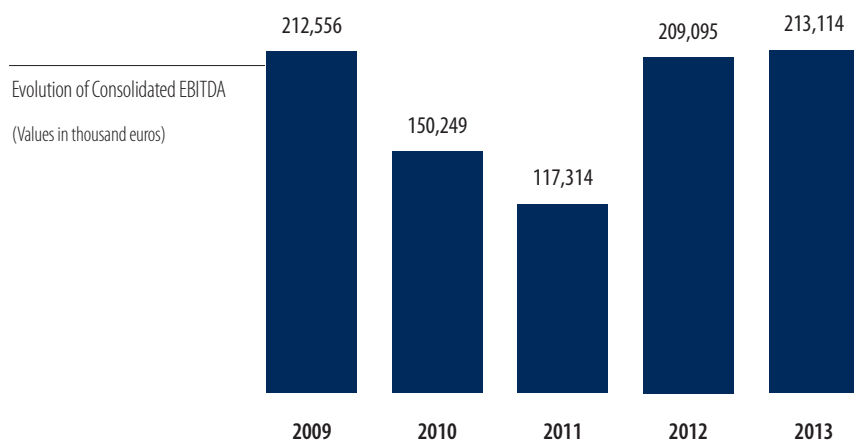
Consolidated operating income increased by 13.2% compared to 2012, reaching the value of 1,629,927 thousand euros for the year ended on 31 December 2013.



Activity Sector	Internal Market			External Market			Total		
	2013	2012	Var (%)	2013	2012	Var (%)	2013	2012	Var (%)
Construction	113.316	166.007	(31.7%)	710,181	479,262	48.2%	823,497	645,269	27.6%
Concessions and Services	25.111	19.497	28.8%	51,799	43,521	19.0%	76,910	63,018	22.0%
Real estate	41.763	45.170	(7.5%)	45,237	72,925	(38.0%)	87,000	118,095	(26.3%)
Hotel services	13.604	13.441	1.2%	67,128	74,109	(9.4%)	80,732	87,550	(7.8%)
Distribution	1.993	1.069	86.4%	216,539	183,818	17.8%	218,532	184,887	18.2%
Energy	120.026	134.938	(11.1%)	(61)	31	-	119,965	134,969	(11.1%)
Automotive	-	-	-	223,291	206,313	8.2%	223,291	206,313	8.2%
Total	315.813	380.122	(16.9%)	1,314,114	1,059,979	24.0%	1,629,927	1,440,101	13.2%

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



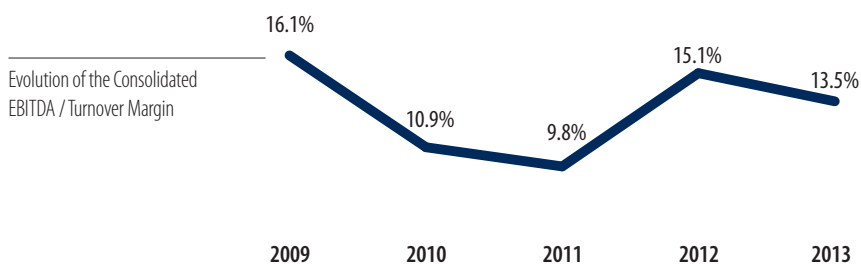


EBITDA grew by 1.9% in relation to the previous year, to stand at 213,114 thousand euros.

Analysing this indicator by sector, the table below shows very divergent performance among the different business areas according to the characteristics and context of each activity.

Evolution of EBITDA by Activity
(Values in thousand euros)

Activity Sector	2013	2012	Var (%)
Construction	102,535	62,806	63.3%
Concessions and Services	12,155	12,995	(6.5%)
Real estate	28,339	34,721	(18.4%)
Hotel services	25,193	36,535	(31.0%)
Distribution	22,045	31,053	(29.0%)
Energy	3,544	3,414	3.8%
Automotive	34,594	42,837	(19.2%)
Not allocated to segments	(15,669)	(15,131)	-
Elimination	378	(135)	-
	213,114	209,095	1.9%



The **EBITDA / Turnover Margin** decreased by 10.8% relative to December 2012, having fallen from 15.1% to 13.5% as at December 2013.

The **financial results** were negative by 101,246 thousand euros for 2013.

	2013	2012	Var (%)	
Financial costs and losses:	(156,072)	(144,593)	7.9%	Evolution of the Financial Results (Values in thousand euros)
Interest paid	(89,547)	(78,305)	14.4%	
Unfavourable currency conversion differences	(41,667)	(37,686)	10.6%	
Other financial costs and losses	(24,858)	(28,602)	(13.1%)	
Financial income and gains:	49,177	67,214	(26.8%)	
Interest received	9,973	21,079	(52.7%)	
Favourable currency conversion differences	34,289	39,995	(14.3%)	
Cash discounts received	559	663	(15.7%)	
Other financial income and gains	4,356	5,477	(20.5%)	
Earnings from investment activities:	5,649	(2,682)	-	
Earnings from associates	(99)	7,892	-	
Dividends	1,555	2,458	(36.7%)	
Other investments	2,994	2,239	33.7%	
Gains / loss in assets available for sale	1,199	(15,271)	-	
Financial results	(101,246)	(80,061)	-	

Although no impairment losses were recorded in 2013, compared to the 26,596 thousand euros of impairment losses stated in 2012, this indicator reflects an unfavourable variation relative to 2012, mainly due to the following factors:

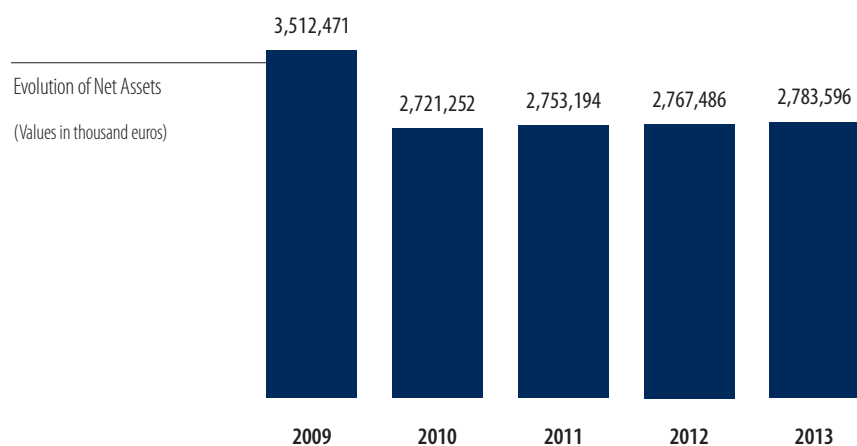
- Increase of 11,242 thousand euros in interest paid;
- Negative effect of the currency conversion differences of 7,378 thousand euros in 2013, which had been positive by 2,309 thousand euros in the previous year;
- Reduction of 11,106 thousand euros in interest received.

Income Tax reached the positive amount of 51,947 thousand euros for the year ended on 31 December 2013, compared with the negative amount of 37,125 thousand euros for 2012.

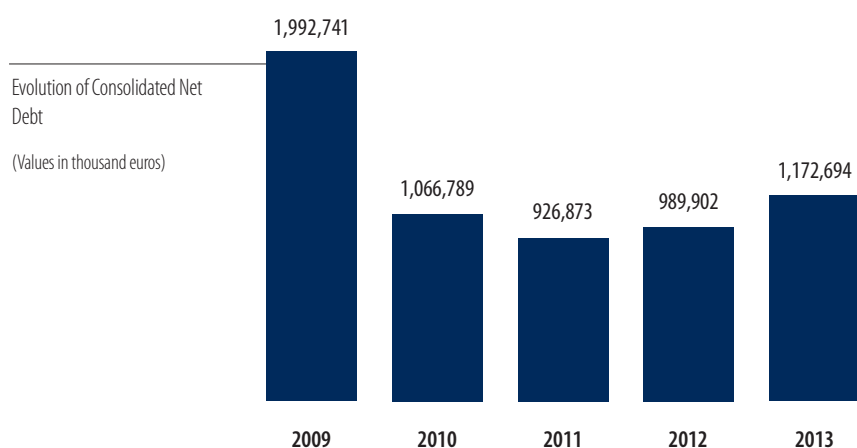
	2013	2012	Var (%)	
Current tax	(52,294)	(55,254)	(5.4%)	Corporate Income Tax (Values in thousand euros)
Deferred tax	104,241	18,129	475.0%	
	51,947	(37,125)	-	

Deferred taxes increased significantly relative to 2012, primarily due to the recording of deferred tax assets related to the change in Corporate Income Tax (IRC) of the statement for tax purposes of capital gains and capital losses of holdings, to the value of 65,487 thousand euros.

Evolution of Consolidated Summarised Financial Position (Values in thousand euros)	2013	2012	Var (%)
Assets			
Non-current Assets	1,494,935	1,374,657	8.7%
Current Assets			
Cash and Equivalent	189,912	246,063	(22.8%)
Other Current Assets	1,098,749	1,146,766	(4.2%)
Total Assets	2,783,596	2,767,486	0.6%
Equity attributable to:			
Shareholders	325,407	252,005	29.1%
Non-controlling Interests	35,321	73,863	(52.2%)
Total Equity	360,728	325,868	10.7%
Liabilities			
Loans	1,362,606	1,235,965	10.2%
Provisions	74,407	38,203	94.8%
Other Liabilities	985,855	1,167,450	(15.6%)
Total Liabilities	2,422,868	2,441,618	(0.8%)
Total Liabilities and Equity	2,783,596	2,767,486	0.6%



Total Net Assets grew by 0.6% in relation to 31 December 2012, having reached 2,783,596 thousand euros.



The Group's **Net Debt** grew by 18.5% in relation to the end of 2012, to stand at 1,172,694 thousand euros as at 31 December 2013.

The growth of business in the Construction, Concessions and Services and Distribution sectors, which resulted in the increased credit receivable from third parties, namely due to the reduction of the balance of advances received, as well as the continued investment to expand in these sectors, of the value of 108,183 thousand euros, were the main contributing factors to the increased net debt of the Group.

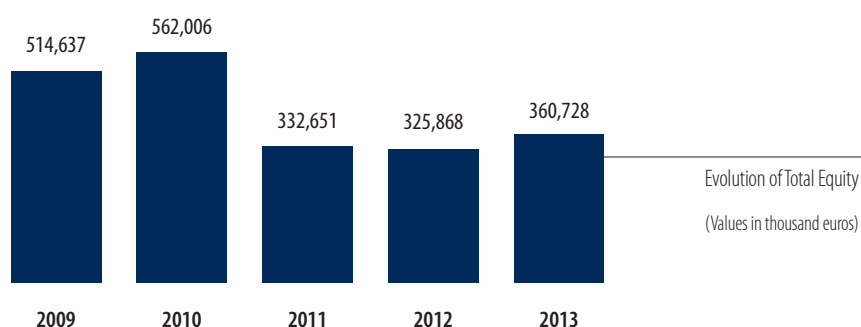
Equity Attributable to Shareholders increased by 73,402 thousand euros, from 252,005 thousand euros to 325,407 thousand euros, corresponding to an increase of 29.1% in relation to 31 December 2012.

Non-controlling Interests decreased by 38,542 thousand euros, from 73,863 thousand euros to 35,321 thousand euros, corresponding to a decrease of 52.2% in relation to 31 December 2012.

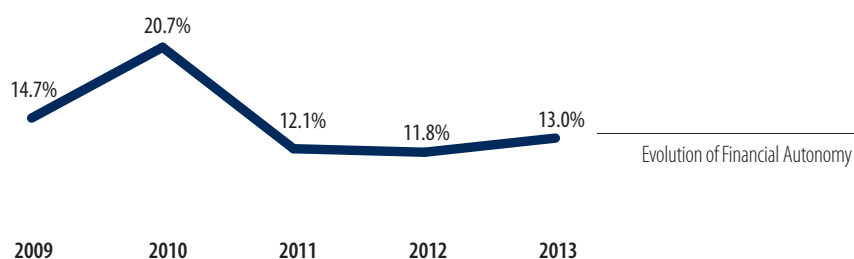
This decrease was essentially due to the acquisition of 48% of the participated company "C+P.A. - Cimento e Produtos Associados, S.A.", which is now exclusively held by the Group.

Total Equity grew by 10.7% to stand at 360,728 thousand euros, influenced essentially by the following factors:

- Negative currency conversion effect of 35,009 thousand euros, recorded as a result of the devaluation of the Currencies with which the Group operates in relation to the Euro;
- Distribution of 6,300 thousand euros of dividends relative to the financial year of 2012;
- Positive net income of 64,746 thousand euros;
- Positive variation in the fair value of the financial assets available for sale, net of deferred tax, of the value of 33,079 thousand euros;
- Positive hedge operation effect of 2,706 thousand euros, arising from the variation of the fair value of the financial instrument (interest rate swap) contracted in 2008 under the Concession for the Management of Cascais Hospital Building.



Financial Autonomy shifted from 11.8% as at 31 December 2012 to 13.0% by the end of 2013, having increased by 10.1%.



– **ORGANISATIONAL REVIEW**

Notwithstanding the more detailed description of this matter in the "Corporate Governance Report" attached herewith, it is important to note at this point, with respect to the performance of the Teixeira Duarte Group in the different business sectors and markets, the close collaboration between all the structures, identified in the Organisational Chart presented in the beginning of this Report, as well as the added value arising from these synergies, which are reflected in the privileged and efficient means of achieving collectively undertaken objectives.

The Group's **Operating Structures** are organised by Activity Sector and, as a rule, cover the responsibility for all the teams and operations of these business areas, regardless of the geographical market in which they operate, thus also ensuring that the Group's central technical and human resources are in close contact with those operating in the different markets of Teixeira Duarte.

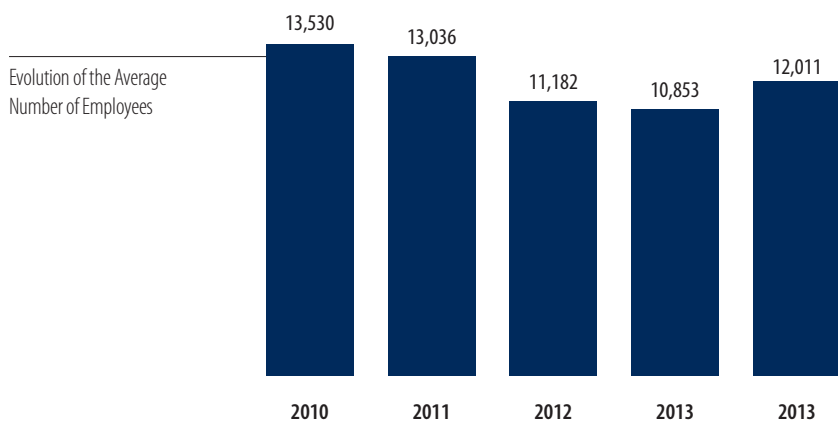
Even so, it should also be noted that there are occasional situations of some entities within the Group which, in view of the particularity of their business, maintain their respective specificity, especially in the Construction, Concessions and Services sectors.

"**Teixeira Duarte - Engenharia e Construções, S.A.**" (TD-EC), as the leading company of the Group in the Construction sector, develops its activity through **Operating Centres**, which divide up the production areas and are essential in the training of senior management staff and follow-up of their career, and also has a series of specialised **Supporting Structures** for the Operating Centres, in particular in the areas of Shuttering and Prestressing, Equipment and Materials Laboratory, as well as various **Central Departments** which operate at a Commercial, Studies and Project level.

Apart from these structures which are more directly linked to the Group's operational area, particular reference should also be made to the existence of a number of Central Departments and Services with special responsibilities of transversal support to the actions developed in the different activity sectors, integrated in the **Corporate Centre**, entrusted with promoting a standardisation of procedures and providing support to the structures operating abroad in these areas common to various businesses.

Regarding these teams, which are also identified in the Organisational Chart presented in the beginning of this report, various references to their action during 2013 are highlighted below.

In terms of **Human Resources**, Teixeira Duarte pursued an action of adjustment of the number of workers to the activities carried out in the different sectors and markets, promoting the personal and professional development of its employees.



The Group's increased activity in 2013 was indisputably reflected in the number of workers, the average number of which grew by 10.7% in relation to 2012 and whose final number at the end of the year was 13.8% higher than that recorded as at 31 December 2012.

Indeed, the increased number of workers from 11,110 as at 31 December 2012, to 12,639 on the same date of 2013, reflected the expansion in the teams of the Construction, Concessions and Services, Distribution and Automotive sectors, where the countries that most contributed to this increase were Angola, Brazil, Mozambique and Venezuela.

On this issue, note should also be made of the continued investment of Teixeira Duarte in the training of its employees, with the Central Department of Human Resources pursuing a driving and supporting effort not only at the level of TD-EC and Portugal, but also in all the other companies of the Group and geographic markets in which they operate, embodied especially in its support to the vast amount of travel and re-location of workers required to follow the flow of activity of Teixeira Duarte.

In this context, the diversified Vocational Training actions have continued, in particular, in Portugal, the specific training in the areas of Occupational Safety, Hygiene and Health (which involved 474 trainees) and training in the area of information technology (which involved 177 trainees), as well as the training given by Bauer, with 40 hours duration, ministered by a trainer of the brand, which covered 20 engineers, placed in various geographic areas.

Furthermore, the Group intensified its support through physical attendance in various countries during 2013, namely in Angola, Algeria, Spain and Mozambique, for the particular purpose of replicating its vocational training model.

Various training courses and actions were ministered in Angola, in particular:

- a) Five training courses aimed at recent graduates and future middle management staff (Academies) of the Automotive and Distribution sectors, added to two courses held in Portugal, which covered a total of 105 trainees;
- b) The first edition of the course for intern engineers, with six months duration;
- c) The training actions in the area of civil engineering, developed under the protocol signed with IST and FUNDEC, which in coordination with the Human Resources Department - Angola covered Group company employees as well as external trainees, involving a total of 150 trainees and a training volume of 3,150 hours;
- d) The specific training actions in the area of Occupational Safety, Hygiene and Health (first aid and emergency hospital techniques), through which we trained 317 Group employees with a total training volume of 6,064 hours.

Also in this country, Teixeira Duarte developed a project in the context of vocational training and social responsibility, attended during ten months by 32 young people, qualifying them to exercise professional activity in the automotive and distribution sectors, in the Group, where they are currently all employed. This course has improved their personal and family living conditions, and also helps to encourage further study.

We also highlight the extending of the activities of the occupational medicine team to all the companies of the Group operating in other geographic areas, most particularly in Angola, Algeria and Mozambique.

In 2013, the Occupational Medicine Service covered 20 Group companies, corresponding to over 3,250 employees, with 2,567 medical examinations having been conducting, representing a 76% increase in relation to the previous year.

During the year under review, the **Central Department of Management and Technology Systems** maintained its activity of support to the processes of achievement, monitoring or renewal of the certifications of the Management Systems of the different companies of the Group, in the areas of Safety, Quality, Environment, Social Responsibility, and Research, Development and Innovation (RDI). Particular note should be made of the series of audits conducted jointly with third parties, and the alignment of the Quality and Research, Development and Innovation certification cycles among the companies holding this accreditation. This represents an objective that is intended to be continued and developed for all the other certifications.

Continuity has been given to the process of harmonisation of the management systems among the different Group companies, as well as the conduct of internal audits in the inter-company format.

Supplementing its enrolment at the the REPRO Platform as an assessed supplier, the participated company "Teixeira Duarte - Engenharia e Construções, S.A." conducted an "ACHILLES Audit" defined in accordance with the "REPRO Committee Standards", with this audit having been passed satisfactorily and the results included in this platform.

In view of the importance of knowledge networks in the development of Research, Development and Innovation activities, the support given to Teixeira Duarte's productive structures has been maintained, in its integration and participation in the working parties of scientific societies and technological platforms, in increasingly closer collaboration with national universities and laboratories and in the search for new knowledge involving the construction industry.

In the area of training, employees of this Central Department participate in the organisation of post-graduate training courses of technological nature in Angola and Mozambique, carried out in collaboration with "Instituto Superior Técnico de Lisboa" (Portugal's largest engineering, science, technology and architecture university college) and "FUNDEC" (Association for Training and Development in Civil Engineering and Architecture", with the double objective of continuous training and integration of new staff in these geographic areas.

The **Central Department of Information Technology** has continuously driven its action towards harmonising and consolidating the existing platforms in the Group, standardising technologies, processes and procedures, fostering the growing improvement of its support to users through the creation of local structures, with the ultimate objective being alignment with business needs and contributing to the success of the business.

Operating on various fronts, the coverage of the ERP/SAP has been extended to new companies, in particular in Angola and Brazil, the integration of the different business applications has been improved, expanding and adjusting the coverage of processes. New applications have been developed, in Portal environment, to support different functional areas.

Significant advances have been recorded in the area of communications with the introduction of a video-conference platform, consolidation of electronic mail platforms, restructuring of VOIP connections and interconnection of the different business locations in Luanda through optical fibre network.

The Portal of the Teixeira Duarte Group continued to be a privileged vehicle of internal communication, providing useful services to the employees, in particular in their relations with the Company. This platform recorded a strong increase of requests by other structures of the Group for the inclusion of more services, leading to the creation of new applications and adaptations of those existing for use in other geographic areas.

The infrastructures of the *Data Centre* were reviewed and, based on the audit that was made, project blueprints were prepared, adjusted to the requirements of each business, which will become the standard. The equipment has been renovated and resized, and improvements have been made to the data networks, safety and monitoring platforms, in order to reduce risks and reinforce the availability levels of systems.

During 2013, Teixeira Duarte reorganised its **Central Department of Finance and Accounting**, for the purpose of optimising and standardising processes in all the geographic areas where the Group operates.

The growth recorded in the activities abroad requires the reinforcement of investment in its information technology platform SAP, in order to increase the efficacy of the centralised control of its main processes.

The **Central Procurement Department** develops its action for the companies of the TD Group which operate in various geographic locations in the following areas:

- Search for sources of supply, negotiation and contracting, especially with a view to the establishment of time-based agreements and the achievement of economies of scale in acquisitions of goods and services;
- Logistics of merchandise in import and export contexts;
- Management of Central Warehouses;
- Support to the management of fixed facilities of the companies of the TD Group, namely Head Office, Regional Offices, Accommodation and Central Archive.

In Portugal, the functional organisational model implemented in the last quarter of 2011 has been continued, with a view to strengthening the intervention of the Central Procurement Department in the strategic components of procurement carried out for the Group's companies. On the other hand, a new model has been developed to monitor service levels concerning procurement and logistics.

In Angola, the physical reorganisation of the Central Warehouse has been completed and the management model of the Central Procurement Structure maintained.

In Algeria, the models for the management of the logistics of merchandise in export and import contexts and the coordination of the Central Procurement Structure have been maintained.

In Mozambique, the first steps have been taken to restructure the Central Warehouse.

In Venezuela, the restructuring of the Logistics and Import Department has begun, aimed at providing an appropriate response to the Group's growing activity in this country.

– CORPORATE OVERVIEW

In compliance with all the corporate obligations, namely as an entity issuing tradable securities in regulated markets, particular note should be made of the public disclosure of the different information considered relevant in 2013, especially the Management Report and Accounts relative to 2012, as well as the Corporate Governance Report relative to the same period, both approved at the General Meeting.

Annual General Meeting:

The General Meeting held on 25 May 2013 recorded the expressive participation of holders of 80.9% of the share capital and voting rights, and approved all the proposals submitted to deliberation, namely the proposed approval of the documents presenting the consolidated and individual accounts, the proposed appropriation of net income submitted by the Board of Directors, the proposals relative to the Appraisal of the Company's Management and Supervisory Bodies, the proposal relative to the Statement on the Remuneration Policy of the Members of the Company's Respective Management and Supervisory Bodies, and the proposed election of a further Director to perform duties together with the other members of the Board of Directors until the end of the 2011/2014 term of office.

Dividends:

The General Meeting approved the Board of Directors' proposal that the individual net income of TD,SA recorded for the financial year of 2012, amounting to € 20,478,206.13 (twenty million, four hundred and seventy-eight thousand, two hundred and six euros and thirteen euro cents), should be appropriated as follows:

Reinforcement of the legal reserve: 4.500.000,00 €;

Reinforcement of the free reserves: € 9,678,206.13; and

Dividends to shareholders: 6.300.000,00 €.

The shares of Teixeira Duarte, S.A.:

During 2013, the share price appreciated by 178.13%, increasing from 0.32 euros as at 31 December 2012 to 0.89 euros as at 31 December 2013.

Regarding liquidity and turnover during this year, 25,042,008 shares were traded on the stock market, with a total turnover of 15,917,459.97 euros.

The graph below shows the evolution of the stock market share prices during 2013.

Teixeira Duarte, S.A. Share Prices

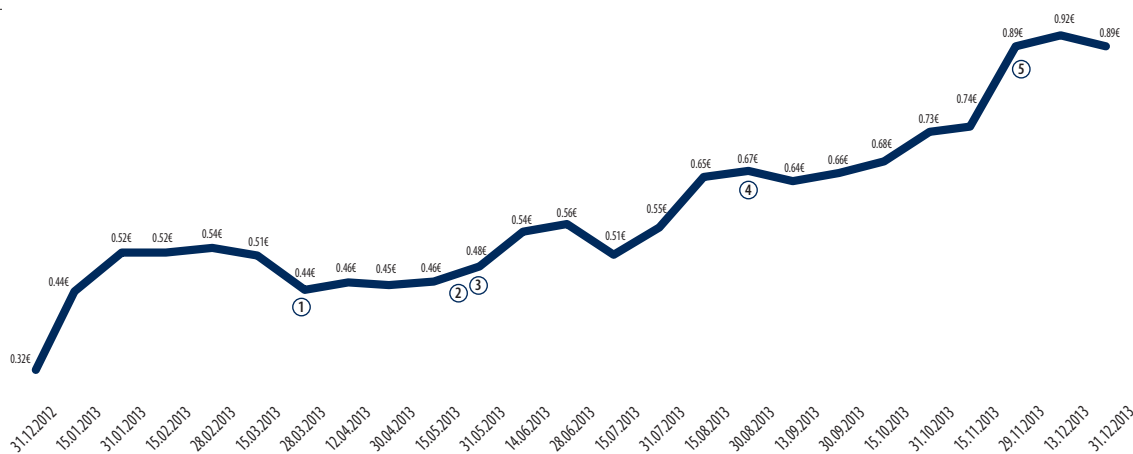
1 - Disclosure of Results relative to the financial year of 2012 - 28 March 2013

2 - Approval of the Annual Report relative to the financial year of 2012 - 25 May 2013

3 - Activity, results and economic and financial situation of the 1st quarter of 2013 - 31 May 2013

4 - Results relative to the 1st semester of 2013 and outlook for the end of the financial year - 30 August 2013

5 - Activity, results and economic and financial situation of the 3rd quarter of 2013 - 29 November 2013



IV. SECTORIAL REVIEW

The activities developed in the different sectors in which the Group operates are presented below, followed by a similar structure for each sector, that is, beginning with a presentation of the respective sector with the Teixeira Duarte Group, after which an explanation will be given, with graphic portrayal of the consolidated Turnover and EBITDA, of the contribution of this business area to the Group, and concluding with a presentation of its action during 2013, accompanied by non-consolidated indicators enabling the analysis and outlook on total activity, rather than that restricted merely to its final contribution to the consolidated figures.

IV.1. CONSTRUCTION

Construction is the core business and point of origin of the Teixeira Duarte Group which, in this sector, operates in the areas of Geotechnics and Rehabilitation, Buildings, Infrastructures, Mechanical Engineering, Underground Works, Railway Works and Maritime Works supported by a Shuttering and Prestressing Operating Centre, a large-scale and highly technological Equipment Department, a Materials Laboratory and a Teixeira Duarte Operating Centre installed on a plot of land covering an area of over 130,000 m² and which is of enormous benefit to the Company and services rendered to its customers.

Special reference should also be made to the Central Departments and structures providing specific support in the Commercial, Studies and Project areas.

Its founder, Mr. Ricardo Esquível Teixeira Duarte, who completed the first course of Civil Engineering taught at Instituto Superior Técnico and performed the duties of Chairman of the Portuguese Engineering Association, has always been recognised by his peers for his technical skills and innovation.

Teixeira Duarte pursued has its action marked by this quality, always being a true Engineering establishment. From major infrastructures such as bridges, dams, roads and other public works, as well as hospitals and large-scale buildings which constitute historic milestones, namely in Portugal, Teixeira Duarte is recognised as synonymous with knowledge and experience, and is a constant presence in the construction market.

In addition to "Teixeira Duarte - Engenharia e Construções, S.A." (TD-EC), which is the Group's principal company, the Group also includes other participated companies, which operate in specific areas of Construction, namely in Underground, Railway and Maritime works, as well as various enterprise groups (ACE) and other similar structures allocated to specific projects, in particular in the area of Infrastructures.

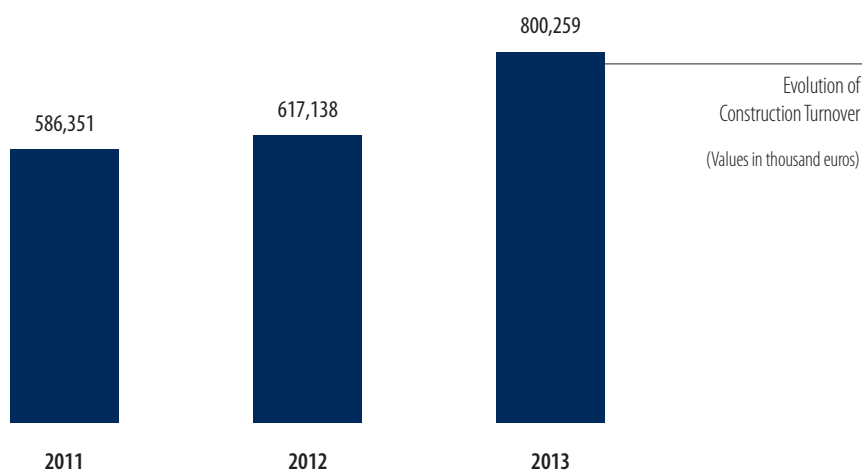
During 2013, Teixeira Duarte operated in this area in various countries, where its main markets were Portugal, Angola, Algeria, Brazil, Mozambique and Venezuela.

– **CONTRIBUTION OF THIS SECTOR TO THE GROUP**

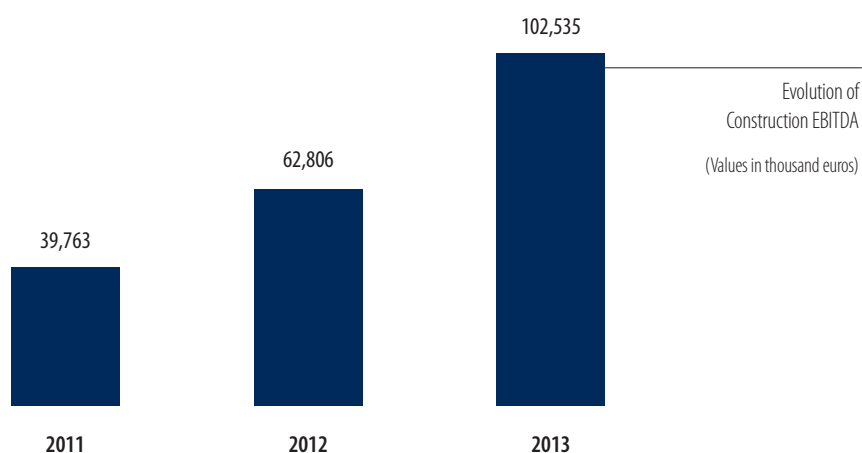
Construction Turnover grew by 29.7% relative to December 2012, as a result of the improved performance achieved in the external market.

Although the activity in Portugal declined by 33%, the Group recorded strong growth in other countries.

We highlight the growth achieved in Algeria (43.2%), Brazil (38.6%) and Mozambique (97.2%), combined with the significant increase in Venezuela from 108,842 thousand euros in 2012 to 253,648 thousand euros in 2013.



EBITDA in Construction recorded an increase of 63% in relation to the previous year, essentially as a result of the good performance of the markets abroad.



– **ACTIVITY DURING 2013**

In non-consolidated terms and in order to provide an overall view of the total activity during 2013, we disclose that the Group's operating income in the Construction sector reached the total value of 1,034,942 thousand euros, reflecting growth of 23.4% in relation to 2012.

The main activities carried out in the different areas in which Teixeira Duarte operates in the construction sector are presented below:

GEOTECHNICS AND REHABILITATION is the Operating Centre of TD-EC which currently concentrates the areas of Geotechnics and Foundations, as well as Rehabilitation, centralising an engineering and research unit which enjoys a strong reputation within the Company and in the market.

This Operating Centre has shown undergone development of its activity in recent years, of relevance in the Company's overall action, characterised by interventions in projects of high technical complexity and large-scale, both in public and private contracts, based on highly specialised human resources with very strong technical preparation and quality, and supported by specific cutting edge technological equipment.



REFER, EPE | Reinforcement and Rehabilitation of the Foundations of Valença International Bridge
Viana do Castelo | Portugal



Sintra City Hall | By-Pass of Rua D. Pedro IV and engineering structure over Carenque Stream
Queluz | Sintra | Portugal

In the area of Geotechnics and Foundations, Teixeira Duarte designs and carries out Foundation Engineering Technical Studies, Geological Studies, Diaphragm Walls, Piles, Micro-piles, Nailing, Anchorage, Consolidations, Injections and Jet-Grouting.

In the area of Rehabilitation, Teixeira Duarte operates in the execution of specialised works in the fields of Rehabilitation of Structures and Conservation of Monuments and Constructed Architectural Heritage, as well as Inspections and Diagnosis of Structures.

After the strong increase achieved last year, the activity developed by the Geotechnics and Rehabilitation Operating Centre of TD-EC once again recorded a significant increase in 2013 (close to 30%), having achieved operating income of approximately 82.7 million euros.

This considerable increase was primarily due to the consolidation, in new markets abroad, of the different processes applied in onsite productive development as well as the training and integration of the local teams, and start-up of the use of new equipment and tools.

In **Portugal**, as a result of the crisis and inherent reduction of tenders, income declined again (by around 33%), standing at the value of 13.7 million euros.

In this area, we highlight the following contract works:

- Geological and Geotechnical Reconnaissance and Instrumentation at the site of Mitrena Hydrolift, for "LISNAVE, Infraestruturas Navais S.A.";
- Rehabilitation of various of buildings and structures at Sines Hydroelectric Plant, for "EDP - Gestão de Produção de Energia, S.A.";
- Waterproofing Upstream of Basins 1E and 3E and the Protection Layer Downstream of All Basins - Bathymetric Survey Downstream, at Crestuma-Lever Hydroelectric Development, Dam-Spillway, for "EDP - Gestão de Produção de Energia, S.A.";
- Reinforcement and Rehabilitation of the Foundations of Valença International Bridge, for "Rede Ferroviária Nacional - REFER, EPE";
- Execution of a By-Pass of Rua D. Pedro IV and Engineering Structure over Carenque Stream, in Queluz, for Sintra City Hall;
- Rehabilitation of the Philippine Bridge in Queluz for Sintra City;



"Hotel Santiago, Civil Construction - Structure"
Alfama
Lisbon | Portugal

REFER, EPE
Slope stabilisation of the Western Line
Portugal

- "Hotel Santiago, Civil Construction - Structure", in Alfama, Lisbon;
- Slope stabilisation between Km 33,480 and 33,800 and between Km 44,500 and 44,650 of the Western Line ("Linha Oeste"), for "Rede Ferroviária Nacional - REFER, EPE";
- Upgrading of the Head Office Facilities of the National Association of Pharmacies, in Lisbon;
- Execution of slopes with nailed nets along the access route to the restitution of the contract for the Reinforcement of Power Output of Salomonde Hydroelectric Development, in Braga, for "EDP - Gestão da Produção de Energia, S.A.".

In addition to the completion of the contracts referred to above, others were continued, namely:

- Geotechnical reconnaissance and instrumentation, contact, consolidation and waterproofing grouting in the DCC, of the contract for the Reinforcement of Power Output of Salomonde Hydroelectric Development, in Braga, for "EDP - Gestão da Produção de Energia, S.A.".
- Rehabilitation and Structural Reinforcement of Atalhada Bridge over the River Mondego, for "EP - Estradas de Portugal, S.A.".

Considering the strong reduction of public tenders and proposals for the private sector in Portugal, a significant reduction of the turnover in this area is expected in 2014.

In **Angola**, income reached the value of 19.6 million euros, exceeding the values achieved in 2012 by approximately 26.4%.

Particular note should be made of the completion of the following contract works in this country:

- Excavation, Peripheral Retaining Walls and Foundations of the Nossa Senhora da Muxima Building, for "BESAACTIVE - Sociedade Gestora de Fundos de Investimento, S.A.", in Luanda;
- Excavation, Peripheral Retaining Walls and Foundations of the Samba Residence Building, for "Rui Ribeiro Angola Construções, S.A.", in Luanda;
- Foundations and excavations of the Muxima Plaza Building, for "PROMINVEST-Promoção e Investimentos Imobiliários, Lda.", in Luanda;



BESAACTIVE, S.A. | Excavation, peripheral retaining wall and foundations of "Nossa Senhora da Muxima" Building
Luanda | Angola

ANGOLA LNG, Limited | Engineering, Procurement and Construction (EPC) of the Marine Operations Support Dock
Soyo | Angola

- Peripheral Retaining Walls of the Somatek Building, for a similar company, in Luanda;
- Peripheral Retaining Walls of the Galaxy Building, for a similar company, in Luanda;
- Geological and geotechnical reconnaissance for the Construction of a Cement Factory, for "Cimenteries CBR, S.A.", in Benguela.

Other important contract works were started in this country, namely:

- Engineering, Procurement and Construction (EPC) of the Marine Operations Support Dock, in Soyo, for "ANGOLA LNG, Limited".
- Consolidation of the back wall of the Cine-Teatro Nacional building, for the "Ministry of Culture", in Luanda;
- Reinforcement of flooring slabs, replacement of the roof, construction of a ramp and outdoor of the Coqueiros TDA workshops, for the company of the Teixeira Duarte Group "TDA - Comércio e Indústria", in Luanda;
- Indirect foundations of Cooperativa Essandju, Lots 29 to 33, for "Cooperativa Essândju, SCRL", in Luanda;
- Note should be made, at the end of the year, of the award by "I.N.E.A. - Instituto de Estradas de Angola", of the contract for the "2nd phase of the Reinforcement of the Suspension System of Barra do Kwanza Bridge".

In the commercial area, in spite of the minor increase in the number of proposals submitted, there was a 14% reduction in their value, which amounted to 114 million euros.

For 2014, and according to the awards made in the meantime, growth of turnover is forecast in relation to the year under analysis.

In **Algeria**, 2013 was the second year that this Operating Centre operated through the Algerian company "TEIXEIRA DUARTE ALGÉRIE, SPA".

Therefore, this was a year of natural growth of activity, with the award of new contract works as a consequence of the commercial work started in 2012 and the recognition, by the local market, of the Company's consolidation as a highly qualified partner.



GMAC
Special foundations
Algiers | Algeria



TD-EC, S.A.
Pile foundations of 1500mm of the PK 36 viaduct
Tizi Ouzou | Algeria

Business grew significantly, with income having been three times higher than that recorded in 2012.

We highlight the completion of the following contract works in 2013:

- Execution of the Special foundations for the "GMAC- Groupement Metro de Alger" consortium, in Algiers;
- Execution of foundation piles at Mers El Kebir Military Base for the company "ETC/EPE - Ouali Kamel", in Oran;
- Execution of the pile foundations of 1500mm of the PK 36 viaduct, for "Teixeira Duarte - Engenharia e Construções, S.A.", at Tizi Ouzou.

We also highlight the contract started during the year underway for the Excavation and Peripheral Retaining Wall of the New Head Office of "AGB - Gulf Bank Algeria", in Algiers.

Commercial activity increased considerably in relation to the previous years, due to the acquired knowledge of the market and its recognition of the technical value represented by Teixeira Duarte. Proposals were submitted to the value of 50 million euros, and awards were received of the value of 5 million euros.

Investment was made in new equipment which will enable expanding and diversifying the area of operation and laying the ground for solid growth in the future, which, associated to the order book carried forward from the previous year and the business proposals advanced with various customers, enables an outlook for 2014 of a significantly higher volume of works.

In **Brazil**, the Geotechnics and Rehabilitation area recorded a strong increase, derived from the retained loyalty of important private customers, achieved through the implementation of work of high technical and operational quality, which has fostered the increased confidence of customers in the name of Teixeira Duarte, in such an enormous market as the Brazilian.

The value of works reached 18 million euros during 2013, corresponding to an increase of over double in relation to the previous year.



EMPA, S.A. / CR Almeida Group Consortium
Foundations at Jurong Shipyard
Aracruz | Espírito Santo | Brazil

GAFISA, S.A.
Peripheral Retaining Diaphragm Wall and Provisional Tie Rods
São Caetano | São Paulo | Brazil

The following contract works were concluded during the period under review:

- Execution of Foundations of Special Engineering Structures in Transcarioca - Trecho Penha-Galeão, Rio de Janeiro, for the Transcarioca Rio Consortium, composed of the companies "OAS, S.A.", "Carioca Chistiani - Nielsen, Engenharia" and "Contern Construções e Comércio, Ltda.";
- Peripheral Retaining Diaphragm Wall, Root Piles and Provisional Tie Rods, at the Blue Tree Premium Development, in Alphaville, São Paulo, for "Madeira SPE Empreendimentos Imobiliários S.A.";
- Execution of Foundations at the Altavista Premium Residential Development (phase 1 and start of phase 2), in Jundiaí, São Paulo, for the company "Schahin Engenharia S.A.";
- Execution of Continuous Flight Auger Piles in the River Joana Deviation, in Rio de Janeiro, for "Mendes Júnior Engenharia S.A.";
- Execution of Root Piles in the Enlargement of Niterói Hospital, Rio de Janeiro;
- Replacement of the Bridge over Santa Joana River, in Colatina, Espírito Santo, for "VALE, S.A.";
- Rehabilitation of Marmelos Tunnel, in Juíz de Fora, Minas Gerais, for "MRS, S.A."

Other important contract works were started in this country during 2013, namely:

- Foundations at "Jurong Shipyard", in Aracruz, Espírito Santo, for the "EMPA, S.A. / CR Almeida Group" Consortium, with the entirety of the piles of the North Quay having been executed and the South Finger foundations started;
- Deep Foundations using Drilled Shafts along Line 17 of São Paulo Metro, for the Andrade Gutierrez / CR Almeida Group Consortium;
- Special Foundations - drilled shafts and root piles - of the Anchieta Highway Junction, in Cubatão, Santos, for the "CR Almeida Group";
- Diaphragm Wall of 800 mm, for the Tanks of Niterói Square and Varnhagen Square, inserted in the Project of Flood Control in the Tijuca Basin, in Rio de Janeiro, for "OAS, S.A.";
- Peripheral Retaining Diaphragm Wall and Provisional Tie Rods, at the SAO Residential Development, in São Caetano, São Paulo, for "GRAFISA, S.A.";
- Replacement of the Bridge over the River Corrente (Governador Valadares, Minas Gerais), Piraqueçu (João Neiva, Espírito Santo) and Santa Maria (Cariacica), for "VALE, S.A."



Julius Nyerere 130 Building
Maputo | Mozambique



ANE
Chicumbane Bridge
Gaza | Mozambique

In line with the productive growth achieved during 2013, commercial activity also increased considerably in relation to the previous year, due to better knowledge of the market and our customers' recognition of the technical value represented by the Company in resolving difficult problems, through innovative solutions.

Hence, 2013 closed with the submission of 139 proposals, amounting to a total value of close to 500 million euros.

In view of the prospects of the maintenance or increase of public investment during a year of presidential elections, the order book carried forward from the previous year, the proposals under negotiation with various customers, and the confidence entrusted in our teams, the year of 2014 is envisaged with great optimism.

In **Mozambique**, the Geotechnics and Rehabilitation Operating Centre reached a turnover of 6.7 million euros in 2013.

Various fairly important works were conducted during the period under review, in particular:

- Execution of the Peripheral Retaining Wall and Indirect Foundations of the Construction Contract Work of the Julius Nyerere 130 Building in Maputo, for a real estate company of the Teixeira Duarte Group;
- Emergency works to repair the damage caused by floods at Chicumbane and Xai-Xai Bridges, province of Gaza, for "Administração Nacional de Estradas - ANE";
- Execution of piles for emergency intervention at the Bridge at km 26+900 of the Ressano Garcia Line, for "CFM - Portos e Caminhos de Ferro de Moçambique, E.P.";
- Rehabilitation of the Bridge over the River LuaLua in the province of Zambézia, for "Administração Nacional de Estradas - ANE";
- Execution of Piles for a Building on Av. Ahmed Sekou Touré, in Maputo, for "Soicifide - Moçambique, Limitada";
- Various geotechnical reconnaissance works carried out for external customers, especially those executed in the city of Pemba, province of Cabo Delgado.



Bolipuertos
Expansion and Modernisation of the Port of La Guaira
Vargas | Venezuela



Ministry of Popular Power for Land Transport
Baralt Tunnel
Caracas | Venezuela

In 2013, the commercial area studied proposals of a value close to 60 million euros, a figure slightly above that recorded in the previous period but which represented an increase above 45% in the number of proposals submitted, which enables envisaging 2014 as a year of growth of activity.

In **Venezuela**, 2013 was strongly marked by the high rate of production imposed by the two large-scale public contract works underway, started in 2012, and in which the geotechnics sector had a major involvement: the "Expansion and Modernisation of the Port of La Guaira" and the "Extension of Avenida Boyaca (thousand mark) up to Macayapa Junction and Extension of Tacagua Viaduct".

The turnover of the activity doubled in relation to 2012, having reached 20.5 million euros.

At the Port of La Guaira Port work, the year was marked by the accomplishment of the defined objectives, both concerning the execution of the breakwater pier and the treatment of the landfills of the new area to be operated. These activities highlighted the exceptional experience of the teams, the implemented techniques and cutting edge equipment used by Teixeira Duarte.

Regarding the Extension of Avenida Boyaca (thousand mark) up to Macayapa Junction and Extension of Tacagua Viaduct" work, in particular the execution of Baralt Tunnel and Macayapa Access Junction, it is important to highlight the work on slope containment and stabilisation carried out with recognised quality, as well as the good production rates achieved.

The commercial activity of the Geotechnics and Rehabilitation sector followed-up and participated in the preparation of important proposals under the agreement referred to above, although a slowdown of the activity of this area is forecast in this market for 2014.

In **Equatorial Guinea**, Teixeira Duarte continued to support Portuguese companies through the execution of pile foundations of the contract for the construction of the National Hydrocarbon Institute and the execution of piles of 800 mm diameter in the "Del Paso Superior en el PK0

para el Enlace de Autovía Mongomeyen-Ebibeyin con la carretera Añisok-Mongomo en Guinea Ecuatorial" construction work .

The commercial area recorded the submission of proposals of the value of 13.5 million euros, where we highlight the proposal submitted for the foundations of the work of expansion of the Port of Luba, on Malabo island, of the value of 8 million euros.

The Company continues to expect that new contracts will be achieved in this country, linked to the areas of Geotechnics and Foundations and Maritime Works.

Following the above and in view of the proposals that are currently under negotiation, namely in Brazil, Angola and Equatorial Guinea, and the present order book, it is expected that there will be significant growth in activity.

In the **BUILDINGS** area, TD-EC maintains a highly dynamic activity and which has been of particular relevance in the overall activity of the Group since the 1960's.

In this field, the intervention in the markets is characterised by the development of projects that are large-scale and of high technical complexity, covering all types of construction: major complex and multi-purpose buildings, public, residential and service buildings, industrial complexes, schools, tourist developments, reconstruction of buildings and hospitals.

In 2013, the activity in this area of Buildings increased by around 28%.

The production carried out in Portugal continued to decline, and currently accounts for less than 10% of the total of the area of Buildings. Various consecutive years of economic retraction in the country have led to very low levels of investment and consequently an enormous slump in the launch of tenders, both public and for private customers.

In this context, commercial activity has continued and been reinforced in the different markets in which Teixeira Duarte operates in this area of construction, with the Angolan market having been the one which has most contributed to the volume of activity.

In **Portugal**, due to the reasons presented above, a minor number of proposals was submitted. The low prices applied in the market are taking a large number of companies of the sector along the path towards insolvency, dragging with them an important part of the network of suppliers and outsourcers, underlying the country's building construction industry. A reflection of these circumstances was seen in the fact that the production for the year under review was around 50% lower than in 2012.

In the area of school buildings, the contract work for the C - Gym Building of the 2nd and 3rd Cycles of Colégio Moderno in Lisbon, was executed for "Colégio Moderno de João Soares e Filhos, Lda."

In the industrial area, the works for the LPG Storage Terminal in the Port of Aveiro - General Contract Phase 2, for the company of the Teixeira Duarte Group "PPS - Produtos Petrolíferos S.A." were completed.

In the service sector, the construction contracts for the Multi-purpose Building in Vila Nova de Gaia and Media Studios in Lisbon for IURD were completed.

In the health area, work was continued for "Centro Hospitalar São João - E.P.E." with various interventions involving the remodelling and modernisation of São João Hospital, in Porto, while in Lisbon, the Civil Construction, Special Facilities and Outdoor Arrangements of the Counterpart Building (Day and Health Care Centre) work was started for Multiusos Oriente Closed Real Estate Investment Fund.



Colégio Moderno
Gym of the 2nd and 3rd Cycles
Lisbon | Portugal



PPS, S.A.
LPG Storage Terminal at the Port of Aveiro
Aveiro | Portugal

In **Angola**, during 2013, this construction area achieved its highest volume of production ever, largely as a result of two very large-scale and complex works which, in this year, reached their peak invoicing, due to both having reached their final phase. These works are:

- The construction of the head office building of the National Assembly of Angola, for the Office of Special Works (GOE) whose works of a large-scale, high complexity and uncommon quality and specificity have progressed at a good rate, with their completion forecast for the first semester of 2014. Due to these features, as well as the notable architecture and extremely important duties for which this building has been designed, this work indisputably consists of a milestone in the construction of buildings in Angola.
- The construction of the GES 2,3 and 4 Buildings for "ESCOM - Espírito Santo Imobiliária, SARL" continued at a good rate, with this having been a year of major production. This large-scale and highly complex work is another which will clearly not go unnoticed among the best buildings that have been built in Luanda in recent years.

With the completion of these two contracts, at the end of 2013 and in the first semester of 2014, it is expected that there will be a reduction of building construction activity in this country in 2014.

Included among other contract works under development, special reference should be made of the following in particular:

- Completion of the construction of the Vehicle Inspection Building, at the National Department for Road Traffic (DNVT), and respective access roads, for the Office of Special Works (GOE);
- For "Banco de Fomento de Angola", execution of the construction of the Rainha Ginga I Branch, in Luanda;
- For "Standard Bank", start-up of the contract for the Execution of the "Cash Centre - SBT", in Viana;
- For "Sociedade de Bebidas de Angola, S.A.", start-up of the contract for the Civil Construction Works of the Catumbela facilities, in Benguela;
- For the company of the Teixeira Duarte Group "CND - Comércio Geral de Importação, Lda.", the remodelling work of the Maxi Mulemba Shop was completed, the Maxi Cacucaco and Maxi Rocha Pinto shops and the Expansion of the Distribution Central Warehouse (Maxi Park), also in Luanda were executed; and the execution works of the Maxi shop in Benguela were started;



GOE
National Assembly of Angola
Luanda | Angola



ESCOM, SARL
GES Buildings 2, 3 and 4
Luanda | Angola

- For the Teixeira Duarte Group company "ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.", the hotel's swimming pool was remodelled and the New Emergency Centre of this tourist unit situated in Luanda were executed;
- For the Teixeira Duarte Group company "TDA, Lda.", works were started for the Expansion of the Workshops at the "TDA Centre" in Luanda, the TDA Workshops/Stand in Lobito were completed;
- For the Teixeira Duarte Group company "ANGOÍMO, Lda.", the Facilities of "Pastelaria Nilo" in Maianga in Luanda, were built;
- The remodelling of "Hotel Trópico" in Luanda was another contract started this year for companies of the Teixeira Duarte Group. This work is extremely complex in view of the major depth of the remodelling intervention and tight deadline for its execution;
- In the social area, the contract for the Construction of "Casa das Artes, Meninos do Mussulo" was started, for "ConSaúde - Consultoria de Gestão e Administração em Saúde, Lda.";
- In the health area, the construction work continued for the Enlargement of the Laundry of "Clínica Sagrada Esperança", at Ilha do Cabo in Luanda, and the Contract for the Design and Construction of a Building for "SOS - Internacional", also in Luanda was started;
- In the area of school buildings, the construction of a Primary School with six classrooms, at Ilha do Cabo, in Luanda was completed for the aforesaid "Clínica da Sagrada Esperança". For the Teixeira Duarte Group company "Educare - Actividades Educativas e Culturais Lda.", Phase 4 (Blocks 3 and 4) of Colégio São Francisco de Assis, as well as the new Access Avenue were completed;
- In the industrial area, start-up of the execution of civil construction works at the Combined Cycle Plant of Luanda Refinery, for "Hidráulica de Angola, Lda.".

In **Algeria**, Teixeira Duarte was awarded the work for the Official Residence project in the city of Constantine, in Algeria, whose contract was signed in 2014 with "Direction de l'Administration Locale de la Wilaya de Constantine". This represents the first Buildings work in this market, which consists of the construction of a multipurpose building for accommodation needs for distinguished guests, which is planned to be executed in 20 months.

In **Brazil**, Teixeira Duarte continued, in the states of São Paulo and Rio de Janeiro, with the expansion of the operation in the Buildings area



FUJB
Basic-Clinical Integration Project:
More Research for Health
Rio de Janeiro | Brazil



CHERY BRASIL, Lda.
Civil construction works of the welding,
assembly and painting workshops
Jacarei | São Paulo | Brazil

with customers outside the Group, where, due to its strict compliance with contracts and attitude of helpfulness and collaboration, relations have been consolidated with various customers who have awarded new contracts and others have been attracted, with the intention of securing their future loyalty.

Reference should be made to the following contract works in 2013:

- Start-up of the Execution of the 1st stage of the work of the "Basic-Clinical Integration: More Research For Health - CCS/UFRJ" project, for "Fundação Universitária José Bonifácio - FUJB", in Rio de Janeiro;
- The civil construction contract for the welding, assembly and painting workshops continued, as well as the corridors for Phase I of the Brazil Project, in Jacarei in São Paulo, for "CHERY BRASIL - Importação, Fabricação e Distribuição de Veículos Lda.". This is a large-scale industrial plant for the manufacture of motor vehicles of this Chinese brand.
- Also in the industrial area, start-up of the contract for the construction of Various Buildings in the Port of Açu - Rio de Janeiro, for "Anglo American Minério de Ferro Brasil, S.A.";
- In the health area, work continued for the Execution of the Scouts Building in Niterói, in Rio de Janeiro, for "Hospital de Clínicas de Niterói Lda.". This is a building for the expansion of this hospital, which is expected to be completed in 2014;
- Execution, for "Amico Saúde, Lda.", of the Civil Work at UCI Pediátrica da Unidade Avançada Azevedo Macedo (2nd floor), of Hospital da Luz, in São Paulo;
- For the same customer and at the same hospital, start-up of the contract for the Execution of Civil Works, Finishing and Installations of the 7th Pavement;
- For "ESHO - Empresa de Serviços Hospitalares S.A.", start-up of the contract for the Execution of Civil Works, Finishing and Installations of the 6th Pavement of Hospital Vitória, in São Paulo.

In the residential area, the construction of the "Quartier Vila Mascote" Condominium, in São Paulo, for a company of the real estate sector of the Teixeira Duarte Group was completed.



Anglo American Minério de Ferro Brasil, S.A.
Various buildings in the Port of Açú
Rio de Janeiro | Brazil



Hospital de Clinicas de Niterói Lda.
Scouts Building
Niterói | Rio de Janeiro | Brazil

The company continues to strengthen its teams so that it is able to accompany the progressive growth of the contracts awarded in this country.

In **Spain**, in view of the slump in activity of the market in 2013, the company participated in some of the few public tenders, and in 2014 we shall continue with the effort directed at achieving contracts.

In **Mozambique**, in 2013, while the turnover of the Buildings area was approximately 15% higher than that of the previous year, it was lower than that of 2010 and 2011.

In spite of the fact that ore proposals were submitted than in previous years, the substantial increase of the number of companies in the market implied that the volume of contracts did not accompany the increased proposals to the same extent, since very low prices continued to be applied by companies with no experience in the country.

In 2014, the Group will carefully follow the evolution of activity in the new development focal points in the north of the country, namely in the provinces of Nampula and Cabo Delgado, with construction yards having been installed in the cities of Nacala and Pemba, in the expectation of increased turnover in the Buildings area.

During 2013, the following contract works were completed:

- Demolition of sheet piling, earth movement, drainage, civil and mechanical assembly at Quay 8 Port of Beira, for "VALE Moçambique, S.A.";
- TCM Phase 3.5. Expansion of the Matola Coal Terminal – D511/003 Civils and Piling, for "Grindrod Terminal de Carvão da Matola";
- Pavements and Miscellaneous Infrastructures at the Port of Pemba, for "Pemba Terminal Service";
- MCTL – Extension to Car Terminal (Phase 2) at Maputo Harbour – Pavements and Infrastructures, for "Maputo Car Terminal, Lda.";
- Rehabilitation of the Port of Pemba, for "CFM – Portos e Caminhos de Ferro de Moçambique, E.P.";
- Construction, for the same entity, of the Km 26.900 Provisional Bridge, on the Ressano Garcia Railway Line and Emergency Works on Km 74.100 and 78.650 Bridges;



Matola Grindrod Coal Terminal
Expansion of Matola Terminal
Matola | Mozambique



Banco de Moçambique
Maputo | Mozambique

- Refurbishment of the Geology Department of Eduardo Mondlane University, in Maputo, for "ENRC Mozambique, Lda.";
- Construction of a four-floor Office Building in Maputo for a private customer;
- Rehabilitation of Beira Municipal Auditorium, for the City Hall of this city.

The following works progressed:

- Construction of the new head office of Banco de Moçambique. This work, located in the central zone of the city, is emblematic in this city and will be the largest building constructed there over the last few decades;
- Construction of Facilities for the Fisheries Museum in the city of Maputo, for "Fundo de Fomento Pesqueiro";
- Construction of the structure, foundations and masonry of the Head Office Building of the Tax Authority of Mozambique, in the centre of Maputo, for "IMOINVEST - Investimentos Imobiliários, S.A.".

The following contracts were started:

- Emergency Works for Drainage and Discharge of Rainwater in the Laulane District, in Maputo, for "CFM - Portos e Caminhos de Ferro de Moçambique E.P.";
- Restoration of the roofing of the Railway Workshop and other works at the General Maintenance Workshops of Beira, for "VALE Moçambique, S.A.";
- Construction of a Multipurpose Building, at Avenida Julius Nyerere number 130, in Maputo, for a real estate company of the Teixeira Duarte Group.

The area of **INFRASTRUCTURES** has become fundamental in the development and growth of the activity of Teixeira Duarte, with this engineering company upholding distinctive standards in different markets due to the recognition of its high technological level, which has progressed historically since its foundation.



Fundo de Fomento Pesqueiro
Fisheries Museum
Maputo | Mozambique



IMOINVEST, S.A.
Structure, foundations and masonry of the head
office building of the Tax Authority of Mozambique
Maputo | Mozambique

Having participated in the modernisation of the country since the late 1980's, the company has expanded its scope of action to different types of works, namely Roads and Motorways, Bridges and Viaducts, Dams, Railway Lines, Railway Stations and Junctions, Port Works, Environmental Construction, as well as Water and Natural Gas Infrastructures.

Over these decades, teams have been created and experience has been accumulated in these different fields of engineering, in various markets, which is currently fundamental in what is a major challenge to the Group's construction sector: the execution of large-scale contract works in markets abroad.

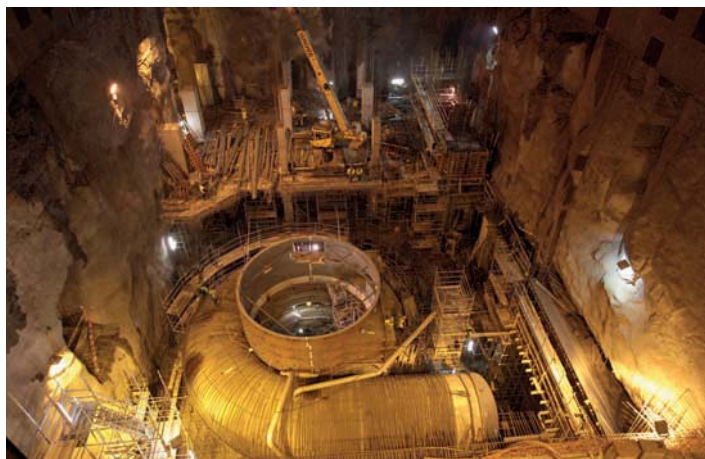
Precisely reflecting this point is the fact that the activity of the segment grew by close to 23% in 2013 in relation to the previous year, with the external market accounting for around 91% of the total.

Maintaining the trend that has been observed since 2011, Venezuela acquired the status of a major market in this area during 2013, since over 50% of this segment's production was carried out in this country.

In **Portugal**, the decline of recent years continued as expected, with production having fallen to approximately half, with this country now being the fourth market for this area of action. This confirmed the forecast recorded in the previous year's report that the activity of Infrastructures in Portugal tends to be residual.

Even so, the following works were developed:

- The general contract for the construction of the reinforcement of the power output of Salamonde Dam, in Salamonde – Vieira do Minho, for "EDP – Gestão da Produção de Energia, S.A.". This work, executed by "Construsalamonde, ACE", in which TD-EC and its participated company EPOS, S.A. hold 92.5%, is of high technical complexity, with its evolution having been compatible with the defined objectives, and complied with all the contractually relevant deadlines, for the demanding customer EDP. Everything indicates that the good levels of production and



EDP, S.A.
Reinforcement of the power output of
Salamonde Dam
Vieira do Minho | Portugal



SOMINCOR, S.A.
Cerro da Mina Reservoir, Neves Corvo
Beja | Portugal

invoicing will be maintained in 2014 and up to the completion of the works, in line with the objectives that were defined and agreed with EDP and that the technical and commercial relations with this customer and partner will be consolidated.

- Contract for the construction of Cerro da Mina reservoir, in Neves Corvo, for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.". This is a contract with high standards of performance in terms of the safety, quality, environment and risk management systems, which includes various accessory works, and should be concluded in mid-2014.

In the **Angolan** market, the infrastructures segment is upheld as a priority area for the diversification and consolidation of the turnover of Teixeira Duarte's Construction sector, where the technical and commercial activity underway and new works indicate an outlook of good growth levels in this important market.

In 2013, the production levels remained similar to those recorded in 2012, with:

- Continuation of the work on the Rehabilitation of Luanda Road Infrastructures - Avenida Hoji Ya Henda, covering 5.1 km, in Luanda, for "INEA - Instituto de Estradas de Angola". The rehabilitation works of this structural road of the city of Luanda - which crosses the important municipalities of Rangel and Cazenga - have been greatly constrained by problems of expropriation, by numerous contingencies, especially in terms of the affected services, and by the intense traffic experienced over the entire day, with significant repercussions on the phasing of the work. This contract, which should be completed during 2015 if the identified expropriation proceedings are resolved in the short term, will constitute a primary factor of development of the surrounding urban area and will have an extremely important social impact, in this more complex part of the city.
- The opening of a new work front with the start-up of the contract for the Construction of the General Infrastructures of the "Nosso Zimbo" Urbanisations, in the province of Benguela, with very interesting production and performance levels, which should be completed in September 2014.

Reference should also be made, due to its relevance and size, of the award to a consortium including TD-EC of the contract "Studies,



INEA
Rehabilitation of Avenida Hoji Ya Henda
Luanda | Angola



ANESRIF
Modernisation of the Thenia/Tizi-Ouzou railway line
and its electrification up to Oued Aissi
Algeria

Implementation Project and Construction of the System IV Water Treatment Station - (BITA) - Lots B1 and B7", for "EPAL - E.P.". This contract should start in 2014.

In **Algeria**, the activity of the Infrastructures sector has shown strong growth in relation to the previous year.

The main works in progress were:

- "Projet de Réalisation de la Ligne 1 - Lot 1: Extension A Gros Œuvre-Voie, Ligne et Stations sur le Tronçon: Place Émir Abdelkader - Place des Martyrs, Alger", for "Entreprise du Métro d'Alger (E.M.A.)";
- "Études d'exécution et Travaux de Modernisation de la Ligne Thenia/Tizi-Ouzou et son Électrification jusqu'à Oued Aissi (50+14 Km)", for "ANESRIF - Agence Nationale d'Etuda et de Suivi de la Réalisation des Investissements Ferroviaires".

These contracts have entered into a stage of full development, which should be maintained until their forecast completion dates in 2016, after various delays greatly linked to the need for better definition of the works, the expropriation proceedings and the adjustment of the implementation projects to local conditions.

The Algiers Metro work - where Teixeira Duarte is part of the consortium called GMAC - has required the use of specific solutions of major technical complexity, essentially due to its location close to the city bay, the archeological remains detected in the zones affected by the works and surroundings, where constructions of the Byzantine period have been found, and also due to the fact that it is being executed under ancient buildings, classified by UNESCO as world heritage.

Note should also be made of the recent award, by the customer, of yet another tunnel section, of an extension of 136 metres, due to the work developed up to date and the confidence entrusted in the enterprise group, which has enabled continuing the general contract work at the same time as the archaeological works underway.

At Thenia/Tizi-Ouzu, where Teixeira Duarte operates through the "TEHOZEN" consortium, the recognition of the quality of the executed work, compliance with deadlines and the technical and implementation capacity that has been demonstrated has enabled strengthening, in a sustained manner, the holding in this major contract, with many and demanding areas of action. In 2013, two of the four viaducts included in the contract were completed and work was started at five of the seven stations and halts, although various impediments persist related to expropriations and the affected services which prevent the completion of the works at one of these viaducts and the launch of two of the stations. However, it is expected that the engineering structural works will be fully completed in 2014 and that the stations might be finalised in the first semester of 2015.

Start-up, in early 2014, of the contract "Réalisation des Installations et Équipements d'Exploitation de l'Autoroute Est-Ouest - Lot Ouest", by the enterprise group led by TD-EC, for "Algérienne de Gestion des Autoroutes (AGA)", awarded at the end of 2012, with an execution period of two years, enabling an outlook of strong growth in this market which is tending to be positioned as the second most important in the sector.

Also in 2013, another enterprise group, again led by TD-EC, was awarded the contract "Réalisation et Exploitation de la Station d'Épuration de la nouvelle ville Ali Mendjeli (Constantine)", for the "Ministère des Ressources en Eau - Office National de l'Assainissement - ONA", with an execution period of 44 months (20 for construction and 24 for operation) as a result of the good work accomplished in a previous contract for the same customer and the excellent relations maintained between the parties, forecasting good prospects also in this market niche.

In **Brazil**, the action of this area of infrastructures has been accomplished by the participated company "EMPA, S.A.", with a moderate recovery in this area of activity having occurred during the period under review.

Over the year, projects were developed in road construction and rehabilitation and in the construction of port infrastructures in the states of Minas Gerais, Rio de Janeiro and Espírito Santo.

In 2013, the following works were completed:

- Construction of the BR 259 highway, Aimorés/Resplendor section, in the state of Minas, for "DNIT - Departamento Nacional de Infraestruturas de Transportes";
- Construction of the BR 364 highway, in the Mining Triangle, state of Minas, for "DNIT - Departamento Nacional de Infraestruturas de Transportes";
- Construction of the Simão Pereira highway, for "DER/MG - Departamento de Estradas de Rodagem do Estado de Minas Gerais".

In addition to the contracts referred to above and completed during the year, continuity was given to the "ON SHORE 3" port infrastructure work, included in the Project of Implantation of the Super-Port of Açú, located at Campos dos Goitacazes, in the state of Rio de Janeiro, for the "Anglo American Group".

The following works were started in 2013, all for "DER/MG - Departamento de Estradas de Rodagem do Estado de Minas Gerais":

- Construction of the MG-230 highway, Serra do Salitre-Rio Paranaíba section, covering 57 km;
- Construction of the LMG-680 highway, Paracatu - Brasilândia de Minas section, covering 94.80 km;
- Construction of two bridges over the River Paracatu and River Verde on the LMG-690 highway.

The following contracts were also started during this year:

- Port Infrastructure Works, ON SHORE 5, a new stage of the aforesaid "Project of Implantation of the Super-Port of Açú", in the state of Rio de Janeiro;
- Infrastructure Works for the construction of the South Quay, South Finger, Earthworks of the Accesses and Back Area of a shipyard for the construction of oil exploration ships. This development is located at Aracruz, in the state of Espírito Santo and was awarded by "Jurong Aracruz Shipyard".

For 2014, it is expected that there will be strong growth in this market of activity in the area de infrastructures, in view of the consolidation of



LMG-680 Highway
Paracatu - Brasilândia de Minas | Brazil



ANE
Repair of Chicumbane Bridge
Province of Gaza | Mozambique

the Group's presence in the market of public road works and the growing penetration in the private market, which is considered a promoter of major undertakings and investments in infrastructures which the country requires for its economic development.

The activity in **Mozambique** in this area has been residual. Notwithstanding this, during 2013:

- The contract for the Rehabilitation of the Coastal Projection of the City of Beira - Phase 1, for Beira City Hall, was developed and completed;
- Works were started, for "ANE - Administração Nacional de Estradas", under the Emergency Programme, for the Repair of Chicumbane Bridge, two Water Underpasses at Xai-Xai, Engineering Structures at Baixa do Limpopo, Upgrading of the N1 between Chicumbane and Xai-Xai, in the province of Gaza, which should be completed in June 2014.

At the same time, the commercial activity has been strengthened which has developed with various proposals having been submitted, both for public tenders and private customers.

In **Venezuela**, the area of infrastructures developed important engineering projects during the year under review, of which we highlight the following:

The "Procura y Construcción del Muelle Oeste en la Ampliación y Modernización del Puerto de La Guaira" work, in the state of Vargas, for "Bolivariana de Puertos, S.A." (Bolipuertos).

This is a large-scale project which will enable progress and development in Venezuela, with forecast completion at the end of the third quarter of 2014.

The Teixeira Duarte Group conducted the execution of this "key in hand" project in a notable manner, which, covering technological transfer and constituting an innovative business model in the port area, has been carried out with high know-how and strict compliance with the targets established by the customer.



Bolipuertos
Expansion and Modernisation of the Port of La Guaira
Vargas | Venezuela

Ministry of Popular Power for Land Transport
Baralt Tunnel – Extension of Avenida Boyacá
Caracas | Venezuela

Another enterprise of major impact underway in this country is the Baralt Tunnel work, "Prolongación de la Avenida Boyacá (cota mil) hasta el distribuidor Macayapa y Viaducto Tacagua", for the "Ministerio del Poder Popular para el Transporte Terrestre", which Teixeira Duarte implements through the "Boyacá - La Guaira Consortium", in which it holds a stake of 57.2%.

Particular note should be made of the considerable progress in the entry and exit boring works at Baralt and Macayapa, which enabled the start-up of the four excavation fronts of the two galleries of the tunnel.

In the Macayapa junction component, the containment works at Vale Macayapa were continued and the plumbing works at Vale Tacagua were started. Simultaneously, at the Tacagua viaduct, the foundations of the pillars and the construction of the metal structure of the deck were started.

In the telecommunications sector, work progressed for "Compañía Nacional de Teléfonos de Venezuela" (CANTV), in particular those relative to the Intelligent Building – OPSUT-COR Telecommunications Centre, in Valle de la Pascua and the entire Complex of the 213 nodes and optical fibre network distributed throughout various states of Venezuela, with forecast completion during 2014.

During 2013, the following contracts were completed:

- Construction of the Canaima Computer Factory (Magalhães), in Caracas, for "Telecom Venezuela";
- Construction of the Ground Station of the Satellite Programme, in El Sobrero, for "Agência Bolivariana para Atividades Espaciais" (ABAE);
- Remodelling of the Building of the "Comandancia General de la Aviación - La Carlota", for ABAE.

Concerning new projects, the year in course was marked by the approval of the Venezuelan Government for the construction of the "Nueva Autopista Alternativa Caracas-La Guaira" work, to be implemented under the "Supplementary Agreement to the Framework Agreement for Cooperation between the Republic of Venezuela and the Portuguese Republic, on matters of economic and energy cooperation". In order to



CANTV
OPSUT-COR Telecommunications Centre
Valle de la Pascua | Venezuela



Telecom Venezuela
Canaima Computer Factory (Magalhães)
Caracas | Venezuela

formalise this approval, a Memorandum of Understanding was signed on 18 June with the "Ministério del Poder Popular para el Transporte Terrestre" and "Ministério del Poder Popular de Economía, Finanzas y Banca Pública".

The main objective of this public works project, with an estimated price of USD 4,787 million, is to reinforce and modernise the connecting highways between Caracas and La Guaira (capital of the state of Vargas and city with the principal international airport of Venezuela and one of the main sea ports of the country). A contract of enormous technical complexity, which will involve the construction of over 9 km of double-gallery tunnels and over 7 km of viaducts in a period of 54 months.

The good commercial relations between Portugal and Venezuela, expressed in the existing Agreement and consolidated over recent years through the cooperation in political and economic matters, as well as the great political interest shown by the Venezuelan government in continuing to invest in the modernisation of the country's infrastructures, has enabled, combined with the quality work carried out by Teixeira Duarte in this country for over 30 years, the growth of commercial opportunities which has been embodied in the signing of contracts of major technical and economic significance.

After the end of the year under review, in January 2014, under the IX Joint Follow-up Commission between Portugal and Venezuela, three new memorandums of understanding were signed for projects in the maritime area: "Terminal de Graneles Sólidos del Puerto de Maracaibo", in the state of Zúlia, "Terminal de Graneles Sólidos del Puerto de Puerto Cabello", state of Carabobo and "Proyecto de Expansión de la Planta Física de DIANCA". This project will enable the expansion and modernisation of the principal shipyard of Venezuela. This Commission also consolidated the "Nova Autoestrada Alternativa Caracas - La Guaira" project, which is currently at a final stage of the contracting process.

The projects underway and those at a final contracting stage, with memorandums of understanding already signed with the Venezuelan government, enables envisaging the next few years with great optimism and responsibility.

MECHANICAL ENGINEERING constitutes a speciality within the construction sector with high specialisation in metallic construction and proven relevant implementation capacity, which has developed its activity with an important participation in works of Construction and Rehabilitation of Metallic and Mixed Steel-Concrete Bridges, Design and Construction of Hydromechanical Equipment for Dams, and Metallic Structures in general. At the same time, it has maintained important activity in the maintenance and repair of construction and mining equipment.

With a long tradition of innovation, combined with specific know-how, the Mechanical Engineering team has continuously developed procedures and implemented highly complex activities, in particular in the construction of large-scale structures.

In 2013, the Mechanical Engineering Operating Centre developed intense activity in its collaboration with the other Operating Centres of the Company, as well as various works for External Customers.

During the period under analysis, the Mechanical Engineering Operating Centre recorded significant growth of activity in relation to that of the previous year, having even reached a new peak.

In **Portugal**, we highlight the construction and assembly of the hydromechanical equipment and electric installations of the contract for the Supplementary Flood Spillway of the Reinforcement of the Power Output of Salamonde Dam, for "EDP - Gestão de Produção de Energia S.A.", in particular two segment flood gates of 6.5m x 13.7m and two coffer dams of 6.5m and 12.9m. These are the largest flood gates and coffer dams that have ever been built by the Mechanical Engineering Operating Centre.

Albeit with less expressive values, other repair and maintenance works continue for "EDP - Gestão de Produção de Energia S.A."

The area of equipment repair and maintenance has continued to involve the usual collaboration with the Central Department of Equipment and other Group companies. Here, special note should be made of the increased collaboration with "EPOS, S.A." in the maintenance of mining equipment, at Neves Corvo, where the Group has a technical assistance contract with "SOMINCOR - Sociedade Mineira de Neves Corvo S.A."

In **Angola**, the execution of the metallic structures continued for contracts undertaken by other Teixeira Duarte Operating Centres, namely for the Combined Cycle Plant at Luanda Refinery, for the expansion of the MAXI supermarket network and for works of the automotive branch company "TDA, Lda.", in these two last cases for entities of the Teixeira Duarte Group.

It is also important to refer to the fact that the workshop facilities of the Mechanical Engineering Operating Centre at the Teixeira Duarte Operating Centre, in Viana, were concluded during 2013. This is a production unit duly equipped for the manufacture of metallic structures, including a paint stripping and painting cabin.

In **Algeria**, the manufacture of the metallic bridges for the "Thenia/Tizi-Ouzou Line" was continued for "ASNERIF - Agence Nationale d'Études et Suivi de la Realization des Investissements Ferroviaires" continued. This project involved the assembly of the metallic structure of the PK29 viaduct, with a total length of 670 m and the assembly of the structure of the PK 36 viaduct was also started: a large-scale structure, with four spans of 128 m each, covering a total length of 512 m, which implied an assembly procedure of considerable technical complexity and also involved large-scale auxiliary structures. The works are taking place as planned, with the high satisfaction of the customer.

In **Brazil**, start-up of the assembly of the bridge over River Corrente, for "VALE, S.A.", along the Vitória - Minas Railway, in Governador Valadares, in the state of Espírito Santo. This work is part of a three bridge contract awarded to the Brazilian company of the Teixeira Duarte Group "EMPA, S.A.", as a result of the trust gained during the previous implementation of the Santa Joana Bridge work, in Colatina, executed with an innovative process which was a great success and very well received by the customer.

In **Mozambique**, the Mechanical Engineering team continues attentive to the development of bridge rehabilitation and construction projects.



EDP, S.A.
Reinforcement of the Power Output of Salomonde Dam
Vieira do Minho | Portugal



VALE, S.A.
Bridge over the River Corrente
Espírito Santo | Brazil

The manufacture of metallic structures to be installed at the Port of La Guaira has been started at the Teixeira Duarte Operating Centre specifically for Teixeira Duarte Group contracts in Venezuela.

For **UNDERGROUND WORKS**, apart from TD-EC, the Group is also supported by "EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A." (EPOS, S.A.), a company established in the early 1980's and which, in addition to its recognised experience, has the most advanced technology and equipment for the execution of this type of work, as well as operation in the mining area.

In 2013, turnover reached the total value of 77,107 thousand euros, a value slightly higher than that recorded in the previous year, achieving a new peak figure in its history.

The industrial activity developed in Portugal accounted for over 70% of total sales, with the rest having been obtained in the Spanish, Venezuelan and Algerian markets.

In **Portugal**, the production of this participated company was distributed between works conducted for various mining entities and civil engineering works, especially in the hydroelectric sector.

The following works in this country are particularly noteworthy:

- At Neves Corvo Mine, the continuation of the contracts concluded with "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A." aimed at the development and rehabilitation of mining infrastructure, with 7.9 km of tunnels and galleries having been excavated and 42 thousand m³ of shotcrete and 156 thousand nailings applied. At the same time, the contract for the dismantlement and transport of ore continued, whose total production exceeded one million tons;



SOMINCOR, S.A.
Neves Corvo Mines
Beja | Portugal

EDP, S.A.
Reinforcement of the power output of Salamonde Dam
Vieira do Minho | Portugal

- The start-up of the contract for the Construction of Cerro da Mina Reservoir was also signed with "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.", but this time in a consortium with TD-EC. This involved significant volumes of earthworks, a large part of which using explosives in zones particularly sensitive to vibration levels, where the contribution of the know-how of "EPOS, S.A." in this matter was extremely valuable;
- In June 2013, at Aljustrel Mine, the contract for the application of steel cable anchorage, signed with "ALMINA - Minas do Alentejo, S.A.", was started, with approximately 11 thousand metres having been completed by the end of the year;
- The general construction contract for the Reinforcement of the Power Output of Salamonde II - Salamonde II, signed with "EDP - Gestão da Produção de Energia, S.A.", where, through its participation in "Construsalamonde, ACE", the underground excavation works were completed, and the concreting of the different structures of the hydraulic circuit was continued;
- Completion, in the month of August, of the subcontract for the Excavation and Containment of the Cargo Tunnels, Access Galleries and Restitution of Foz Tua Dam, which had been contracted in the previous year with "Barragem de Foz Tua, ACE";
- The contract for the Upgrading of the Southern Section of Levada dos Tornos - 2nd phase, carried out for "IGA - Investimentos e Gestão da Água, S.A.", in the Autonomous Region of Madeira, in consortium with TD-EC, was also completed in the last months of the year.

In **Algeria**, "EPOS" maintained its provision of technical assistance to TD-EC, under the "Groupement Metro d' Alger Centre", continuing the underground excavation works developed by this enterprise group in the construction contract for the Place Emir Abderkader/Place des Martyrs section of the metropolitan railway of the Algerian capital.

In **Spain**, the activity focused on the mining sector, through two contracts aimed at the rehabilitation of infrastructures and construction of two geotechnical galleries of a total length of 900 metres, carried out at Aguablanca Mine, owned by "Rio Narcea Recursos, S.A.".

In **Venezuela**, the construction work of Baralt Tunnel continued, which involves a complex and extensive road section leaving Caracas in direction of the airport, in which "EPOS, S.A." intervenes as subcontractor of the "Boyacá - La Guaira Consortium", for the tunnel component.



Rio Narcea Recursos, S.A.
Aguablanca Mine
Badajoz | Spain



Ministry of Popular Power for Land Transport
Baralt Tunnel - Extension of Avenida Boyacá
Caracas | Venezuela

In 2013, the access work and preparation of the entry and exit boring of the tunnels progressed, and their excavation was started.

In **RAILWAY WORKS**, "SOMAFEL - Engenharia e Obras Ferroviárias, S.A." (SOMAFEL, S.A.) is a company of the Teixeira Duarte Group (60% stake), particularly qualified for railway infrastructure construction and conservation, including electrification (catenary work).

The Group has progressively consolidated its operational action, which is currently concentrated in Portugal, Algeria, Morocco, Brazil, France and Mozambique, and has started a process to optimise its action in these different countries.

In organisational terms, we highlight the appointment of a Director-General and the transfer of all the administrative services, procurement, legal, IT and human resources to the shared services of the Teixeira Duarte Group.

In **Portugal**, the industrial activity of "SOMAFEL, S.A." is mostly related to railway infrastructure maintenance works, in particular the provision of multi-annual service (5 years), for "Rede Ferroviária Nacional - REFER, EPE", which consists of the "Track Maintenance and Catenary Work of Lot 5", involving the entire Central Zone of the national railway network (Northern Line between Entroncamento and Pampilhosa, Beira Baixa Line, Beira Alta Line, Eastern Line and Western Line).

In 2013, "SOMAFEL, S.A." achieved a turnover above that of the preceding year.

Reference is also made to the completion of the following contracts:

- "Execution of the Railway Infrastructure Maintenance Works, in the establishment under the management of CP - Central and Northern Zone", for "CP - Comboios de Portugal, EPE";



REFER, EPE
Maintenance of the Beira Alta Line
Nelas | Portugal

REFER, EPE
Maintenance of the Beira Alta Line
Nelas | Portugal

- Implementation of the contract "Eastern Line - Bemposta, Crato, Santa Eulália - Survey of Railroad Switches and straight through track" for "Rede Ferroviária Nacional - REFER, EPE";
- Implementation for "CP - Comboios de Portugal, EPE", of the "Contract for the Upgrading of Campolide Maintenance Yard".

In view of the prospect of the launch of new railroad tenders during the year in course, a higher volume of work is expected in terms of study proposals, which will certainly only be embodied in activity in 2015, hence it is foreseen that in 2014 the turnover will be similar to that achieved in the year under review.

In **Algeria**, the works progressed concerning the contract "Modernisation of the Thenia/Tizi-Ouzou Line and electrification up to Oued Aissi", covering a total length of 75 Km, for "ANESRIF - Agence Nationale d'Études et Suivi de la Realization des Investissements Ferroviaires".

In this context, in 2013 "SOMAFEL, S.A." recorded a turnover rather below that of the preceding year.

Commercial activity increased considerably in relation to 2012, due to the knowledge of the market and the supplementary synergies with TD-EC in the study of important railway proposals.

Hence, the GMAC enterprise group (Groupement Metro d'Alger Centre / Andrade Gutierrez - Teixeira Duarte - Gesi TP - Zagope) awarded the Road Assembly and 3rd Rail Works of the contract "Extension A - La Place Emir Abdelkader et la Place des Martyrs - Metro d'Alger", which will begin in 2014.

In view of the order book carried forward from 2013 and the proposals under negotiation advanced with various customers, the outlook for 2014 is of a significant increase in the volume of work in this country.

In **Brazil**, "SOMAFEL, S.A." operates through its participated company, "SOMAFEL - Obras Ferroviárias e Marítimas Lda.", which started its productive activity in 2013.

Two contracts were completed during 2013 for "SUPERVIA - Concessionária de Transporte Ferroviário", in the city of Rio de Janeiro, namely:

- Provision of Electric Welding Services at the work site (2,849 units);
- Provision of revitalisation and compacting service for the permanent track at Belford Roxo.

Two new contracts were also started, which will be developed during 2014, namely:

- Second contract for the provision of Electric Welding Services at the work site (5,274 units) for "Supervia - Concessionária de transporte ferroviário";
- Construction contract for the crane at the Port of Açú, for "Anglo Ferrous Minas - Rio Mineração SA".

During 2013 and in view of various requests in new studies, the commercial sector was strengthened in order to enable meeting the requirements of various customers and ensuring their follow-up.

Therefore and due to the number of proposals currently under study and negotiation, the outlook for 2014 is of a considerable increase in the volume of work in Brazil.

In **France**, the activity of "SOMAFEL, S.A." has been characterised by the implementation of catenary work for the company "TSO Catenaire".

In this context, the following was carried out during 2013:

- Catenary work for "Remaniements des Installations de Caténaires 25 KV, pour permettre la Joiction de LAVL Este et Ouest- 1ª Phase", for SNCF (Société Nationale des Chemins de Fer Français);
- Catenary work for the "Ligne à Grande Vitesse Bretagne - Pays de Loire - Raccordement de Rennes phase 1 à 3";
- Catenary work at the construction yard "L" De Liart a Tournes Regeneration Caténaire Programme 2013, Études et Travaux du Km 30,462 au Km 45,422".

In view of the various requests in new works, an increase of the volume of work is expected for 2014.

In **Morocco**, the activity developed during 2013 was limited to the follow-up of the market at a commercial level, with the preparation of proposals for tender for railroad renovation and catenary works. This activity gave rise to the award, by "ONCF-Office National des Chemins de Fer", of the contract for "Railroad Studies and Works, Civil Construction and Catenary Work, at the Terminal Facilities of Kenitra - High Speed Link between Tangier and Kenitra", whose works began during 2014.

Therefore, a considerable increase of turnover is expected for 2014.

In **Mozambique**, productive activity began in the last quarter, with the start-up of the work of the contract for the provision of services for heavy mechanical impact on the track, for a similar company, under the execution of the Infra and Superstructure Rehabilitation Works of Section 7 - Part 2" of the Nacala Corridor Railway - Mozambique.

In view of the commercial action and studies developed, it is expected that negotiations will be completed during 2014 concerning important maintenance contracts for various railway lines of the country, hence the outlook is of increased turnover.

As noted above and in view of the current order book and proposals under negotiation in various markets, in particular in Brazil, Algeria and Mozambique, significant growth of activity and income of "SOMAFEL, S.A." is expected in 2014.

In **MARITIME WORKS**, the Teixeira Duarte Group operates through the company "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A." (OFM, S.A.), of which 60% is indirectly held. OFM, S.A. is distinguished as an entity specialising in maritime and fluvial works, operating in port infrastructure works (commercial, fishing and nautical recreation ports), in the construction and rehabilitation of coastal protection (jetties, breakwater piers and related defence works), dredging operations and other works associated to the sea and rivers.

The Group has progressively consolidated its operational action, which is currently concentrated in Portugal, Venezuela, Algeria, Cape Verde, Brazil and Mozambique, and has started a process to optimise its action in these different countries.

In organisational terms, we highlight the appointment of a Director-General and the transfer of all the administrative services, procurement, legal, IT and human resources to the shared services of the Teixeira Duarte Group.

In **Portugal**, due to the crisis and consequent reduction of public and private investment, "OFM, S.A." recorded a heavy decline of operating income of close to one third.

During the year under review, the following contracts were completed:

- Supply and Assembly of Seventeen Defence Structures at Dock 2 North, for "APDL - Administração dos Portos do Douro e Leixões, S.A.";
- Contract for the Construction of the Port Infrastructures and Works for the Improvement of Shelter Conditions at the Port of Madalena do Pico, on the Island of Pico, for "Portos dos Açores, S.A.";
- Construction of the Ro-Ro Ramp for Ships and Ferry, and Supplementary Work at the Port of São Roque, on the Island of Pico, for "Portos dos Açores, S.A.";
- Reinforcement of the Head of the Breakwater of the Commercial Port of São Roque do Pico, for "Portos dos Açores, S.A."

In addition to the completion of the contracts referred to above, new works were started, namely:

- Rehabilitation of a Section of the Slope of Caldeira da Moita, for Moita City Hall;
- Rehabilitation of the Upper Part of Quays 1 and 2 at Lisbon Naval Base, for the Ministry of National Defence - Navy - Department of Infrastructures.

In view of the prospect of the launch, during the year in course, of various tenders in this area, a higher volume of work is expected in terms of studies and submission of proposals, even if this is not embodied in execution during 2014, hence it is still foreseen that there will be a strong reduction of turnover in 2014.

In **Algeria**, the activity developed in 2013 was limited to market follow-up at a commercial level, with the preparation and submission of proposals for various tenders, with a view to the achievement of new work, as well as the undertaking of administrative and financial tasks for the closure of various enterprise groups.

Considering the positioning of various proposals that have been submitted, it is expected that some of these contracts will be awarded during the year in course, with the consequent recovery of turnover in this market.

In **Brazil**, the activity developed during 2013 was characterised by a large amount of effort and contacts with potential customers, in particular private concessionaires of port areas, as well as the development and deepening of synergies with the Brazilian company of the Teixeira Duarte Group, "EMPA, S.A.", through the joint study of a number of projects and submission of various proposals, which has enabled greater exposure of the Group's services and skills in the Brazilian market.

During the year under review, the "CR Almeida Group / EMPA, S.A" consortium awarded "OFM, S.A." the Works of Dredging and Reshaping the Slope of the South Pier at "Jurong Aracruz Shipyard", in the state of Espírito Santo.

Considering the contracts that have been awarded and the proposals under negotiation advanced with various customers, the outlook for 2014 is of a significant increase in the volume of work.



APDL, S.A.
Dock 2 North
Port of Leixões | Portugal



Ministry of Infrastructures, Transport and Telecommunications
North-eastern Zone of Greater Porto
São Vicente | Cape Verde

In **Cape Verde**, the work for the Expansion of the Landfill and Construction of a New Road in the North-East of Porto Grande, São Vicente, has continued for the Ministry of Infrastructures, Transport and Telecommunications, where this contract is developed under a consortium.

During 2013, "OFM, S.A." achieved a turnover slightly above that of the preceding year.

For 2014, apart from the completion of the contract underway, no new work is foreseen, especially in view of the depletion of all the funds provided under the Portuguese Cooperation in the area of port infrastructures, which will imply a significant reduction of turnover in this market.

In **Mozambique**, the work in consortium with Teixeira Duarte has been finalised, concerning the contract for the "Rehabilitation of the Coastal Protection of the City of Beira - Phase 1", for Beira City Hall. Work has started on the "Rehabilitation of Pavement Slabs at Quay 14 of the Port of Maputo", for "DP World Maputo", which should extend during 2014.

For 2014, and considering the various proposals submitted and under negotiation, it is expected that some of these contracts will be awarded with the inherent increased turnover.

In **Venezuela**, "OFM,S.A." completed its second year of activity, having continued the work under the contract "Ampliación y Modernización del Puerto de La Guaira, Sector Oeste", which is forecast to be completed during the year in course.

For 2014, the start-up of various studies of maritime works together with Teixeira Duarte is foreseen, although this should only materialise in the start-up of works and turnover at the end of the year, or even in early 2015, hence it is expected that during this year in course there will still be a considerable reduction in turnover.



Expansion and Modernisation of the Port of La Guaira
Vargas | Venezuela



EDP, S.A. | Slipform shuttering for the standpipe
Salamonde Dam
Vieira do Minho | Portugal

The **SHUTTERING AND PRESTRESSING OPERATING CENTRE** is the Operating Centre with experience and technology in the areas of shuttering and falseworks.

Constituting an instrument of fundamental importance for the success of large-scale reinforced concrete and prestressed works, it is also entrusted with promoting the study and development of modern construction processes in order to offer the most advanced technologies on the market.

In **Portugal**, the activity focused on slipform shuttering work, the coating of the Pipeline Section and Pit Buses, in the contract for the reinforcement of the Power Output of Salamonde Dam – Salamonde II.

In **Angola**, the works at the National Assembly in Luanda were completed and the prefabricated beams were executed for the quay expansion of the "Marine Operations Support Dock", in Soyo.

In **Algeria**, the platforms supporting the assembly of the metallic arches of the viaduct were implanted for the railway works at Thenia/Tizi-Ouzou, for "ANESRIF - Agence Nationale d'Études et Suivi de la Realization des Investissements Ferroviaires".

This year the Shuttering and Prestressing Operation Centre started its activity in **Brazil**, having operated in three different states, in the following works:

- Execution of a standpipe using the climbing formwork method, at the Chery motor vehicle plant in Jacarei, in the state of São Paulo;
- Completion of the structure of a building for "Faculdade Universitária José Bonifácio", in the state of Rio de Janeiro;
- Execution of prefabricated beams concreted onsite, for the construction of "Jurong Aracruz Shipyard", in Aracruz, in the state of Espírito Santo.

In **Mozambique**, the construction of two buildings, in Maputo, for "Banco de Moçambique" continued, and the structure of the new building for the Tax Authority of Mozambique, also in Maputo, was executed.



ANESRIF
Viaduct of the Thenia - Tizi-Ouzou Railway Line
Algeria



Central Department of Equipment
Teixeira Duarte Operating Centre
Montijo | Portugal

The **CENTRAL EQUIPMENT DEPARTMENT** carries out the management and maintenance of the Group's equipment, continuing to provide an important supporting service for production activity. This Department is based at the "Teixeira Duarte Operating Centre" in Montijo.

In 2013, the procedures for equipment management and maintenance were standardised in the different markets, assuring the continuous improvement of the management process in the SAP platform. An important training programme for technical staff and machine drivers has been started in partnership with various equipment manufacturers.

In **Portugal**, due to the slowdown of activity, the occupancy rate of the general equipment and infrastructures continued low, at around 30%. The investment in equipment stood at approximately 0.3 million euros, essentially for the Geotechnics and Rehabilitation area.

In **Angola**, for General and Infrastructure equipment, the occupancy rate was 48% and, for Geotechnics and Rehabilitation equipment it was 30%. The investment was 7.3 million euros, allocated to General, Infrastructure, Geotechnics and Rehabilitation equipment.

On this issue, it is important to highlight the new equipment yard in Angola named the "Teixeira Duarte Operating Centre", in Viana. This is a modern facility which follows the organisational model already applied in Portugal, which enables the teams of the different production areas to show better and more efficient performance.

In **Algeria**, the occupancy rate of General and Infrastructure equipment was 30% and, for Geotechnics and Rehabilitation equipment it was 39%. The investment reached 3.4 million euros, essentially for the Geotechnics and Rehabilitation area.

In **Brazil**, the occupancy rate of General and Infrastructure equipment was 34%, and for Geotechnics and Rehabilitation equipment it was 35%. Investment stood at 24 million euros, of which 2.9 million euros was in General equipment, 8.4 million euros in Infrastructure equipment and 12.7 million euros in Geotechnics and Rehabilitation equipment.

In **Mozambique**, the occupancy rate of General and Infrastructure equipment was 49% and, for Geotechnics and Rehabilitation equipment it was 30%. The investment of 1.6 million euros was almost entirely in General equipment.

In **Venezuela**, the occupancy rate of General and Infrastructure equipment was 79%, with Geotechnics and Rehabilitation equipment having reached the same value. The investment was 4.6 million euros, allocated to General, Infrastructure, Geotechnics and Rehabilitation equipment.

The **MATERIALS LABORATORY** has been accredited since 1996 and installed at the "Teixeira Duarte Operational Centre", in Montijo since 2011. This unit was one of the first laboratories of a construction company to receive accreditation in the area of concrete and aggregates in Portugal, with a vast portfolio of equipment, which enable the conduct of over eighty different trials, and is also equipped to support the works of the Group's companies in the areas of concrete design and application, quality control, budgeting and inspection of concrete structures, both in Portugal and Abroad.

In **Portugal**, support was continued to the tests in the Work of the Reinforcement of the Power Output of Salomonde Dam and the documental management based on electronic format was carried out using the Corporate Portal. In the area of Research, Development and Innovation, the work of Pre-dosed Grout for Prestressing Brick Walls was completed.

Particular note should be made of the achievement, in July 2013 of the Accreditation of the "Salomonde II Temporary Laboratory" by the Portuguese Accreditation Institute (IPAC), for test of "Determination of resistance to compression, pursuant to standard NP EN 12390-3:2011". This Accreditation is the result of the joint effort made by the Materials Laboratory of TD-EC and "CONSTRUSALAMONDE, ACE".

In **Angola**, the Integrated Management of the laboratories began under the technical responsibility of the Materials Laboratory in Lisbon, followed by documental standardisation and verification of the development of the management system pursuant to the reference documents NP EN ISO/IEC 17025 and the Guide OGC001.

Local support was also given to the "MOSD - Marine Operations Support Dock" work in the city of Soyo, for the study and follow-up of the concrete manufacture and assessment of the concrete production plants in Soyo.

In **Mozambique**, particular note should be made of the strengthening of skills in soil and concrete testing, and the support given to the teams and Infrastructure Operating Centre.

The Integrated Management of the laboratories also began in this country under the technical responsibility of the Materials Laboratory in Lisbon, followed by documental standardisation and verification of the development of the management system pursuant to the reference documents NP EN ISO/IEC 17025 and the Guide OGC001.

IV.2. CONCESSIONS AND SERVICES

The Teixeira Duarte Group began its operations in this area in 1984, in Macau, through a holding in CPM - Companhia de Parques de Macau, S.A. which it still owns and to which it has added, others in Portugal, Angola, Brazil, Spain and Mozambique.

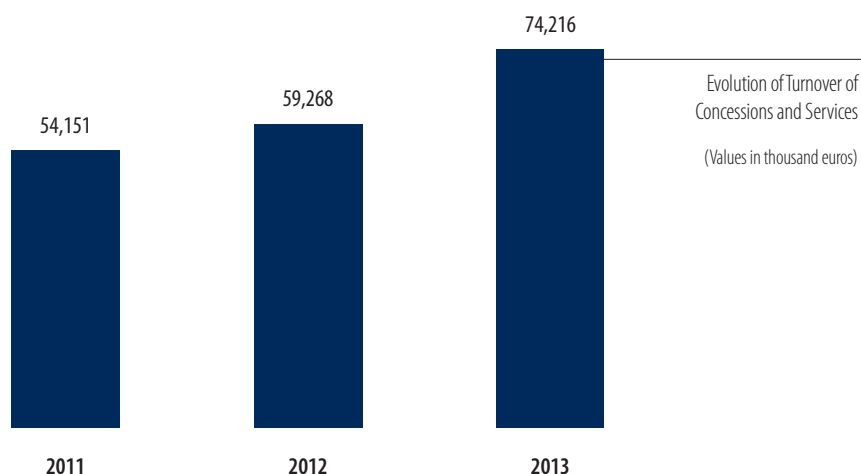
Currently, the Group's companies focus on business areas of different nature, in particular the management and technical maintenance of facilities and enterprises, the environment and transport.

In this sector, Teixeira Duarte also holds several non-controlling interests in other companies whose management is not conducted by the Group's structures and which, in almost all cases, are not included in its consolidation perimeter. Various notes are also presented at the end of this chapter on the most important ones.

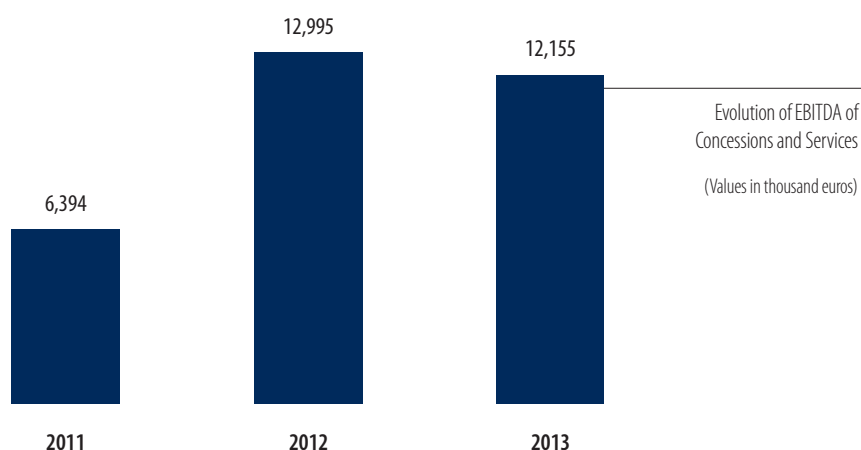
– **CONTRIBUTION OF THIS SECTOR TO THE GROUP**

In Concessions and Services, Turnover grew by 25.2% year-on-year, with an increase in all the markets in which the Group operates, essentially in the area of facilities management.

Portugal, in spite of the climate of retraction, showed growth of 28.9% and the other markets increased by 23.5%, in particular the Angolan market which grew by 40.5%.



The EBITDA in this sector of Concessions and Services declined slightly, with the balanced performance of all the markets in which the Group operates.



– **ACTIVITY DURING 2013**

In non-consolidated terms and in order to provide an overall view of the total activity during 2013, we disclose that the Group's operating income in the Concessions and Services sector reached the total value of EUR 103,488 thousand, 56.7% of which referred to the activity developed abroad, and where these figures reflect an overall decrease of 14.4% in relation to 2012.

IV.2.1. COMPANIES CONTROLLED BY THE TEIXEIRA DUARTE GROUP

The Teixeira Duarte Group operates in the **MANAGEMENT AND TECHNICAL MAINTENANCE OF FACILITIES AND ENTERPRISES** in the following areas: Facilities Management, Maintenance, Analysis and Diagnosis, Management of Places and Construction Sites, and Energy Solutions.

Teixeira Duarte began its action in Portugal in 2000 through the company incorporated by it for the effect (and 100% controlled by it from the very beginning), called "TDGI - Tecnologia de Gestão de Imóveis, S.A." (TDGI). Its internationalisation, started in 2006, has been undertaken not by this Portuguese company, but rather and since 2011, by the consolidation of the TDGI trade name, with the objective of creating a strong insignia with solid values and recognised by the market and customers, regardless of where it might operate, with its scope of action currently covering five countries.

In **Portugal**, in spite of the recessive economic scenario, the year of 2013 followed the trend of 2012 and ended up by being frankly positive, with TDGI's turnover having increased.

The area of Facilities Management, which continues to be the *core business* of TDGI, also recorded higher activity during 2013, essentially as a result of three factors which proved to be of extreme importance: in the first place, the maintenance of most of the existing contracts; in the second place, the increased coverage of the contracts with some of these customers, which demonstrates the relations of confidence between TDGI and its customers; and, last but not least, the signing of new contracts, which reflects the commercial work of attention to the market.

In this area, particular note should be made of the Head Office Building of Unilever-Jerónimo Martins in Lisbon, where TDGI is responsible not only for the maintenance and management of facilities and equipment, but also for all the supporting services such as surveillance, cleaning and mail management.

With the same concept as the preceding case, note should also be made of the contract with "Johnson & Johnson", for its head office building in Queluz, the new increased number of "DECATHLON" shops, and the reinforcement of the provision of services in the Autonomous Region of Madeira, namely through contracts with the Airports of Madeira and Porto Santo, with the Regional Archive of Madeira and Santana Home.

Particular note should be made of the area of Energy Solutions and Analysis and Diagnosis, which continued during 2013 to be TDGI's focus as a factor of differentiation and introduction of value added for its customers. The investment in new technologies and new equipment and solutions continued, enabling the appropriate response to current requirements, as well as the focus on a team with specialised technical staff, armed with the most recent technologies used in Building Maintenance.

Concerning this issue, note should also be made of the Energy Certification, under the Intensive Energy Consumption Management System (SGCIE) of the factory plant of "SOPLASTE - Moura, Moutinho e Morais, S.A.", in Valongo.

With regard to Energy Solutions, 2013 was also a fairly important year, where we highlight the award of the energy audit of various "Millennium BCP" buildings in TagusPark. This study, which will be developed over a period of two years, is simultaneously aimed at identifying and characterising the consumption of various buildings and their systems and equipment, as well as defining measures to promote energy efficiency and the consequent reduction of consumption.

The year of 2013 was also frankly positive in the sector of Studies of Places and Construction Sites, with this activity area having increased its income, especially related to the remodelling of the entire interior of the Nestlé Building, in the municipality of Oeiras.

In **Angola**, the growing confidence entrusted by customers in the work developed has enabled the consolidation of notable growth during 2013, where we highlight:

- The contract for a company of the Chevron Group, aimed at the management and maintenance of the "Lenin Building", the company's former head office in Luanda;
- The expansion of the activity of assistance to bank branches, with the conclusion of contracts with "Banco de Negócios Internacional, S.A." and "Banco Espírito Santo Angola, S.A.", for their branches in the provinces;
- Development of the business area of management of places and construction sites, with the interior remodelling of the TTA1 tower, owned by "TOTAL", a six-month contract for a 16-storey building.

TDGI in Angola is based in Luanda, with delegations in Soyo, Sumbe, Huambo and Lubango and, since 2013, also in Cabinda and Benguela.

In **Brazil**, 2013 was a year of growth for the TDGI brand. Indeed, after having dedicated its effort in 2012 to operations and commercial development, during 2013, TDGI strongly boosted the development of its activity in this market with the inherent growth of its structure.

By the end of this first year of production, TDGI Brazil already had a management team of six engineers, four employees supporting production and technical teams for the field, with seventy workers and six vehicles.



Energy audit to various buildings of Millennium
BCP | TagusPark
Porto Salvo | Portugal



Chevron Group
Management and maintenance of the Lenin Building
Luanda | Angola

In the customer portfolio, we highlight the multinationals "Price, WaterHouse & Cooper" and "Decathlon", as well as the Brazilian reference company in the area of insurance "Porto Seguro" and the "Itambé Group", a Brazilian leading company in consulting and real estate management.

The confidence entrusted by these and other important customers implied that the activity started in the city of São Paulo extended to various other states, and inclusively, to offices having been opened in Rio de Janeiro and Santa Catarina.

In this context, it is expected that in 2014, TDGI will double its turnover in Brazil.

In **Spain**, after a very difficult year of 2012, TDGI shifted its focus of action away from the public sector and towards the private sector, thus having strongly increased the company's activity, especially due to the higher volume of work for the customers "PFIZER" and "CBRE".

In **Mozambique**, TDGI is currently a recognised and respect brand due to the work is has progressively carried out in the area of building management, particularly in the capital Maputo.

As a result of the stronger growth of economic activity and development of the principal urban areas which are close to the natural gas and coal carrier beds (Pemba and Tete), the necessary logistics and industrial infrastructures are being created for the distribution and processing of these natural resources (Nacala and Beira), with TDGI reinforcing its teams in these provinces, where there are still great needs in terms of management of buildings and technical infrastructure.

The various contracts include, in particular:

- The integrated facilities management contract, for the JN3412 building, a service building in Maputo;
- The industrial environment contract for the maintenance of the different facilities of "GRINDROD, Limited", in the Port of Maputo;



Porto Seguro Building
São Paulo | Brazil



Xiluva Condominium
Maputo | Mozambique

- The management and maintenance contract for the facilities of "Hotel Park Inn" in Tete, owned by one of the largest hotel groups of the world, the "Carlson Group".

Following its internationalisation strategy, in 2013, TDGI started prospecting for business opportunities in Belgium, having made various commercial contacts with potential customers, and prepared commercial proposals aimed at both the public and private sectors.

Operations were started in Belgium during 2013, with the replacement of a Chilled Water Production Group at the premises of the Portuguese Embassy in Brussels and the award of the optimisation of the lighting technology of a supermarket in Anderlecht.

In the area of the **ENVIRONMENT**, the Teixeira Duarte Group fundamentally operated through its participated companies "RECOLTE - Serviços e Meio Ambiente, S.A." (RECOLTE), "RECOLTE - Servicios y Medioambiente, S.A.U" (RECOLTE S.A.U) and "INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A. (INVICTAAMBIENTE).

RECOLTE, with head office in Portugal, is a company 100% held by the Teixeira Duarte Group, which primarily operates in the areas of design and operation of cleaning and urban hygiene systems, in urban and industrial solid waste management systems, in the construction and maintenance of gardens and green areas, construction of equipment and plants for the treatment and management of waste, and also in the cleaning of beaches and coastal zones.

RECOLTE S.A.U. is a company incorporated under Spanish law, 100% held by RECOLTE, dedicated to the provision of various services related to the Environment, mainly in the market of waste management, street cleaning, garden maintenance, beach cleaning, and coastal rescue and relief operations.

INVICTAAMBIENTE is a specific purpose entity, 100% held by RECOLTE S.A.U., whose sole object is solid urban waste collection and urban cleaning covering a significant part of the city of Porto.

The activity in Portugal during 2013, essentially consisted of the continuation of the existing service contracts, the vast majority of which are multi-annual, which confers some stability to this activity with respect to turnover. On the other hand, since most of the potential customers are public entities whose budgets are increasingly tighter, this has proved problematic in the conclusion of new contracts with sustainable operating margins.

In the area of the Construction of Environmental Systems we highlight the contract, carried out in consortium with TD-EC, of "Works of the 1st Phase of rehabilitation and upgrading of São Brás de Alportel Organic Valorisation Plant", for "ALGAR, S.A.", which essentially consisted of the execution of rehabilitation works on urban solid waste mechanical-biological treatment structures, including the upgrading of the respective electromechanical facilities and anti-seismic reinforcement of the structures.

We highlight, in the area of the Construction of Green Areas, the execution, also carried out in consortium with TD-EC, of the "Picoutos Park - Environmental and Landscape Upgrade" work for the municipality of Matosinhos, which essentially consisted of the environmental upgrade of a park for urban vegetable gardens.

Hence, in 2013, RECOLTE achieved a turnover of close to 11 million euros, a figure slightly higher than that recorded in the previous year.

Through its Branch in Portugal, RECOLTE S.A.U. continued its existing contracts with "EMAC - Empresa de Ambiente de Cascais E.M. S.A." and the municipality of Oeiras, having reached a turnover of around 2.5 million euros, in line with the value achieved in the previous year.

INVICTAAMBIENTE achieved a turnover of 3.8 million euros, lower than the figure for the previous year, as a result of the reduction of services for its only customers, the municipality of Porto.

Most of the operating income of these companies, received above all in the sphere of local government and municipal companies, were derived from the continuity of contracts for Solid Urban Waste Collection (RSU) and Street Cleaning carried out in the municipalities of Alenquer, Cascais, Lagoa (Azores), Porto, Ribeira Grande, São João da Madeira and Vila Franca do Campo.

Among the main works for the Maintenance of Gardens and Green Areas, we highlight those carried out for the municipalities of Azambuja, Benavente, Lisbon, Matosinhos, Oeiras and Vila Franca de Xira, for the parishes of Algueirão, Mem Martins and Benfica, as well as for "ANA - Aeroportos e Navegação Aérea, for "Lagoas Park S.A." and in Lagoas Park for companies of the Teixeira Duarte Group.

For 2014, in Portugal, in spite of the added difficulty arising from the significant reduction of the values placed under tender, as well as the reiterated requests from customers to reduce services and activities underway, it is estimated that operating income should be in line with that observed in 2013.

In **Spain**, a turnover of approximately 31 million euros was recorded, which represents notable growth in relation to the figure recorded in the previous year.

Among the various operations underway during 2013, we highlight, in the area of Solid Urban Waste Collection, Street Cleaning and Management of Ecocentres, those developed in Comunidade de Madrid (Ayuntamientos de San Lorenzo del Escorial, Griñon, Torrejón de la Calzada, Torrejón de Velasco and Villaconejos), in Comunidade de Andaluzia (Ayuntamiento de Benalmádena, Cartaya and Mairena, where these two last were started in 2013) and in Comunidade de Galiza (Mancomunidade dos Concellos do Morrazo, which includes the Ayuntamientos de Cangas, Bueu y Moaña).

In the Maintenance of Gardens and Green Areas, the main services underway were continued in Comunidade Andaluza (Ayuntamiento de Algeciras) and in Comunidade de Madrid (Ayuntamiento de Serrallinos del Valle).



ALGAR, S.A.
Rehabilitation and upgrade of São Brás de
Alportel Organic Valorisation Plant
Faro | Portugal

Municipality of Matosinhos
Picoutos Park - Environmental and
Landscape Upgrade
Porto | Portugal

Note should also be made of the continuity of various important contracts in the area of Maintenance and Conservation of Beaches, Pine Forests and Coastal Zones in Comunidade de Andaluzia, for the Ayuntamientos of Algeciras, Benalmádena and El Puerto de Santa Maria.

During 2013, the Environment activity in **Angola** focused on the area of Construction and Maintenance of Gardens and Green Areas, in particular the "Construction of the Gardens and Green Areas of the New National Assembly of Angola".

This activity area has proved promising in view of the large number of business opportunities which have emerged and is a clear area of interest for the development of the activity in this country.

Particular attention also continues to be given to possibilities of intervention in the areas of collection, treatment and management of solid urban waste, in the area of urban cleaning and in the area of the management and treatment of hazardous hospital waste, reference to which has already been made above.

Focus is maintained on diversification into other areas of the Environment sector, namely in Systems and Equipment for treatment of Hospital Waste and also, in view of some stagnation of the national market, on the ongoing search for new business opportunities in other countries where the Teixeira Duarte Group is already implanted.

Indeed, in 2013, an agreement for the exclusive representation and distribution of hospital waste treatment equipment was signed with the Italian supplier OMPeco, for Portugal, Spain, Angola, Mozambique and Cape Verde.

The objective of the partnership with this supplier is to develop and implement this environmentally innovative technology in these countries, exploring these highly technological market niches through the implementation of treatment units with provision of integrated services, supplying the customers of these countries with an overall solution for the collection, transport and treatment of Hospital Waste.



Mobile ecocentre
Mairena de Aljarafe
Seville | Spain



Washing of underground containers
Mairena de Aljarafe
Seville | Spain

During the year under review, the commercial presence was consolidated in other Portuguese-speaking countries through the submission of proposals for various public and private tenders, in particular, on this matter, those submitted in **Macau** and **Mozambique**.

As noted above, in view of the current portfolio of multiannual contracts and proposals that are currently under study and negotiation, it is expected, albeit with some prudence, that the activity and operating income will grow during 2014.

SATU-OEIRAS - Sistema Automático de Transporte Urbano, E.M., S.A. is a municipal company in which the Group has a stake of 49%, that fully operates the Oeiras SATU Transport System, having recorded an operating income of 258 thousand euros in 2013.

"**TDHOSP - Gestão de Edifício Hospitalar, S.A.**" is a company 100% owned by TD-EC, the object of which is the management of the New Cascais Hospital for a period of 30 years, including the design, project, construction, financing, conservation and maintenance activities.

With the completion of the construction of Cascais Hospital in February 2010, the activity of TDHOSP has concentrated, since this date, on the management and maintenance of the hospital building and on the management and operation of the Car Park.

Under the Management Contract, the activity of TDHOSP is assessed and monitored by the Contracting Public Entity regarding the parameters of Availability, Service and Satisfaction, having received, since the beginning of the operation, the classification of Very Good.

"**EDUCARE - Actividades Educativas e Culturais, Lda.**" is a company 100% owned by the Teixeira Duarte Group, which was incorporated in 2007 specifically for the development of the "Colégio São Francisco de Assis Luanda Sul" project (CSFA Luanda Sul), with head office in Talatona, Luanda Sul, in Angola.

Adopting the Constructivist/Positivist Education Model, complying fully with the Portuguese Curriculum and intended for students from the

Infant Section up to Secondary Education, this college seeks to offer education for a demanding and culturally diverse group of citizens of a Portuguese-speaking community, always with the objective of ensuring excellence in the dissemination of the Portuguese language and culture.

During 2013, CSFA Luanda Sul continued to develop its educational activity with Pre-School, 1st, 2nd and 3rd Cycles of Elementary Education (CEB).

Between January and July, as has occurred since the start-up of the College's activity in 2007/08, Pre-School Education continued to operate in the provisional facilities dimensioned to receive children of these age groups. However, blocks 3 and 4 of the definitive building were completed in August 2013, thus enabling the long desired change of this education area to the new rooms.

We highlight the entry into operation of a further two class groups, respectively, of the 8th and 9th schooling years, which has enabled expanding the total number of students at the college.

Therefore, as at 31 December 2013, CSFA Luanda Sul reached the number of 581 students, with its annual average being 546 students, corresponding to a 23% increase in relation to 2012.

The alterations indicated above, enabling the opening of new classrooms at CSFA Luanda Sul, had the expected impact on turnover which increased by 15%.

For 2014, it is expected that the line ministry (Portuguese Ministry of Education and Science) will attribute the certification of the learning and recognition of the teaching ministered for Secondary Education, and that the average number of students attending the College should reach 605.

"**PAREDÃO DE MINAS Energia, S.A.**", "**GONGOJI Montante Energia, S.A.**" and "**TABOQUINHA Energia, S.A.**", are three Brazilian companies held by the Teixeira Duarte Group, which have continued the respective project licensing procedures for the construction of three small hydroelectric plants (PCH):

Paredão de Minas small hydroelectric plant, to be built in the municipalities of João Pinheiro and Buritizeiro, in the state of Minas Gerais, received its installation license in February 2012, and will have an installed power of 28.2 MW and assured average power of 13.3 MWh.

The consolidated basic project was prepared during 2013, after an associated campaign of exploratory drilling and rigorous topographic surveying, including the implantation area of the transmission line.

This consolidated basic project enabled a more accurate budgeting of the construction price, with a view to the evaluation of the project investment.

Gongogi small hydroelectric plant, to be built in the municipalities of Gongoji and Aurelino Leal, in the state of Bahia will have an installed power of 13.5 MW and assured average power of 7.9 MWh.

The basic project of this small hydroelectric plant has already been accepted by the "National Electric Power Agency" (ANEEL), and will be approved after the issue, by the "Institute of the Environment and Water Resources" (INEMA), of the Prior License, whose Environmental Impact Study (EIA) and preparation of the Environmental Impact Report (RIMA) process was agreed under protocol in November 2011.

During 2013, this EIA-RIMA process was under a phase of evaluation and clarification, and is pending the scheduling of a date for a public hearing, which should take place soon.

It is expected that the Prior License might be issued during 2014 and that the approval of the basic project by ANEEL should take place in the following months, which will enable the issue of the Installation License by mid-2015.

Taboquinha small hydroelectric plant, to be built in the municipality of Itacaré, in the state of Baía will have a power of 26.3 MW and assured average power of 13 MWh.

The basic project was reviewed and concluded during 2013, so as to enable its forwarding to ANEEL.

In this context, the review of the EIA-RIMA) will follow the standard procedures, which enables foreseeing that the Prior License should be received in 2014, and the basic project approved by ANEEL at the end of this same year.

Should this be the case, the Installation License, to be issued by INEMA, may be granted in 2015.

IV.2.2. COMPANIES IN WHICH THE TEIXEIRA DUARTE GROUP HAS A NON-CONTROLLING STAKE

The companies operating in the Concessions and Services sector where "Teixeira Duarte, S.A." merely has a non-controlling stake, that is, whose direct management is not carried out by the Teixeira Duarte Group, include the following entities, in particular:

"AEDL - Auto-Estradas do Douro Litoral, S.A.", a company in which TD-EC holds 19.67% of its share capital and which signed the Douro Litoral concession contract with the Portuguese State at the end of December 2007.

During 2013, after the completion of the construction tasks, a process was started for the divestment of this stake to investors which are more suited to this stage of operation.

"AEBT - Auto-Estradas do Baixo Tejo, S.A.", a company in which TD-EC holds 9% of its share capital and which signed the Baixo Tejo Sub-Concession Contract with "EP - Estradas de Portugal", S.A. on 24 January 2009.

This sub-concession contract will last for a period of 30 years and envisages the design, planning, construction, expansion of the number of lanes, financing, operation and conservation of the motorway sections, associated road links in the district of Setúbal, called the Baixo Tejo sub-concession, along a total of 68 Km, of which 17 Km include toll-gates and involving an estimated investment of approximately 278 million euros.

During 2013, with all the construction works completed and the entire route operational, the tasks related to the closure of the construction contract took place.

"LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.", a company dedicated exclusively to the management, under a concession regime, of the two road crossings over the River Tejo, in the region of Lisbon, in which TD-EC holds 7.5% of the share capital.

2013 was yet another year of positive performance for both crossings with respect to its quality and the fluidity and safety of the traffic, providing a good service to the customer, as confirmed by the data of the customer questionnaires, whose satisfaction rating, on a scale of zero to five, reached 3.75 for Vasco da Gama Bridge.

In view of the macroeconomic context being experienced during 2013, in consolidated terms, there was an overall decrease of traffic of 2.1%, with traffic over "Ponte 25 de Abril" having fallen by 2.2% and over "Ponte Vasco da Gama" by 2.0%.

During 2013, operating income reached 67,657 thousand euros, representing a 3.61% increase relative to 2012.

This increased revenue is essentially related to the growth of toll revenue, especially in its price component, and due to the normalisation of the value of the grants of the Portuguese State, where there was no repetition of the derecognition of the account receivable of the value of

5.5 million euros, which had occurred in 2012.

Operating EBITDA reached the figure of 56,513 thousand euros (83.53%), corresponding to an increase of 1.06% relative to the value for 2012 of 53,970 thousand euros.

As an integral part of the negotiations with the Portuguese State on the Overall Agreement, the Granter paid up the two instalments relative to 2012, of the value of 7,665 thousand euros, with Lusoponte having paid the amount of 5,683 thousand euros arising from the reintroduction of toll collection in the month of August, which occurred during 2012, on "Ponte 25 de Abril".

"CPM - Companhia de Parques de Macau, S.A.", in which the Teixeira Duarte Group has a stake of 15% of the share capital since its foundation in the mid-1980's, after an international public tender, has been a pioneer and continues to be a reference company in the construction and operation of car parks and related activities, in the Special Administrative Region of Macau.

In 2013, as in previous years, it continued its successful action within the specific parameters of the market, having achieved positive earnings of 1,670 thousand euros.

IV.3. REAL ESTATE

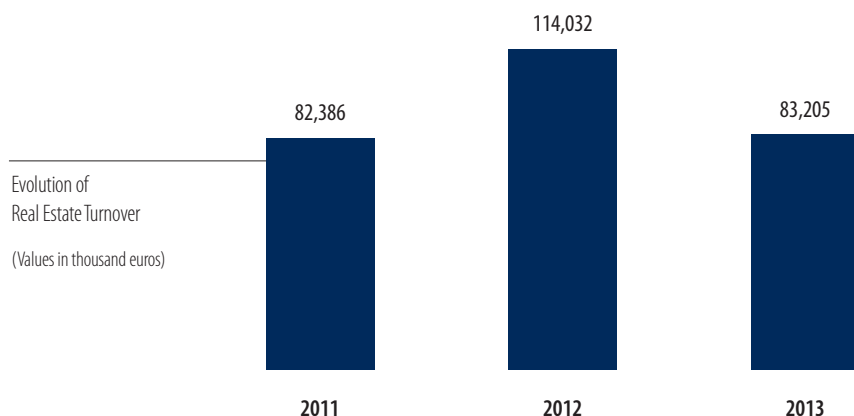
The Teixeira Duarte Group has carried out the activity of real estate development for over 30 years, as a natural consequence of its intense activity in the construction sector. Throughout these decades, vast experience has been acquired in Portugal in the different market segments, which has enabled the internationalisation of this business in a sustained manner to other geographic regions such as Angola, Brazil, Spain and Mozambique, with the Group currently possessing an impressive portfolio of developments that have been completed or are underway.

During recent years, and foreseeing the scenario of crisis that the real estate market is experiencing in Portugal and Spain, the sector has focused its activity on the divestment of assets for sale and on the management of the Group's income-earning assets, concentrating its effort on the growth of operations in Brazil, Angola and Mozambique.

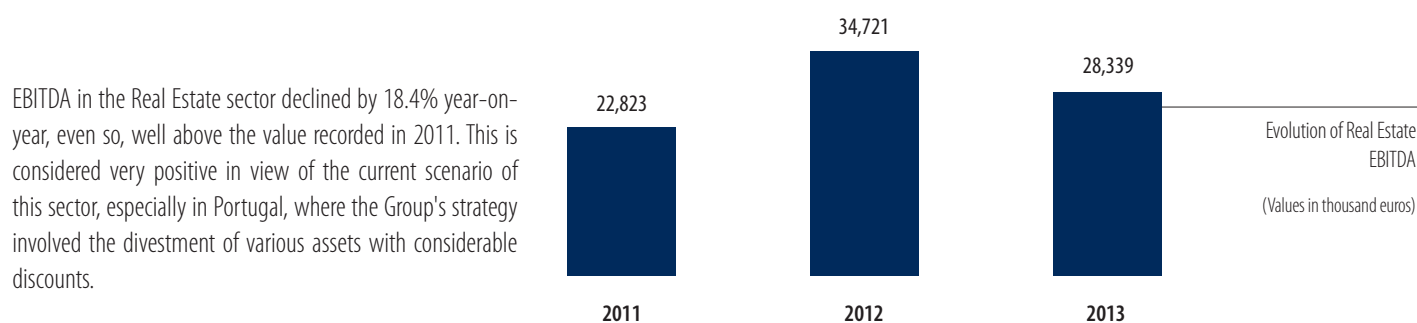
Apart from the promotion of real estate projects, part of the resources of this sector are currently dedicated to the management and expansion of areas allocated to other activities of the Group, in particular in the Construction, Concessions and Services, Hotel Services, Distribution, Energy and Automotive sectors.

– CONTRIBUTION OF THIS SECTOR TO THE GROUP

Real Estate recorded an overall reduction of 27% compared with 2012, due to the different maturities of the investments underway.



In Portugal and in a climate of contraction of the sector, there was a decrease of 2.4% relative to 2012, with the Group having focused its activity on the disposal of various assets, primarily apartments, which generated proceeds of 18.1 million euros, which is considered to be very positive, particularly considering that this amount only came to 17.9 million euros in the previous year, of which 13 million euros referred to the sale of only one property.



– ACTIVITY DURING 2013

In non-consolidated terms and in order to provide an overall view of the total activity during 2013, we disclose that the Group's operating income in the Real Estate sector reached the total value of 110,872 thousand euros, corresponding to a decrease of 19.3% relative to 2012, with the markets abroad now representing 47.9% of the activity and Portugal accounting for 52.1%.

In **Portugal**, factors such as the high rate of unemployment, the reduction of disposable household income and the more restricted access to funding, in particular mortgage loans, continued to exert pressure on the market and explain the adjustment of sales and rental values to this economic reality.

In spite of the difficult economic context experienced in this country, during 2013, in the real estate market and in particular in investment activities, there was stronger demand by national entities and foreign investors, who value the good opportunities presented by the Portuguese real estate market after a period of some correction of assets values.

Concerning the office segment, during 2013, the lowest level was recorded in the placement of spaces in the metropolitan area of Lisbon since there is reliable record of this indicator. This was the result of the cost-cutting policies that companies have been forced to follow in order to overcome the current economic context. This same trend was also observed in the logistics segment where few relevant transactions were recorded.

It was in this context that, at "Lagoas Park", a core real estate asset of the Group's, approximately 4,200 m² new areas were contracted and other contracts were renegotiated representing close to 11,700 m². Thus, and notwithstanding the release of various areas derived from the internal reorganisation of a few resident companies, the year of 2013 closed with an occupancy rate of 83%, similar to that recorded in 2012.

In the residential segment, one of the most penalised by the crisis in recent years, during 2013 it was possible to contract a significant volume of units, as a result of a series of promotional campaigns conducted at the main real estate developments. These campaigns highlighted the quality and construction warranty of the assets promoted by the Group, with the offer of special financing conditions having been essential to their success.

In Lisbon, at the "Campo Grande 9" enterprise, 11 of the 15 housing and trade units comprising the enterprise were contracted during 2013, leaving only 2 housing units, one shop and various separate parking places.

Regarding the "Villa Park" mixed enterprise, located in Amadora, the aforesaid promotional campaigns combined with the offer of special financing conditions, enabled the contracting of the sale of 17 housing units. Special note should also be made of the conclusion of the definitive contract for the sale of four trade units intended for the installation of a pharmacy.

At the "Santa Marinha Design District" enterprise in Vila Nova de Gaia, contracts were signed for the sale of 29 housing units and 2 trade units. In the "Tower Plaza" office building, included in this same enterprise, contracts were signed for 5 units. Also in Vila Nova de Gaia, reference should be made to the sale of the last 7 units available at the "Quinta de Cravel" enterprise.

In an extremely difficult market climate, the commercial performance achieved in these enterprises, together with the sale of other separate assets, enabled maintaining an interesting level of sales turnover in Portugal.

With regard to the "Vila Rio" enterprise, located in Póvoa de Santa Iria, which will be implanted on a plot of land of approximately 17 hectares and which has an extensive front on the River Tejo, it should be noted that in June and after the period of public discussion, Vila Franca de Xira City Hall deliberated the approval of the land parcelling operation which enables the construction of 600 housing units and 32,200 m² of areas for trade and services.

We also highlight the preparatory work conducted for the issue of the land parcelling license of the "Villa Simões" enterprise, a residential project located in Benfica, Lisbon, which foresees the construction of approximately 48,000 m² above the ground. The standard procedures were followed for the projects in portfolio, namely the "Villa Torrinha" enterprise (residences aimed at the medium-high segment) in Pedrouços, Lisbon, and the enterprise planned for Lot 5 of "Fórum Oeiras".

During 2014, the marketing of the enterprises where the Group still has available units will continue, specifically at the "Santa Marinha Design District" in Vila Nova de Gaia and "Villa Park" in Amadora, as well as the maintenance of the good occupancy levels of the income-earning assets which the Group owns in Portugal.

In **Angola**, the real estate sector showed a rate of strong growth throughout 2013, driven by the sound performance of the economy. In this context, the Group's activity in this sector has been primarily dedicated to the management of the buildings it constructed, the necessary procedures for licensing of various projects in portfolio and the expansion of Construction, Concession and Services, Hotel Services, Distribution and Automotive activities.

Special reference should be made to the acquisition in the city of Luanda of two assets in the Cacuaco zone, one in the Viana zone and another in Central Luanda. In the provinces, we highlight the acquisition of an asset in Benguela and a promissory contract for the sale of a property in Lubango.

In the "Vila Sul" enterprise, located in Talatona, Luanda, which as a whole covers residential condominiums, a reference education establishment (Colégio São Francisco de Assis) and a professional development centre dedicated to the training of middle management staff of the Teixeira Duarte Group, the main road infrastructure was completed and the construction of a series of 46 villas (T2 and T3), intended for rental, was started during 2013.

In **Brazil**, the Teixeira Duarte Group has operated since 2006 in the residential and commercial market of São Paulo. After the reduction of the volume of transactions of new residential properties which occurred in 2012 in this city, the year of 2013 was characterised by a good commercial performance of quality products in good locations.

Of the 1,416 units launched in this market by Teixeira Duarte, 1,299 have already been sold, contracted during 2013. Of the 117 units currently available, only 3 correspond to the launch of 2011, with 114 units belonging to developments whose sales began during 2012 and 2013. This excellent commercial performance derives from the recognition attributed by the market to the quality and technical rigour of the projects promoted by the Group.

In Jundáí, the construction of the "Alta Vista Premium" enterprise continue, with a construction area of approximately 49,000 m², and the "Alta Vista Prestige" enterprise has been started, with approximately 54,000 m² of construction area.



Alta Vista enterprise
São Paulo | Brazil



Quartier Vila Mascote enterprise
São Paulo | Brazil

In the Eastern region, the "Verum Mooca" enterprise was started, with around 23,000 m² of construction area and in the Northern region, the "My Place Casa Verde" with around 23,000 m² of construction area. In the Southern region, the construction was also started of the "Quartier Vila Mascote" enterprise, where only one of the 210 apartments built is still available for sale.

In São Paulo, the launch of three residential enterprises is planned for 2014, which will provide 411 units, and the legal procedures will be pursued for the projects in portfolio and the management of the enterprises under construction.

In Porto de Galinhas, in the state of Pernambuco, the promotion of the "Casa do Governador" enterprise has continued. This is a large-scale and high quality project which is expected to be structural for the entire region, with the execution of various projects and procedures of the respective licenses being pursued. It is expected that during the following year the conditions will be created to start the construction of the first hotel of the enterprise, which will have 600 rooms.

In **Spain**, the real estate market showed timid signs of recovery at the end of the year and for the first time in the past five years. After years of severe recession, the country's economic cycle appears to be at a turning point, where this progressive improvement of the Spanish economy should favour the real estate activity.

In Madrid, the marketing continued of the "Amália" residential building, located close to Paseo de la Castellana and Plaza Castilla, with the deeds of a further two units having been signed in 2013, leaving only five for sale.

Also in Madrid and under an administrative concession contract, continuity was given to the marketing of the assignment of use of parking places for residents and the operation of parking areas for rotation, as well as the leasing of the commercial areas available at "Parking Europa", located in "Avenida da Europa", in "San Sebastian de los Reyes".

In **Mozambique**, the real estate market of the capital showed certain buoyancy in 2013, with various enterprises having been launched in the region of Maputo.

In August, the Group started the construction of the "Julius Nyerere 130" building, with 22 floors above ground level, which includes T1 to T4 types, two exclusive penthouses, generous social areas for exclusive use of the residents and areas dedicated to trade and offices.

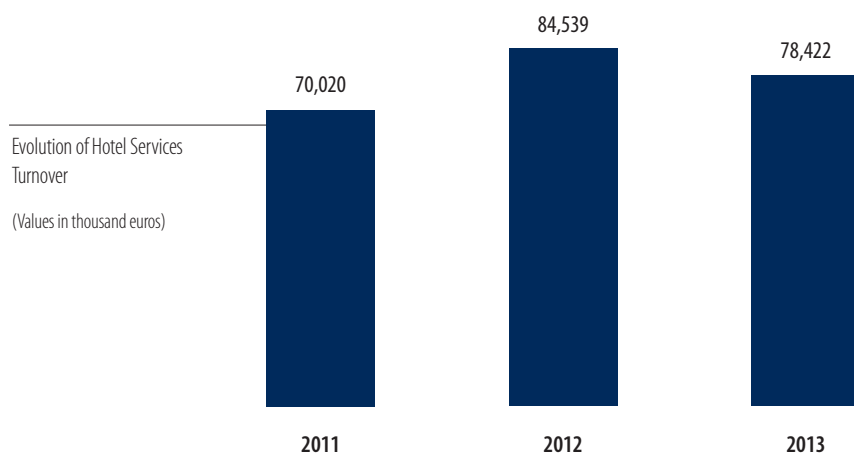
During 2014, the market prospecting activity will be continued, particularly in the city of Maputo, including the marketing of certain separate assets and the management of the "Polana Shopping Centre", a prime property owned by the Group.

IV.4. HOTEL SERVICES

After a first experience in 1974 in the Algarve, the Teixeira Duarte Group resumed its activity in this sector in Sines in the 1980's, and currently operates ten hotels, four of which are located in Portugal, three in Angola and three in Mozambique, covering a total of 2,799 beds and 1,452 rooms.

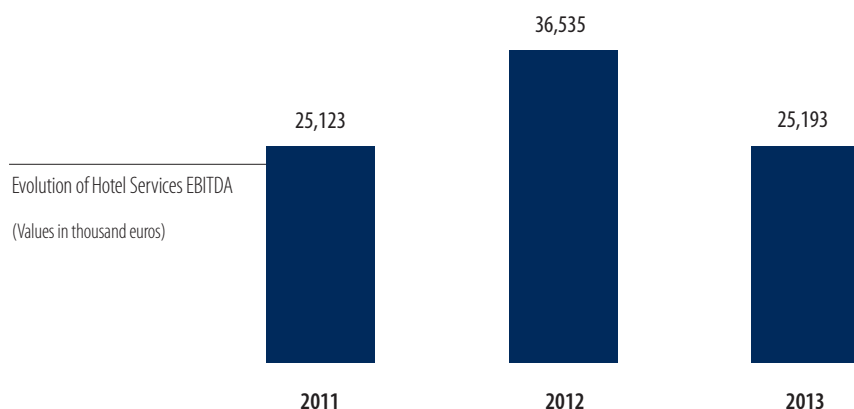
Teixeira Duarte also develops business in the Fitness area, namely through four Health Clubs (in "Lagoas Park", in Torres Vedras, in Faro, and in "Villa Park" in Amadora) and various restaurants in Portugal and Angola, where the "Nilo" pastry-shops are particularly important in Angola.

– CONTRIBUTION OF THIS SECTOR TO THE GROUP



The Turnover of the Hotel Services fell by 7.2% year-on-year, essentially penalised by the performance of the Group's hotels in Angola, one of which was remodelled at the end of the year.

In Portugal, the Group recorded values similar to those of 2012.



EBITDA fell by 31% to stand at 25,193 thousand euros, reflecting the poor performance of the Group's hotels in Angola.

Particular note should be made of the good performance recorded in the hotels in Mozambique.



Hotel Eva
Faro | Portugal



Hotel Alvalade
Luanda | Angola

– ACTIVITY DURING 2013

In non-consolidated terms and in order to provide an overall view of the total activity during 2012, we disclose that the Group's operating income in the Hotel sector reached the total value of EUR 106,275 thousand, corresponding to an increase of 4.3% relative to 2011. In this business area, the markets abroad now represent 83.5% of the activity and Portugal accounts for 16.5%.

In **Portugal**, the Group's companies operating in this sector offer a total of 1,088 beds and 511 rooms, distributed over four hotels, as detailed below:

LAGOAS PARK HOTEL	Oeiras	182 rooms
SINERAMA	Sines	105 rooms
HOTEL ORIENTAL	Praia da Rocha	90 rooms
HOTEL EVA	Faro	134 rooms

Overall, the occupancy rate fell by 4% in this market, essentially due to the lower corporate market demand, simultaneously with the increase of approximately 4% in the average price, as a result of more efficient management of sales through the Internet and improved performance of the Booking Centre.

A brief reference to the fact that, during 2013, Teixeira Duarte terminated its former operation of the hotel with 140 rooms, in Albufeira, named "Stella Maris".

In the Fitness area, the average number of active members of the different units of the "CLUB L" increased by 2.5% relative to 2012. However, the adverse economic circumstances combined with the customers' loss of purchasing power led to a reduction of the value of the average monthly payment and the marketing of personal training, which implied a decline in income of 10% compared with the previous year.

In **Angola**, the Group's companies operating in this sector offer a total of 1,059 beds and 620 rooms, distributed over the following three hotels:

HOTEL TRÓPICO	Luanda	280 rooms
HOTEL ALVALADE	Luanda	202 rooms
HOTEL BAÍA	Luanda	138 rooms

During 2013 the effect of the competition, through the increase and remodelling of the existing offer, influenced the management indicators recorded in two of the Group's hotels, both in terms of occupancy rates and average prices applied, leading to a reduction of income in relation to 2012 of close to 7% in HOTEL TRÓPICO and 10% in HOTEL ALVALADE.

HOTEL TRÓPICO closed for improvement works which will lead to the closure of the hotel for a period of six months. This involves a significant investment which will be reflected in the complete modernisation of the Hotel, with important alterations in terms of layout and customer service infrastructures.

On the other hand, HOTEL BAÍA consolidated its position as a reference hotel in Luanda, maintaining the excellent occupancy levels of 2012 and achieving a slightly higher average price, which was reflected in increased income by approximately 8%.

In its current activity, we highlight the strong growth of the area of events, associated to the banquet service and outside catering, which recorded an increase above 60% in relation to 2012.

Concerning other related activities, we highlight the "Nilo" pastry-shops, a reference in the Pastry and Bread-making market in Luanda, which, after the opening of yet another Nilo Pintos unit in December 2012, started a process of remodelling and modernisation of the remaining units.

We highlight the reopening of Nilo Maianga, in August 2013, which underwent a thorough intervention, as well as the modernisation works of Nilo Alvalade. The total income of this activity grew by 10%.

In **Mozambique**, the Group's companies operating in this sector offer a total of 652 beds and 321 rooms, distributed over three hotels, as detailed below:

HOTEL AVENIDA	Maputo	159 rooms
HOTEL TIVOLI MAPUTO	Maputo	88 rooms
HOTEL TIVOLI BEIRA	Beira	74 rooms

The year of 2013 was characterised by a minor slowdown of the sector's activity in this market as a result of the lower number of visitors to Mozambique, as well as the increased competition and continuous renovation of local hotels positioned in the same market. Therefore, the occupancy rate and the average price declined by 2% and 3%, respectively, although careful management enabled the good operating performance.

IV.5. DISTRIBUTION

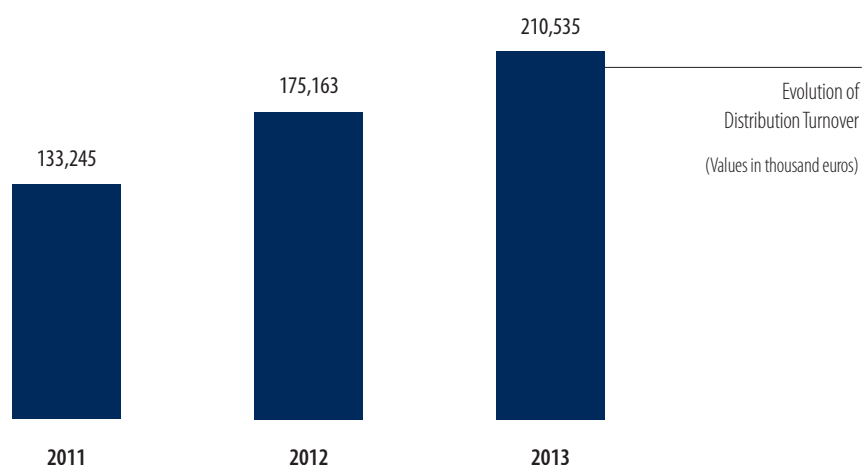
The action of the Teixeira Duarte Group in this sector began in 1996 and is currently implemented by various international operations, acting in Portugal through "Teixeira Duarte Distribuição, S.A.", in Angola through the participated companies "CND - Companhia Nacional de Distribuição, Lda." and "DCG - Distribuição e Comércio Geral, Lda.", in South Africa through "Global Net Distributors, (PTY), Ltd." (GND) and in Brazil through "TDD Brasil, Limitada".

The reinforcement of the structure of the "Procurement Centre", pursued over the last few years, has enabled intense and systematic procurement of the best solutions in various geographic regions of the world, endowing this sector with an extensive range of quality products at very competitive prices.

At the same time, in retail operations, the search for new locations for points of sale and the general improvement of the different units where the Group operates, making the atmosphere of the shops more attractive and with more services for customers, have both continued.

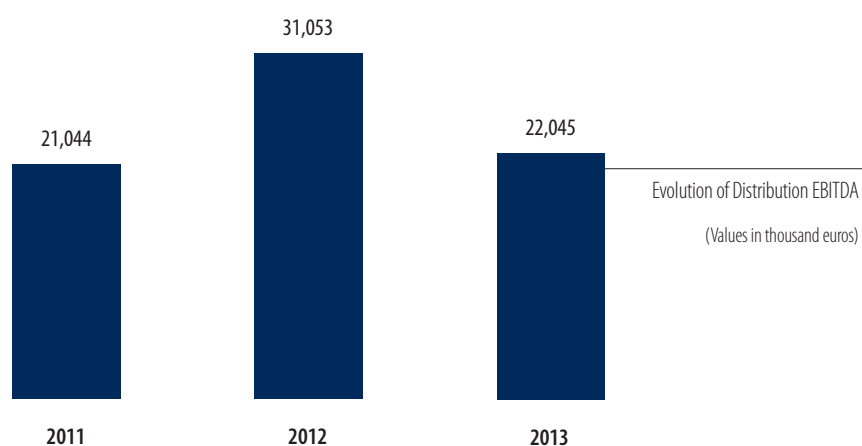
– CONTRIBUTION OF THIS SECTOR TO THE GROUP

Distribution grew by 20.2% relative to December 2012, in particular in the area of food trade, reflecting the investments made in the growth of the sales areas, which enabled the opening of three new outlets in the metropolitan region of Luanda, as well as the increased offer of new products and extension of shop opening hours.



The EBITDA of Distribution grew by 29% in relation to the previous year, standing at 22,045 thousand euros.

There were strong reductions of stocks in this activity sector, with consequent decline of EBITDA for this year, which even so reached values above those of 2011.



– ACTIVITY DURING 2013

In non-consolidated terms and in order to provide an overall view of the total activity during 2013, we disclose that the Group's operating income in the Distribution sector reached the total value of 322,015 thousand euros, corresponding to growth of 11.8% relative to 2012.

In Portugal, and through the company "Teixeira Duarte - Distribuição, S.A.", the Group continued to focus on the optimisation of competence in the areas of logistics, category management and management control, and on the deepening of partnership relations in the representations of trade names.

For 2014, in Portugal, along with the consolidation of the support structures for all the Group's Distribution operations, the analysis of new opportunities of brand representation will be continued, whenever identified as able to generate value and boost synergies in current business units.

In **Angola**, during 2013, investment continued in the expansion of the various retail insignias operated by the Group.

In Food Trade, in the network of "Maxi" hard discount shops, reference should be made to the opening of three new medium-sized outlets, with a sales area of approximately 3,500 m², located in "Maxipark" complexes, which are characterised by offering a series of other shops which complement the product offer, at the same place.

Also in the area of Food Trade, the search was intensified for and contracting of new outlets for the network of "bompreço" proximity shops, which have a sales area of around 1,000 m², and are renowned for the quality and diversity of their offer of fresh products.

In the area of Decoration, criteria were developed so as to enable repositioning the "Casa de Coração" insignia, maintaining the offer of quality products with more competitive prices and more suited to the middle class of the population.

Simultaneously with the development of the retail outlets, investment continued in the distribution network, with the doubling of the surface of the logistics centre for environment products and the reinforcement of the shop supply fleet.

A major focus of the Group during 2013, a year of full affirmation, was the "Fazenda Maxi" project, whose objective is to make the most of the potentialities of the Angolan agricultural sector and contribute to the development of national production. This project enables broadening the range of fresh products on offer, especially fruit and vegetables, with guaranteed quality and food safety.

The strong dedication of the different partners, which currently already represent over 8,000 hectares of cultivated area, combined with careful planning of production processes and the systematic technical monitoring of the teams of "Fazenda Maxi", have enabled the regular supply of fresh products to all the food trade shops. It is expected that in 2014 the vast majority of products offered in the area of fruit and vegetables will have been produced on the participant farms, even considering the foreseen growth of the network.

Assuring the transport of the different products of "Fazenda Maxi", directly from the farms to the retail outlets, enables reducing the number of intermediate distributors, leading to a strong reduction of costs for some products. It should be noted that these savings were fully reflected in the prices to the final consumer, fulfilling the mission of "Maxi" to always offer the cheapest prices.

Although the available market information is still insufficient, a recent internal assessment made to 472 products in the most representative retail networks operating in Angola confirmed "Maxi" as the insignia with the most competitive prices when compared to the competition.

The "Maxi Discount" and "Maxi Pro Gold" customer loyalty cards, aimed at consolidating relations between Maxi and its customers through a broad range of benefits, increased significantly in terms of membership during 2013, which enabled, during the first quarter of 2014, reaching the impressive figure of 200,000 members.



Mulemba Shop
Luanda | Angola



Cacuaco Shop
Luanda | Angola

In 2013 and under the "DCG", we highlight the distribution segment of exclusive trade names focused on "Impulse" products (appetizers and chewing gum) and "Drinks" (mostly, brands of Portuguese wines). These operations were successful, with growth of 15%.

Regarding Human Resources, the high standards have been maintained through the implementation of dynamic and careful selection and recruitment policies, aimed at attracting and selecting the best professionals. The training plan was continued during the year, with general actions and actions dedicated to the Company's different areas of operation in the Distribution sector, aimed at valorising and strengthening the skills of all the employees.

We also highlight the "Maxi Academy", which ministered four specialisation courses in "Shop Managers" and culminated with the positive appraisal and certification of close to 20 new employees for managerial positions in various outlets of the shop network and logistic support units.

Also concerning training, special reference should be made to the social responsibility project "Fazer Pescar" (Doing Fishing), which seeks to support the insertion of deprived young people, and which this year had 32 trainees, 16 of whom with training in the Distribution area. Covering approximately 10 months, a variety of training is ministered under this project on matters such as citizenship, elementary subjects and specialisation areas. Supplementarily, the project provides two daily meals, transport, clothing and regular medical supervision.

During these courses, where various employees of the Group were given the opportunity to minister training, it was possible to record a very positive evolution of learning and the total dedication of all the trainees, which led, merely as an example, to a rate of absenteeism below 1%. It was with great satisfaction that all the trainees were certified with a positive appraisal, and, consequently, were immediately recruited into the Company's staff.

For 2014, the investment level of the previous year will be maintained in this country, through the expansion of the retail networks and the reinforcement of the supporting infrastructures.

Plans have been made for the opening of seven new outlets, the expansion of 3 existing outlets, the remodelling of two shops and the start-up of the construction of three new outlets.

For the "Maxi" insignia, plans have been made for the opening, in Benguela, in June 2014, of a new shop with a sales area of around 3,000 m², located in a "MaxiPark" complex, which will represent the first outlet in this important Angolan city.

Also for "Maxi", in the month of October, there are plans for the opening of a new outlet, in Luanda, in the "Congolenses" zone and the expansion of two existing outlets, in Luanda Sul and Zango.

At the same time, the projects will be developed with a view to the start-up of the construction, during 2014, of three new "MaxiPark" complexes, all medium-sized and in the metropolitan area of Luanda.

For the "bompreço" brand, we highlight the opening of a shop of around 1,000 m², in April 2014, in the Samba zone, in the city of Luanda. At the same time, the search for new locations for this proximity network will be maintained, and it is expected that a new place will be contracted for the Benfica zone, in the country's capital.

For "Casa de Coração", it is expected that four new shops will be opened in June, three in the metropolitan region of Luanda, in Mulemba, Rocha Pinto and Cacuaco, and one shop in Benguela. The expansion of the Morro Bento shop is scheduled for October, which will increase from its current sales area of 800 m² to 1,700 m², and will enable, among other aspects, broadening the range of home furniture.

In the area of Distribution of exclusives, the outlook for 2014 is the continuation of the representations already operated in the "Impulse" and Drinks" business units, with the objective for this year being the improvement and boosting of various trade marketing actions in close collaboration with the Represented entities.

The start-up of carbonated drinks wholesale activity is expected for 2014, through the acquisition of an operation with around 20 years of experience in the Angolan market, and which primarily operates in the sale of drinks with returnable containers.

In the supporting infrastructures, the positive and negative chilling component of the distribution centre will be doubled, and the shop supply fleet will be reinforced with a view to supplying new geographic regions.

As in 2013, the focus on "Customer Service" will be maintained during 2014, with improved attendance, product offer and product Quality, Hygiene and Food Safety, and continued leadership in low prices.

The focus on the valorisation and selection of human resources will be maintained, through an even more ambitious training plan and new specialisation courses under the "Maxi Academy". In order to pursue these objectives, we highlight the recent inauguration of the Teixeira Duarte Professional Development Centre, an autonomous unit with various areas of action, located in Luanda Sul, which will concentrate all the training of the areas of action of the Teixeira Duarte Group in Angola and has capacity to minister an annual total of 800,000 hours of training.

For 2014, the Company will maintain its focus on the "Fazer Pescar" project, with 34 new trainees, 17 of whom with training in the Distribution area, in a specific "Shop Operator" course.

In **South Africa**, where the Group operates exclusively in the area of procurement and representation of trade names, the important facts during 2013 included the 20% increase of the sales of "GND" and the strengthening of the partnership with the "PepsiCo Matutano" Group, with the extension of the contract for representation of impulse products.

For the year currently underway, along with the consolidation of relations with the existing partners and suppliers, efforts will be directed towards the search for new products for the markets where the Group operates.

In **Brazil**, continuity was given to the implementation of the business through the company "TDD Brasil, Limitada", with the selection of managerial staff, the implementation of the supporting information technology system and the obtaining of the licenses required for operations.

With regard to the "Distribution of Exclusives" and products where the Company operates with very competitive prices, the search for new products for the markets where the range of references offered is capable of being differentiating will be continued.

IV.6. ENERGY

The Teixeira Duarte Group began to operate in this sector in **Portugal** in 1996, with its current operations in the national market being through "TDARCOL - SGPS, S.A." in the areas of Liquid Fuel and Lubricants, Gas and Solar Energy, and in Brazil through the subsidiary "ALVORADA PETRÓLEO S/A", involved in the extraction and marketing of oil.

In fuel, Teixeira Duarte operates, directly or through concessions, 60 fuel stations, under the trade name AVIA.

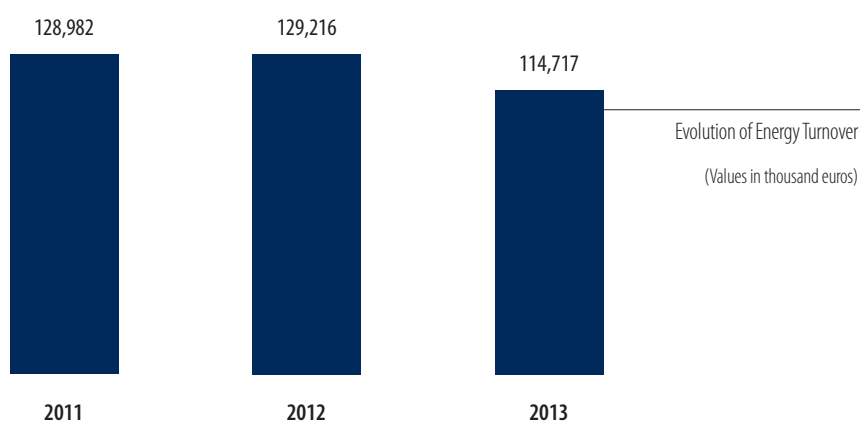
In gas, the Group operates under the brand DIGAL and has 700 reservoirs for local supplies and a distribution network of piped gas of over 350 Km, supply approximately 65,000 housing units, in addition to a structure for the filling and distribution of bottled gas, and has the exclusive national representation of the trade name Campingaz.

In the area of solar thermal energy, the Group's companies represent, in Portugal, the international trade names SOLAHART and SONNENKRAFT, where its subsidiaries are market leaders.

In **Brazil**, Teixeira Duarte indirectly holds 43.2% of the share capital of the company "ALVORADA PETRÓLEO S/A", based in Belo Horizonte.

– CONTRIBUTION OF THIS SECTOR TO THE GROUP

In Energy, the Group's Turnover fell by 11.2% year-on-year, essentially as a result of the reduction of liquid fuel and gas consumption in Portugal.

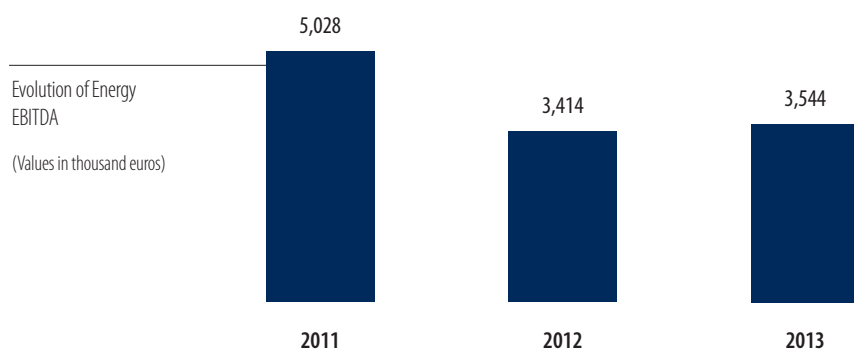




Terminal and tank facilities at the Port of Aveiro
Aveiro | Portugal



DIGAL | Installation of a new gas bottle filling line
Sintra | Portugal



In Energy, EBITDA increased by 3.8% in relation to 2012.

In spite of the lower activity in this sector, EBITDA improved, as a result of strict cost control.

– ACTIVITY DURING 2013

In non-consolidated terms and in order to provide an overall view of the total activity during 2013, we disclose that the Group's operating income in the Energy sector reached the total value of 126,601 thousand euros, corresponding to a reduction of 11.8% relative to 2012.

Regarding the fuel area, 2013 was characterised by the exacerbation of the adverse economic circumstances and by the aggravation of the austerity measures implemented in Portugal, with consequent negative impact both on private consumption and investment. In this context, there was a reduction of the consumption of oil products, reflected on the activity which recorded a slight decline in liquid fuel sales, in terms of quantities, of 5.5% in relation to the previous year, with Turnover having stood at a total of 99,711 thousand euros.

The Lubricants sector maintained its good performance, consolidating its sales and market position.

In gas, in addition to the adverse exogenous environment, there was also a significant increase of the product's price in markets, which was reflected in the activity of this sector.

In spite of the reduction of consumption per capita in piped propane gas, it was possible to maintain the number of consumers.

The projects for the terminal and tank facilities in the port of Aveiro and the installation of a new gas bottle filling line in the DIGAL facilities, in Granja, in Sintra, were concluded, with their operational start-up being expected to take place in the first months of 2014.

Concerning solar energy, the level of activity was in line with the previous year, continuing to assure the maintenance of the thermal solar equipment installed under the government's incentive programme which ended in 2010.

IV.7. AUTOMOTIVE

Teixeira Duarte began its action in the Automotive Sector in Angola in 1991, and currently pursues its activity through a group of companies which represent various trade names in the following market segments:

Light: Chevrolet, JMC, Honda, Mahindra, Nissan, Peugeot, Renault, SsangYong and Isuzu.

Heavy: Renault Trucks, UD Trucks and Randon.

Motorcycles: Honda, Piaggio, Vespa, Gilera and Hyosung.

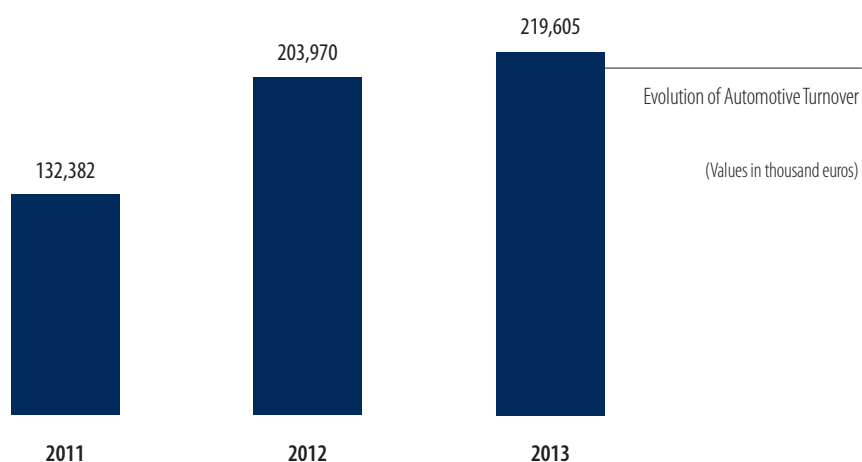
Equipment: Nissan Forklift and Wacker Neuson.

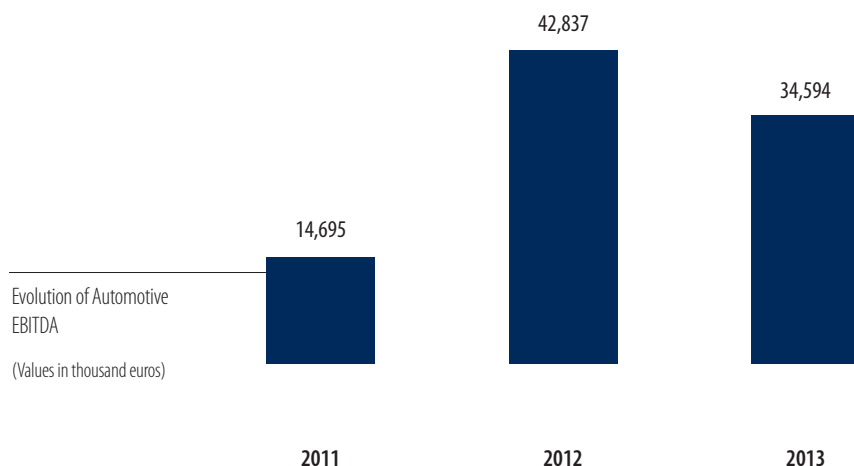
Generators: Denyo, Pramac, Honda Power Products and Powermate.

– CONTRIBUTION OF THIS SECTOR TO THE GROUP

The Automotive sector increased its Turnover by 7.7% in relation to December 2012.

Not considering the currency conversion effect, there was an effective growth of activity of 10.7%, where this good performance was influenced by the marketing of two new brands and, especially, by the growth of the after-sales segment.





The EBITDA of the Automotive sector fell by 19.2% in relation to the previous year, to stand at 34,594 thousand euros.

– ACTIVITY DURING 2013

In non-consolidated terms and in order to provide an overall view of the total activity during 2013, we disclose that the Group's operating income in the Automotive sector reached the total value of 369,917 thousand euros, corresponding to growth of 11.4% relative to 2012.

In 2013, the Angolan market of vehicles imported by companies which officially represent trade names maintained its trend of growth recorded over recent years, having reached 32,667 units, corresponding to 9% growth in relation to the previous year. Particular note should be made of the light passenger vehicle market, which currently represents 65% of the automotive market in Angola and where the Group operates with nine different insignias, enabling an offer of automotive solutions for all market segments.

In this area of activity of the Teixeira Duarte Group, we highlight the strategic investments made at various facilities, especially the TDA Centre of Talatona and Viana, in the metropolitan area of Luanda, and the TDA Centre of Catumbela, in the province of Benguela, all of which offer the broad 3S concept - showrooms, service and spare parts (sale of vehicles, maintenance workshops and sale of spare parts), whose activity follows the most advanced standards of quality, enabling high performance service in all the segments in which it operates.

The year of 2013 was marked by the expansion of the network, through the opening of new concessions, currently covering the provinces of Luanda, Benguela, Huíla, Namibe, Cunene and Huambo, which has led to significantly higher exposure and coverage of the brands marketed throughout the entire country.

Just in the concessions held directly by the Group's companies, there are ten showrooms available and open to the public, covering a total of 10,300 m², representing growth of 65% in relation to the previous year, and 6 workshops, corresponding to 22.850 m², a further 37% than in 2012.

In the Light segment, we highlight the contribution of the Renault, Nissan and Chevrolet trade names which, as a whole, account for around 80% of the total turnover in this category.

Renault surpassed the defined objectives, with the number of vehicles sold having grown by 28%, strongly sustained by the Duster, Sandero and Logan models which, together, represent 93% of the sales of this well-known trade name.

Albeit with more moderate growth, Nissan continued to be the trade name that most contributed to the sector's sales, with its turnover having been leveraged particularly by the Hardbody and Micra models.



TDA Shop at Viana TDA Centre
Luanda | Angola



Lobito TDA Centre - Benguela
Catumbela | Angola

Chevrolet grew by 4%, maintaining its status as a reference trade name in the segment of vehicles entering into the market. The marketing of the new Trax model began at the end of the year, for which growth of sales is expected during 2014, and the first orders were made of the new Trailblazer model, to be marketed in 2014.

In order to supplementing the available range of products, the representation of two new automotive trade names, SsangYong and Isuzu started in 2013. SsangYong, of Korean origin, recorded progressive sales of the four models being marketed throughout the year, where Korando is the model with most weight in the sales of this trade name. Regarding Isuzu, of Japanese origin, with General Motors as one of its main shareholders, the introduction of this trade name has reinforced the Group's representativeness in the pick-up segment.

For the year underway, the outlook is of moderate growth of the number of units sold, sustained by a network of points of sale which are increasingly closer to the customers and after-sales service of international standards.

In the Heavy segment, the monitoring of stock levels has continued, aimed at adjusting the line-up to the models showing highest demand. The performance of Randon was excellent with 75% growth in the number of vehicles sold in relation to the previous year. However, in the tractor segment, the sales of Renault Trucks and UD Trucks were less than expected, although the outlook is for an improvement of Renault Trucks in 2014. In the case of UD Trucks, a redefinition of the this trade name's strategy for the African continent is pending, in a perspective of offering products with the usual quality, but at more competitive prices.

Notwithstanding the above, a considerable investment was made in expanding the points of sale and assistance to heavy vehicles, namely in Viana, Lubango and Lobito, thus assuring support to the trade names at various points of the country.

The appearance of financial solutions offered by banking entities should boost this category in 2014; therefore growth of sales is expected.

The Motorcycle segment continued to show good performance throughout 2013, having grown by 55% in terms of units marketed, reaching a total of 4,000 units.

The performance of Honda motorcycles was very positive with growth of 57% in relation to 2012, corresponding to 3,000 units sold. This was to a large extent due to the expansion of the "TDA Shops" retail network, which enabled a massive sale of the models at a more accessible price.

Also showing a very positive performance, Piaggio recorded growth of 44% relative to 2012, due to the expansion of the shop network and the reinforcement of the cult image of the "Vespa" which was reflected in a very interesting acceptance of the entering models, especially among the middle class.

The work of the previous year was also continued in the area of motorcycle competitions, which enabled the team representing the Group - "TDA Paixão Automóvel" - to emerge victorious in two national championships of Speed and Cross-Country.

In this Motorcycle segment, the outlook for 2014 is of reduction of sales of the Piaggio trade name for some models. For lower cost Honda motorcycles, the expansion of the "TDA Shops" network should enable growth of sales of more accessible priced models.

In the Equipment segment, the marketing of the Austrian-German trade name Wacker Neuson started in May with a range of light and compact equipment up to 15 tons, enabling entry into the construction sector through the provision of this specific equipment, with a dedicated showroom in Viana.

For Equipment, the Chinese "Heli" stacker will enter into the portfolio of Represented trade names during the year underway, which will enable broadening the range of products offered at more competitive prices.

Generators recorded growth of 17%, reaching the equivalent of USD 10 million of sales and services rendered, above all as a result of the growth of the value of the sales of medium power generators and the number of maintenance contracts. Denyo continues to stand out as the reference trade name for medium/high power generators, having achieved growth of 120% in terms of value.

The new Rainha Ginga premises, an outlet exclusively dedicated to the sale and technical assistance of generators proved to be a great success in 2013, enabling the creation of conditions to extend the 24h technical assistance to individual customers, a service formerly limited to business customers.

For Generators, focus will be maintained on strengthening the after-sales teams and 24h Technical Assistance, in view of the significance of this equipment for our customers and the importance of assuring excellent service levels.

At the TDA Shops, the new generation of shop will also offer services for tyre change and fast maintenance, thus diversifying the concept and expanding the range of the existing product offer.

The new workshop facilities of the recently created TDA Centres of Viana and Lobito, as well as the new workshop concept dedicated to the provision of fast services without scheduled appointment ("TDA Express"), have contributed decisively to the growth of the After-sales area. In 2013, focus continued to be given to the quality of the after-sales service, improving the competence of the teams through specialised training and introducing new processes of control.

During 2013, we highlight the opening of two more "TDA Shops", in Viana (February) and Talatona (July), with the network thus having five shops in the metropolitan region of Luanda by the end of the year. These points of sale are dedicated to the marketing of Automotive Accessories, Tyres, Lubricants, Spare Parts for Automobiles, Motorcycles and Generators.

The marketing of two new segments at the TDA shops also began in 2013 - Lubricants of the Avia brand and Tyres of the Infinity brand.

Regarding Human Resources, the high standards have been maintained through the implementation of dynamic and careful selection and recruitment policies, aimed at attracting and selecting the best professionals. The training plan was continued during the year, with general actions and actions dedicated to the Company's different areas of operation in the Automotive sector, aimed at valorising and strengthening the skills of all the employees.

We also highlight the "TDA Academy", which ministered two specialisation courses in "Intermediate Managers" and culminated with the positive appraisal and certification of close to 12 new employees.

Also concerning training, special reference should be made to the social responsibility project "Fazer Pescar" (Doing Fishing), which seeks to support the insertion of deprived young people, and which this year had 32 trainees, 16 of whom with training in the Automotive area. Covering approximately ten months, a variety of training is ministered under this project on matters such as citizenship, elementary subjects and specialisation areas. Supplementarily, the project provides two daily meals, transport, clothing and regular medical supervision.

In this After-sales area, sustained growth is expected for 2014 in the earnings of the workshops and sales of spare parts, leveraged on the new network of workshops and strong sales achieved in previous years.

The focus on the valorisation and selection of human resources will be maintained, through an even more ambitious training plan and new specialisation courses under the "TDA Academy". In order to pursue these objectives, we highlight the recent inauguration of the Teixeira Duarte Professional Development Centre, an autonomous unit with various areas of action, located in Luanda Sul, which will concentrate all the training of the areas of action of the Teixeira Duarte Group in Angola and has capacity to minister an annual total of 800,000 hours of training.

For 2014, the Company will maintain its focus on the "Fazer Pescar" project, with 34 new trainees, 17 of whom with training in the Automotive area, in a specific "Electromechanic" course.

V. HOLDINGS IN LISTED COMPANIES

Teixeira Duarte was a founding shareholder of "Banco Comercial Português, S.A." in 1985, and has maintained a relevant stake in the Bank's equity since this date, whose relative position in the share capital has declined over the last few years, having fallen below 2% in 2013. Under these circumstances, the stake is no longer considered a qualifying holding.

BANCO COMERCIAL PORTUGUÊS, S.A.

In 2013, the Group maintained a holding in "Banco Comercial Português, S.A.", classified partly as a cash investment and partly as financial assets available for sale.

In this context, the overall quantity of shares held by the companies included in the Teixeira Duarte Group in "Banco Comercial Português, S.A." fell from 428,211,281 to 357,000,000 shares, corresponding to 1.81% of this bank's share capital and voting rights.

At the end of 2013, the book value of this holding, expressed in IFRS, stood at 59,405 thousand euros, which, in spite of the aforesaid reduction of shares in relation to 2012, reflects an increase of 27,289 thousand euros in the value of the stake held as at 31 December 2013.

BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

In 2013, the Teixeira Duarte Group maintained its stake in "Banco Bilbao Vizcaya Argentaria, S.A.", whose book value, expressed in IFRS, stood at the total value of 25,226 thousand euros, and also continued its management of this holding, partially as a cash investment and partially as financial assets available for sale.

VI. SUBSEQUENT EVENTS

Teixeira Duarte pursued its activity in the different sectors and markets in which it operates, where the following relevant facts occurred after the closing of the financial year, which were disclosed in due time to the market:

Contract for the Construction of a New Motorway in Venezuela, for the value of USD 4,787 million:

Following the meetings held with the Ministries of Finance and Land Transport under the IX Joint Follow-up Commission between Portugal and Venezuela, the President of the Bolivarian Republic of Venezuela authorised, in January 2014, the Ministry of Popular Power for Land Transport to contract the engineering, procurement and construction (EPC) of the "Nueva Autopista Alternativa Caracas-La Guaira" project with the company "Teixeira Duarte - Engenharia e Construções, S.A.", 100% held by TD,SA.

This authorisation was given following the Memorandum of Understanding signed on 18 June 2013 with the aforesaid subsidiary under the "Supplementary Agreement to the Framework Agreement for Cooperation between the Republic of Venezuela and the Portuguese Republic, on matters of economic and energy cooperation".

This represents yet another important step in the award of a contract for a motorway covering a total length of 19 km with three lanes in each direction, which will connect Caracas to La Guaira (Maiquetia Airport Zone), involving the execution of 4 km in viaducts and 9 km in tunnels, with a forecast implementation period of 54 months and estimated price of USD 4,787 million.

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 its 100% held subsidiary "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.

The aforesaid "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).

VII. OUTLOOK FOR 2014

Growth of activity is expected during 2014 in various countries of importance in the Group's activity abroad.

The Order Book of the Teixeira Duarte Group for the construction sector reached the impressive total value of 2,039,203 thousand euros as at 31 December 2013, corresponding to a reduction of 23.8% relative to 31 December 2012.

Therefore, and notwithstanding any new contracts that may arise, the Group has assured good 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 785,852 thousand euros for 2014 and 464,499 thousand euros for 2015, distributed as follows by the markets of operation of the Teixeira Duarte Group:

	2014	Contribution (%)	2015	Contribution (%)
Portugal	77,469	9.9%	22,373	4.8%
Angola	134,016	17.1%	97,134	20.9%
Algeria	118,373	15.1%	119,318	25.7%
Brazil	119,171	15.2%	10,814	2.3%
Mozambique	42,829	5.5%	23,597	5.1%
Venezuela	284,577	36.2%	190,461	41.0%
Other Markets	9,417	1.2%	802	0.2%
Total	785,852	100.0%	464,499	100.0%

The development of action in other activity sectors will also be pursued, in particular in Distribution, whenever possible also giving priority to ventures in external markets, which, due to their dynamics, are becoming increasingly important in the Teixeira Duarte Group.

For 2014, Teixeira Duarte expects to achieve consolidated operating income of 1,600 million euros.

VIII. DISTRIBUTION OF NET INCOME TO MEMBERS OF THE BOARD OF DIRECTORS AND EMPLOYEES

In view of the proposal undertaken relative to the distribution to the employees and members of the Board of Directors of part of the net income for the year, and in compliance with the rules currently in force, this amount of € 2,500,000 (two million and five hundred thousand euros) was recorded as a cost for the financial year of 2013, with the consequent reduction of the net income heading recorded in the financial statements attached to this Report and also subject to approval at the General Meeting.

Therefore, with the approval of this Annual Report, the Shareholders will also approve the aforesaid distribution of net income to the employees and members of the Board of Directors, in this last case to be deliberated by the Remuneration Committee.

It should also be noted on this issue that its subsidiaries, namely TD-EC, are committed to distributing part of their net income for 2013 to the members of their boards of directors and employees, to a total of 5,665,000.00 euros, with these subsidiaries also having recorded this value as a cost for 2013, with the consequent reductions of the respective net income headings.

IX. PROPOSED APPROPRIATION OF NET INCOME

The net income whose proposed appropriation is presented herein corresponds to the amounts calculated as at 31 December 2013 plus the cost of € 2,500,000 (two million and five hundred thousand euros) which, being planned to be distributed to the employees and directors, was, in compliance with the applicable new rules, recorded as a cost of the actual financial year of 2013 in the financial statements which are an integral part of this Management Report and which, should they be approved, confirm, on the one hand the agreement of the Shareholders to distribute profit to the employees and members of the Board of Directors and, on the other hand, that the Net Income object of the proposed appropriation of net income is € 64,028,905.23 (sixty-four million, twenty-eight thousand, nine hundred and five euros and twenty-three euro cents).

Moreover, it is also the policy of Teixeira Duarte to prioritise the reinforcement of the company's equity and assure the continued and balanced distribution of dividends to the shareholders.

Considering these assumptions, the Board of Directors proposes that the net income of "TEIXEIRA DUARTE, S.A." for the financial year of 2013, amounting to € 64,028,905.23 (sixty-four million, twenty-eight thousand, nine hundred and five euros and twenty-three euro cents), be appropriated as follows:

Reinforcement of the legal reserve	11,000,000.00 €
Reinforcement of the free reserves	46,728,905.23 €
Dividends to shareholders	6,300,000.00 €

Lagoas Park, 24 April 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

NUMBER OF SECURITIES OF THE MEMBERS OF THE GOVERNING BODIES

In compliance with the duties of information to which the Company is bound under various regulations in force, Teixeira Duarte, S.A. presents, below, the list of shares issued by the Company and by companies with which it is in a controlling or group relationship, held by members of the governing bodies, as well as all the acquisitions, encumbrances or transfers during 2013, specifying the amount, date of the fact and consideration paid or received:

I. Number of shares held by Members of the Governing Bodies as at 31 December 2012:

	Name	Capacity	Nr. of Shares
(a) 3,570,550 shares held by the company, controlled by him, PACIM - S.G.P.S., S.A..	Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(a) 3,612,550
	Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
(b) Shares held under joint ownership with his wife.	Joel Vaz Viana de Lemos	Director	433,862
	Carlos Gomes Baptista	Director	25,634
	Diogo Bebiano de Sá Viana Rebelo	Director	31,160
	Jorge Ricardo de Figueiredo Catarino	Director	180,000
	António Gonçalves Monteiro	Chairman of the Supervisory Board	-
	Mateus Moreira	Member of the Supervisory Board	-
	Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(b) 10,000
	Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	-
	José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	-
	José Pedro Poiães Cobra Ferreira	Secretary of the Board of the General Meeting	-
	Mariquito, Correia & Associados, SROC	Chartered Accountant	-

II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2013:

	Name	Transaction	Company	Date	Nr. of Shares	Price per Share
(c) This transaction was carried out by the company controlled by him called PACIM - S.G.P.S., S.A., where, for every 30 shares of TEIXEIRA DUARTE sold, he received 1 share representing the share capital of TEIXEIRA DUARTE - S.G.P.S., S.A..	Carlos Gomes Baptista	Acquisition	TEIXEIRA DUARTE, S.A.	17-Jun-13	37,037	0.54€
	Pedro Maria Calainho Teixeira Duarte	Sale	TEIXEIRA DUARTE, S.A.	15-Oct-13	(c) 2,400,000	Exchange for TD-SGPS shares

III. Number of shares held by Members of the Governing Bodies as at 31 December 2013:

	Name	Capacity	Nr. of Shares
(d) 1,170,550 shares held by the company, controlled by him, PACIM - S.G.P.S., S.A..	Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(d) 1,212,550
	Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
(e) Shares held under joint ownership with his wife.	Joel Vaz Viana de Lemos	Director	433,862
	Carlos Gomes Baptista	Director	62,671
	Diogo Bebiano de Sá Viana Rebelo	Director	31,160
	Jorge Ricardo de Figueiredo Catarino	Director	180,000
	António Gonçalves Monteiro	Chairman of the Supervisory Board	-
	Mateus Moreira	Member of the Supervisory Board	-
	Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(e) 10,000
	Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	-
	José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	-
	José Pedro Poiães Cobra Ferreira	Secretary of the Board of the General Meeting	-
	Mariquito, Correia & Associados, SROC	Chartered Accountant	-

SHAREHOLDERS WITH AT LEAST ONE TENTH OF THE SHARE CAPITAL

TEIXEIRA DUARTE, S.A. presents, below and pursuant to number 4 of article 448 of the Commercial Companies Code, the list of shareholders who, as at 31 December 2013 and according to the Company's records and the information received, hold at least one tenth of the share capital:

Company	Nr. shares as at 31.12.2013	% Share Capital
TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.	197,950,000	47.13%
MIDINVEST, S.G.P.S., Sociedade Unipessoal Lda.	42,593,620	10.14%

LIST OF OWNERS OF QUALIFYING HOLDINGS AS AT 31 DECEMBER 2013

In compliance with the applicable legal and regulatory provisions, based on the Company's records and the information which has been received, TEIXEIRA DUARTE, S.A. herein discloses the list of owners of qualifying holdings in its share capital as at 31 December 2013, indicating the number of shares owned and corresponding percentage voting rights, calculated under the terms of article 20 of the Securities Market Code.

1. **A TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM - with which it disagrees in relation to the matter presented in subparagraph d) below -, a qualifying holding in the share capital and voting rights of the company TEIXEIRA DUARTE, S.A. of 222,722,034 (two hundred and twenty-seven million eight hundred and twelve thousand and thirty-four) shares, corresponding to **53.03%** of the share capital and respective voting rights, as a result of:
 - a) 197,950,000 shares held **directly** by it, corresponding to **47.13%** of the share capital and voting rights;
 - b) 5,800,000 shares held by its participated company NGDI - Gestão e Investimento Imobiliário, S.A., corresponding to 1.38% of the share capital and voting rights;
 - c) 9,552,400 shares held by the members of the Board of Directors of TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A., corresponding to **2.27%** of the share capital and voting rights (none of whom, individually, reach any qualifying holding);
 - d) 9,419,634 shares owned by members of the Board of Directors of NGDI - Gestão e Investimento Imobiliário, S.A. who are not members of the Board of Directors of the company indicated in subparagraph c) above, corresponding to 2.24% of the share capital and voting rights (none of whom, individually, reach any qualifying holding), with this imputation having been made in conformity with the interpretation of the CMVM, where there is disagreement.

2. **Mr. Miguel Calainho de Azevedo Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of 42,626,620 shares, corresponding to **10.149%** of the share capital and voting rights, as a result of:
 - a) 33,000 shares held directly by him, corresponding to 0.008% of the share capital and voting rights;
 - b) 42,593,620 shares held by the company controlled directly by him **MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda.**, corresponding to **10.141%** of the share capital and voting rights.

3. **Banco Comercial Português, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM, the qualifying holding of 42,000,216 shares, corresponding to **10.0001%** of the share capital and voting rights as a result of:
 - a) 500 shares held by Banco Comercial Português, S.A., corresponding to 0.0001% of the share capital and voting rights;
 - b) 41,999,716 shares held by the **Pension Fund of the Banco Comercial Português Group** corresponding to **9.9999%** of the share capital and voting rights*.

4. **Mr. Pedro Pereira Coutinho Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of 10,300,000 shares, owned directly by him, corresponding to **2.45%** of the share capital and voting rights.

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

Corporate
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PART I - INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital structure

1. Capital structure (share capital, number of shares, distribution of the capital by the shareholders, etc.), including indication of shares not listed for trading, different categories of shares, their inherent rights and duties and percentage of share capital represented by each category (article 245-A, number 1, subparagraph a)).

The share capital of the TD,SA, of the total value of € 210,000,000.00 (two hundred and ten million euros) is represented by 420,000,000 shares with the nominal value of € 0.50 (fifty euro cents) each.

The shares are all ordinary, book entry, registered and listed for trading in regulated markets (NYSE EURONEXT LISBON). The shares belong to a single category, each corresponding to one vote, and there are no shares with special rights or duties.

2. Restrictions to the transferability of shares, such as clauses of consent for disposal or limits to the holding of shares (article 245-A, number 1, subparagraph b)).

There are no restrictions to the transferability of shares, namely clauses of consent for disposal or limits to the holding of shares.

3. Number of own shares, corresponding percentage share capital and percentage voting rights to which the own shares would correspond (article 245-A, number 1, subparagraph a)).

There are no own shares.

4. Significant agreements of which the company is a party and which enter into force, are altered or cease in the event of a change of control of the company following a public take-over bid, as well as the respective effects, unless, due to their nature, their disclosure would be seriously harm the company, unless the company is specifically obliged to disclose this information due to other legal requirements (article 245-A, number 1, subparagraph j)).

There are no agreements with these characteristics.

5. Regime to which the renewal or revocation of defensive measures is subject, in particular those establishing limitation of the number of votes which may be held or exercised by a single shareholder, individually or in concertation with other shareholders.

There is no statutory provision nor have any defensive measures been adopted establishing limitation of the number of votes which may be held or exercised by a single shareholder, individually or in concertation with other shareholders.

Consequently, the provisions in the present rule and in Recommendation number I.4 are not applicable to TD,SA.

6. Shareholders' agreements that are known to the company and might lead to restrictions on matters of the transfer of securities or voting rights (article 245-A, number 1, subparagraph g)).

As far as the Company knows, there are no agreements between shareholders, namely those which might lead to restrictions on matters relative to the transfer of securities or voting rights.

It should also be noted, for the effect of Recommendation number I.5 of the Corporate Governance Code of the CMVM, that no measures have been adopted whose effect is to demand payments or the assumption of costs by TD,SA in the event of transfer of control or change of the composition of the management board, and which might jeopardise the free transferability of shares and the free assessment by the shareholders of the performance of members of the management board.

II. Shares and Bonds held

7. Identification of the natural and legal persons who, directly or indirectly, hold qualifying stakes (article 245-A, number 1, subparagraphs c) and d) and article 16), with detailed indication of the percentage share capital and votes imputable and the source and causes of imputation.

It is disclosed that, as at 31 December 2013, the qualifying holdings, calculated under the terms of article 20 of the Securities Market Code, were as follows:

1. **TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM – with which it disagrees in relation to the matter presented in subparagraph d) below –, a qualifying holding in the share capital and voting rights of the company TEIXEIRA DUARTE, S.A. of 222,722,034 (two hundred and twenty-seven million eight hundred and twelve thousand and thirty-four) shares, corresponding to **53.03%** of the share capital and respective voting rights, as a result of:
 - a) 197,950,000 shares held **directly** by it, corresponding to **47.13%** of the share capital and voting rights;
 - b) 5,800,000 shares held by its participated company NGDI – Gestão e Investimento Imobiliário, S.A., corresponding to 1.38% of the share capital and voting rights;
 - c) 9,552,400 shares held by the members of the Board of Directors of TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A., corresponding to **2.27%** of the share capital and voting rights (none of whom, individually, reach any qualifying holding);
 - d) 9,419,634 shares owned by members of the Board of Directors of NGDI – Gestão e Investimento Imobiliário, S.A. who are not members of the Board of Directors of the company indicated in subparagraph c) above, corresponding to 2.24% of the share capital and voting rights (none of whom, individually, reach any qualifying holding), with this imputation having been made in conformity with the interpretation of the CMVM, where there is disagreement.

2. **Mr. Miguel Calainho de Azevedo Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of a de 42,096,542 shares, corresponding to **10.149%** of the share capital and voting rights, as a result of:
 - a) 33,000 shares held directly by him, corresponding to 0.008% of the share capital and voting rights;
 - b) 42,593,620 shares held by the company controlled directly by him **MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda.**, corresponding to **10.141%** of the share capital and voting rights.

3. **Banco Comercial Português, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM, the qualifying holding of 42,000,216 shares, corresponding to **10.0001%** of the share capital and voting rights as a result of:
 - a) 500 shares held by Banco Comercial Português, S.A., corresponding to 0.0001% of the share capital and voting rights;
 - b) 41,999,716 shares held by the **Pensions Fund of the Banco Comercial Português Group** corresponding to **9.9999%** of the share capital and voting rights¹.

4. **Mr. Pedro Pereira Coutinho Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of 10,300,000 shares, owned directly by him, corresponding to **2.45%** of the share capital and voting rights.

8. Identification of the number of shares owned by members of the management and supervisory bodies.

[NOTE: the information should be provided in order to comply with the provisions in number 5 of article 447 of the Commercial Companies Code]

TD,SA presents, below, the list of shares issued by the Company and by companies with which it is in a controlling or group relationship, held by members of the governing bodies, as well as all the acquisitions, encumbrances or transfers during 2013, specifying the amount, date of the fact and consideration paid or received.

I. Number of shares held by Members of the Governing Bodies as at 31 December 2012:

Name	Capacity	Nr. of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(a) 3,612,550
Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
Joel Vaz Viana de Lemos	Director	433,862
Carlos Gomes Baptista	Director	25,634
Diogo Bebiano Branco de Sá Viana Rebelo	Director	31,160
Jorge Ricardo de Figueiredo Catarino	Director	180,000
António Gonçalves Monteiro	Chairman of the Supervisory Board	–
Mateus Moreira	Member of the Supervisory Board	–
Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(b) 10,000
Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	–
José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	–
José Pedro Poiares Cobra Ferreira	Secretary of the Board of the General Meeting	–
Mariquito, Correia & Associados, SROC	Chartered Accountant	–

¹ Through communication received from "Banco Comercial Português, S.A." on 8 February 2007, it was indicated that the holding company of the Pensions Fund of the BCP Group exercises its voting rights in an independent manner.

II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2013:

Name	Transaction	Company	Date	Nr. of Shares	Price per Share
Carlos Gomes Baptista	Acquisition	Teixeira Duarte, S.A.	17-Jun-13	37,037	0.54€
Pedro Maria Calainho Teixeira Duarte	Sale	Teixeira Duarte, S.A.	15-Oct-13	(c) 2,400,000	Exchange for TD-SGPS shares

III. Number of shares held by Members of the Governing Bodies as at 31 December 2013:

Name	Company	Nr. of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(d) 1,212,550
Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
Joel Vaz Viana de Lemos	Director	433,862
Carlos Gomes Baptista	Director	62,671
Diogo Bebiano Branco de Sá Viana Rebelo	Director	31,160
Jorge Ricardo de Figueiredo Catarino	Director	180,000
António Gonçalves Monteiro	Chairman of the Supervisory Board	-
Mateus Moreira	Member of the Supervisory Board	-
Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(e) 10,000
Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiães Cobra Ferreira	Secretary of the Board of the General Meeting	-
Mariquito, Correia & Associados, SROC	Chartered Accountant	-

(a) 3,570,550 shares held by the company controlled by him PACIM - Sociedade Gestora de Participações Sociais, S.A.

(b) Shares held under joint ownership with his wife

(c) This transaction was carried out by the company controlled by him PACIM - Sociedade Gestora de Participações Sociais, S.A., where, for every 30 TEIXEIRA DUARTE, S.A. shares sold, he received 1 share representing the share capital of TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.

(d) 1,170,550 shares held by the company controlled by him PACIM - Sociedade Gestora de Participações Sociais, S.A.

(e) Shares held under joint ownership with his wife

9. Special powers of the management body, namely with respect to deliberations to increase the share capital (article 245-A, number 1, subparagraph i), indicating, with respect to these powers, the date on which they were attributed, period until which this competence may be exercised, maximum quantitative limit of the share capital increase, amount already issued under the attribution of powers and method of accomplishment of the attributed powers.

In addition to the other duties and competence entrusted by the Law, Articles of Association or through delegation of the General Meeting, the Board of Directors is responsible for:

- exercising the fullest powers of management of the Company and carrying out all the acts and operations pertinent to the achievement of its corporate object;
- negotiating and granting all contracts, independently of their scope, form and nature, where the Company is a party;
- representing the Company in and out of court, actively and passively, promoting, contesting, transacting or waiving in any proceedings and engaging in all types of arbitration;

- d) preparing, if deemed appropriate, its internal regulations, defining the rule and procedures relative to its operation;
- e) proceeding with the distribution of areas of responsibility amongst its members and entrusting any of the members with specific matters of the competence of the Board of Directors;
- f) empowering any of its members sufficiently to, jointly or individually, perform certain tasks or specific actions;
- g) appointing attorneys or mandatories of the Company to carry out certain acts or categories of acts, with the powers and duties defined in the respective powers of attorney which it has granted for the effect;
- h) appointing the Company Secretary and his Alternate;
- i) moving the head office to another location, within national territory, as well as creating, transferring or extinguishing delegations, agencies, branches or any other forms of corporate representation, in the country or abroad, under the terms, where and when deemed convenient;
- j) deliberating that the Company acquire, dispose and encumber any fixed assets and industrial property rights, licenses and permits, as well as quotas, shares, bonds or other securities;
- k) deliberating that the Company participate in the constitution, subscription of share capital, assume interests or take part in other companies, complementary business groups or associations of any type and cooperate, collaborate or enter into consortium with other entities, as well as the provision of technical services related to administration and management or support in terms of human resources to subsidiary companies or entities with which a subordination contract has been signed; and
- l) providing bonds and personal or real guarantees on behalf of the Company, namely sureties or securities.

The Articles of Association of the Company do not confer any powers to the Board of Directors relative to any share capital increases.

10. Information on the existence of significant business relations between the holders of qualifying stakes and the company.

Although the shareholder with a qualifying holding in the share capital of TD,SA is the Pension Fund of the Banco Comercial Português Group, the truth is that this holding has been imputed to Banco Comercial Português, S.A.

It happens that for almost the past 30 years, the companies included in the Teixeira Duarte Group have maintained business relations with Banco Comercial Português, S.A. and its participated companies, under normal market terms and conditions, where, as at 31 December 2013, the total value of the loans taken out from this institution reached approximately 346 million euros, corresponding to 25.4% of the Group's total bank debt.

It is disclosed that the contracting of guarantees with Banco Comercial Português, S.A. and its participated companies reached the total amount of 38 million euros, representing 5% of the total value of the guarantees contracted by the Group.

Finally, it is disclosed that the Group also has financial lease contracts with Banco Comercial Português, S.A. and its participated companies, of a total value of 171 million euros, corresponding to 83% of the total value of these types of contracts.

There are no other significant business relations between the holders of qualifying stakes and the company.

In view of the nature of the relations identified above and the fact that their scope is restricted to areas that are already highly regulated and supervised by various entities, it is deemed that there is no reason that would justify the supervisory body establishing necessary procedures and criteria for the definition of the relevant level of significant business with shareholders holding qualifying stakes, or with entities which are engaged with them in any of the relations established in number 1 of article 20 of the Securities Market Code, nor that the conduct of business of significant relevance should depend on the prior opinion of this body.

B. GOVERNING BODIES, COMMITTEES AND COMMISSIONS

I. GENERAL MEETING

a) Composition of the board of the general meeting

11. Identification and position of the members of the board of the general meeting and respective term of office (start and end)

Currently, the Board of the General Meeting is composed of the following members:

Chairman: Mr. Rogério Paulo Castanho Alves, lawyer, with professional domicile at Avenida Álvares Cabral, 61 - 4º, 1250-017 Lisboa, Portugal;

Deputy Chairman: Mr. José Gonçalo Pereira de Sousa Guerra Costenla, lawyer, with professional domicile at Avenida Álvares Cabral, 61 - 4º, 1250-017 Lisboa, Portugal; and

Secretary: Mr. José Pedro Poiares Cobra Ferreira, lawyer, with professional domicile at Lagoas Park, Edifício 2, 2740-265 Porto Salvo, Oeiras, Portugal.

All the identified members of the Board of the General Meeting were elected at the General Meeting held on 20 May 2011, to perform duties in this body during the four-year period 2011/2014.

b) Voting and the exercise of voting rights

12. Any restrictions on voting rights, such as limitations to the exercise of voting rights dependent on the ownership of a number or percentage of shares, periods of time imposed for the exercise of voting rights or systems privileging rights relative to assets (article 245-A, number 1, subparagraph f);

There are no restrictions on voting rights, namely limitations to the exercise of voting rights dependent on the ownership of a number or percentage of shares, hence the periods imposed for the exercise of voting rights are the only limitations that are indicated for the case of voting by correspondence.

Furthermore, pursuant to article 13 of the Memorandum and Articles of Association, only shareholders with at least one voting right, on the

registration date, corresponding to 0 hours (GMT) of the 5th business day prior to the date of the General Meeting, may participate in the General Meeting and discuss and vote therein.

Each share, under the conditions referred to above, corresponds to one vote. Although the Articles of Association foresee, in article 7, the possibility of shares without voting rights, the truth is that there are no, and have never been any, shares without voting rights.

For the exercise of the right to vote by correspondence and for the execution of all other procedures indicated in the Articles of Association, the Company has implemented the indispensable means for the effect, providing all the necessary forms on its website and at its head office, namely drafts of letters and the voting ballot, as well as instructions for their completion.

TD,SA believes that the specific security requirements inherent to the voting process through electronic means are very significant, namely with respect, on the one hand, to the technical means necessary to verify the authenticity of the corresponding explanations of vote, as well as to guarantee the integrity and confidentiality of the respective contents, and, likewise, recognises the high level of security and operational reliability required in the receipt of these explanations of vote.

The considerations referred to above and the fact that the General Meetings of the leading listed company of the Teixeira Duarte Group traditionally has a very high representation of share capital, underlie the reason why the Company has not implemented the possibility of the exercise of voting rights through electronic means.

Lastly, it should also be noted that TD,SA has not established any type of systems privileging rights relative to assets or mechanisms with the effect of causing a time lag between the right to receive dividends or the subscription of new securities and the voting right of each ordinary share.

13. Indication of the maximum percentage voting rights that may be exercised by a single shareholder or by shareholders which are engaged in any of the relations listed in number 1 of article 20.

The Articles of Association of TD,SA do not stipulate a maximum percentage voting rights that may be exercised by a single shareholder (individually or in concertation with other shareholders) or by shareholders which are engaged in any of the relations listed in number 1 of article 20.

14. Identification of shareholder deliberations, through statutory imposition, that may only be taken with a qualifying majority, apart from those legally established, and indication of these majorities.

There are no statutory provisions which impose qualifying majority quorums for deliberation, by the shareholders, on specific topics, apart from those legally established.

Indeed, article 16 of the Articles of Association establishes that "the deliberations of the General Meeting are taken by the majority of the votes cast, without prejudice to the legal provisions which, in certain cases, might require qualifying majorities or establish other forms of acceptance of the proposals".

II. MANAGEMENT AND SUPERVISION

(Board of Directors, Executive Board of Directors and General and Supervisory Board)

a) Composition

15. Identification of the adopted governance model

Since its incorporation in 30 November 2009, the Company adopted a Corporate Governance model known as the Latin unitary board structure or one-tier model, whose governing bodies comprise, in addition to the General Meeting and its respective Board, a Board of Directors and two autonomous Supervisory Bodies: the Supervisory Board and Chartered Accountants Firm.

On this issue, it is important to note the collaboration between all these structures of the Group, as well as the advantages arising from these synergies, reflected in the privileged and effective manner of the achievement of objectives undertaken by all as collection action.

The adopted governance model fully complies with its underlying objectives, that is, ensuring that the Company maintains good levels of operation and efficiency in the performance of duties by each governing body, both independently and jointly, thus proving to be appropriate to the *modus operandi* of the Company, its structures and members of the governing bodies, in particular of the Board of Directors.

16. Statutory rules on procedural requirements and matters applicable to the appointment and replacement of members, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board (article 245-A, number 1, subparagraph h)).

Regarding the rules applicable to the appointment and replacement of the members of the management body, it should be recalled that the members of the Board of Directors are elected at the General Meeting, through the list system, for four years, coinciding with the financial years, and may be re-appointed once or twice, under the terms and the legally established limits, and take up office as soon as they are elected, without further formalities.

Under the special election rules established in the Law, the Company adopted the systems which enables a Director to be elected amongst the persons proposed in lists which are undersigned and presented by groups of shareholders, provided that none of these groups own shares representing more than twenty percent and less than ten percent of the share capital. Pursuant to this choice, any Director elected in this manner automatically replaces the one last on the list who would have fallen due in the election of the Directors.

The Articles of Association do not foresee the existence of any alternate Director, but rather establish five as the number of absences to meetings, consecutively or interpolated, without justification accepted by the Board of Directors, per term of office, as leading to the situation of definitive absence of the Director, with the consequences established in the Law.

Apart from the circumstances referred to above, the Articles of Association do not establish any specific rule for the replacement of the members of the Board of Directors, so the general system established in the Commercial Companies Code on this matter is applicable, that is, the Board of Directors may replace any Director who fails to perform duties for any of the reasons laid down in the Law, namely due to resignation or the accumulation of absences, and hence, should this be deemed appropriate and under the applicable terms and conditions, proceed with the corresponding co-optation, which must be ratified at the first following General Meeting.

17. Composition, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member.

As at 31 December 2013, the Board of Directors was composed of the following members, all permanent:

Chairman:

Mr. Pedro Maria Calainho Teixeira Duarte

Directors:

Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte

Mr. Joel Vaz Viana de Lemos

Mr. Carlos Gomes Baptista

Mr. Diogo Bebiano Branco de Sá Viana Rebelo

Mr. Jorge Ricardo de Figueiredo Catarino

Mr. Pedro Maria Calainho Teixeira Duarte, Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte, Mr. Joel Vaz Viana de Lemos and Mr. Carlos Gomes Baptista were appointed for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office.

At the General Meeting of 20 May 2011, they were all re-elected to their positions, to perform duties during the four-year period of 2011/2014.

The Director **Mr. Diogo Bebiano Branco de Sá Viana Rebelo** was elected for the first time at the General Meeting of 20 May 2011, to perform duties with all the other re-elected members during the term of office of 2011/2014.

The Director **Mr. Jorge Ricardo de Figueiredo Catarino** was appointed to the position for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office. He terminated his duties as a Director of TD,SA in 2011, having continued to perform duties in the Administration of other companies of the Group. At the General Meeting of 25 May 2013, he was once again elected to hold the position of Director at TD,SA, together with the other Directors, up to the end of the term of office in course (2011/2014).

Under article 17 of the Articles of Association, the Board of Directors should be composed of a minimum number of five and maximum of eleven members. Furthermore, when electing this Board, the General Meeting should determine the number of Directors which, within these limits, should comprise the Board for each term of office and appoint, among them, the member who will perform the duties of Chairman. The Articles of Association do not foresee the existence of alternate members.

Under the terms of number 2 of article 10 of the Articles of Association, the members of the governing bodies are elected for periods of four years, as noted above.

18. Distinction between the executive and non-executive members of the Board of Directors and, regarding non-executive members, identification of members who may be considered independent, or, if applicable, identification of the independent members of the General and Supervisory Board.

18.1. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is appraised under the terms of the current legislation and, regarding the other members of the Board of Directors, members are considered independent when they are neither associated to any specific group of interests in the company nor in any circumstance which might affect the impartiality of their analysis or decision-making, namely due to:

- a. Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years;**
- b. Having, in the last three years, provided services or established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person;**
- c. Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties;**
- d. Living in non-marital cohabitation or being the spouse, parent or family member in a straight line and up to the 3rd degree, inclusively, in a collateral line, of directors or natural persons who directly or indirectly hold a qualifying stake;**
- e. Holding a qualifying stake or representing a shareholder holding a qualifying stake.**

The Board of Directors is exclusively composed of executive members, which is reflected in the effectiveness, operationality and proximity of the matters entrusted to them.

At the same time, the total independence and compatibility of the members of the Supervisory Board allows for impartial and useful intervention in the supervision of the Company's activity, not only from an accounting point of view - where it benefits from the regular intervention of the Chartered Accountants Firm - but also from a policy perspective, in this case with the appropriate limits and scope essential to safeguard compliance with the legal and regulatory rules in force, all with a view to achieving constant transparency and proper levels of disclosure of information to the market in general and to the shareholders, especially at the General Meeting.

TD,SA has chosen to maintain all its Directors in executive duties since the duties which would have been entrusted to any non-executive Directors - namely regarding supervision, monitoring and assessment of the activity of the executive members - are carried out, with full effectiveness, by the Supervisory Board, Remuneration Committee and General Meeting.

Particular note should also be made of the good interrelations between all the governing bodies, not only between the Chartered Accountants Firm and the Supervisory Board, which hold periodic meetings, but also between these bodies and the Board of Directors, whereby all the Directors have provided the information requested by the other members of the governing bodies in due time and in an appropriate manner.

Therefore, considering that all the members of the Board of Directors perform executive duties, the present regulation is not applicable to TD,SA.

Nevertheless and on this issue, it is important to disclose, with respect to the independence of its members, that the Board of Directors considers that none are under any circumstances capable of affecting their impartiality in analysis and decision-making.

In view of the adopted corporate model, the composition and mode of operation of its governing bodies - namely the executive character of the Board of Directors and the independence of the Supervisory Board and Chartered Accountants Firm, without their being any delegation of competence, either amongst them or to other Committees - TD,SA considers that the appointment of non-executive members to perform duties within the Board of Directors would not result in any significant benefits to the good operation of the adopted model, which has proved suitable and efficient.

Pursuant to the principle of close collaboration between the governing bodies, it should be noted that, for the effect of the provisions in Recommendation number II.1.9, the Chairman of the Supervisory Board is called to all the meetings of periodic nature and for the approval of the documents presenting the accounts, and is sent copies of the minutes of all the meetings of the Board of Directors.

However, these documents are not sent directly by the Chairman of the Board of Directors, as indicated in this recommendation. These tasks are performed, through indication of the Chairman of the Board of Directors, by the services and secretarial office of TD,SA which distribute an agenda to all the participants and to the Company Secretary, who submits the minutes of the meetings of the Board of Directors to the Chairman of the Supervisory Board, after they have been duly signed.

Moreover, it should be added that, although the Chairman of the Board of Directors performs executive duties, there are no non-executive directors, hence the Board of Directors does not have to indicate, from among its members, an independent director to assure the coordination of the work of the other non-executive members, and the conditions to enable them to take decisions in an independent or informed manner or find other equivalent mechanisms to assure this coordination, in view of the adopted model. Accordingly, the provisions in Recommendation number II.1.10 are not applicable to TD,SA.

19. Professional qualifications and other relevant curricular elements of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Chairman of the Board of Directors: Mr. Pedro Maria Calainho Teixeira Duarte

Licentiate degree in Business Administration from "Universidade Católica Portuguesa" in 1977.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 1987 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

As Chairman of the Board of Directors, he performs the following duties, among others:

- assures the operationality of this Board, namely the coordination of the performance of its members and holding of the respective meetings;
- monitors the Company's current business;
- coordinates the interaction of the members of the Board of Directors of "Teixeira Duarte, S.A." and members of the Board of Directors of the 100% subsidiary, TD-EC;
- coordinates and monitors the activity developed by the Group's Delegates in the different countries.

He entered the staff of "Teixeira Duarte - Engenharia e Construções, S.A." in 1978, having been promoted in 1987 to Chief Executive Officer of this company which was, at the time, the Group's leading listed company, and has held his current position as Chairman of its Board of Directors since 2008.

In 2009 and on the occasion of its incorporation, he was, at the same time, appointed to the position of Chairman of the Board of Directors of "Teixeira Duarte, S.A.", which would later become the leading listed company of the Teixeira Duarte Group as of 2010. He currently also holds this position cumulatively with the equivalent position at "Teixeira Duarte - Engenharia e Construções, S.A."

Outside the Teixeira Duarte Group, but within the sphere of its shareholder structure, he is Chairman of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.", which, being held by members of the Teixeira Duarte family, controls the aforesaid leading listed company "Teixeira Duarte, S.A." with over 50%.

Throughout these years, he has performed many corporate positions in various other entities in which the Teixeira Duarte Group holds a stake, as indicated below:

- "CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.", where he was a member of the Board of Directors between 2001 and August 2009; and
- "Banco Comercial Português, S.A.", where he no longer holds any corporate position or has any other professional connection, but where he performed various duties in the senior bodies between 1985 and 2013, in particular as Deputy Chairman of the Board of Governors, Deputy Chairman of the General and Supervisory Board and, more recently Deputy Chairman of the Board of Directors.

Director: Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte

Licentiate degree in Law from the Law School of "Universidade de Lisboa", in 1989.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for supervising the activities developed by the Central Department of Finance and Accounting, as well as the Corporate Secretarial, Consolidation of Accounts and Internal Audit Services, and for supervising the action of the Hotel Services sector, monitoring the action developed in the Energy sector and monitoring the management of the financial holdings in companies.

He was a lawyer/legal adviser with his own office from 1989 to 1996.

Director of "TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.", from 30 June 1992 to 22 April 2005, with supervisory, control and investment decision responsibilities under the duties attributed to the members of the Board of Directors by the Commercial Companies Code and the Company's Articles of Association, as well as relations with the CMVM.

He has been part of the staff of the Teixeira Duarte Group since 1993, acting as a legal adviser and manager in various companies, in particular in the real estate sector.

He has been a member of corporate bodies of many of the Teixeira Duarte Group companies, and since April 2005 also became a member of the Board of Directors of the Group's leading listed company, at that time "Teixeira Duarte - Engenharia e Construções, S.A." and currently "Teixeira Duarte, S.A."; positions which he currently holds, being responsible for various activity sectors and structures of the Group's Corporate Centre, including the Central Department of Finance and Accounting.

Outside of the Teixeira Duarte Group, he is also a Director of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.", a position to which he was appointed for the first time on 28 February 1991.

Director: Mr. Joel Vaz Viana de Lemos

Licentiate degree in Civil Engineering from the Faculty of Engineering of "Universidade do Porto", in 1977.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operationality conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for supervising the activities developed by the Central Departments of Human Resources, Administrative Services and Information Technology, as well as for the Central Departments of TD-EC of the areas of Management, Technology and Procurement Systems and for monitoring the participation of the Group's companies operating in the Construction sector at the Associations to which they are connected, namely representing them or providing for their respective representation.

In the distribution of areas of responsibility of the Board of Directors of TD,SA, he is also entrusted with chairing the Operational Executive Committee of the Board of Directors of TD-EC, which is responsible for coordinating the action of its Operating Centres and participated companies in the Construction sector; supervising the activities developed by TD-EC relative to the Operating Centres of Geotechnics and Rehabilitation, Mechanical Engineering and the Shuttering and Prestressing Operating Centre (COC), as well as the Department of Equipment; and also supervising the activities of the participated companies "E.P.O.S. - 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.", "INVICTAAM-BIENITE - Recolha de Resíduos e Limpeza Pública, S.A.", "RECOLTE, Servicios y Medioambiente, S.A., Sociedad Unipersonal" and "EDUCARE - Actividades Educativas e Culturais, Lda."

After having completed, in the academic year of 1977/1978, the specialisation course in Soil Mechanics at Universidade Nova de Lisboa, he immediately started his professional career at "Teixeira Duarte - Engenharia e Construções, S.A." in 1978, and was Site Manager and Designer in the area of Geotechnics and Foundations until 1983.

From 1983 to 1984 he worked at the Commercial Technical Department, preparing and collaborating in a large number of studies and proposals, including bridges, dams and expansion of airport infrastructures.

From 1984 to 1992 he was assigned by "Teixeira Duarte - Engenharia e Construções, S.A." to the important Enterprise Group "FERDOURO, ACE", constituted for the construction of São João Bridge over the River Douro, having, in this context, performed the duties of Head of the Technical Office (1984/88), Technical Director/Production Director (1988/89) and Deputy Managing Director with technical and production management (1989/92).

From 1992 to 1997, he took up the position, at "Teixeira Duarte - Engenharia e Construções, S.A.", of Production Centre Director of the area at that time referred to as "Public Works", coordinating various contracts for hydraulic works (dams, wastewater treatment stations, pumping stations), hospitals, roads and general infrastructure works.

In 1997, he was appointed Operating Centre Director in this same area of "Public Works".

Since then, he was also appointed to various corporate positions in a variety of Companies, Enterprise Groups, Consortiums and Associations in which the Teixeira Duarte Group holds a stake, some of which he still maintains, even after taking up the position of director of "Teixeira Duarte - Engenharia e Construções, S.A." in 2005, including, in particular:

Chairman of the Board of Directors of "SOMAFEL - Engenharia e Obras Ferroviárias, S.A.".

Chairman of the Board of Directors of "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.".

Director of "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.";

Chairman of the Board of Directors of various enterprise groups with activity in Algeria as well as Director of companies incorporated under Algerian law.

Chairman of the Board of Directors of "RECOLTE, Serviços e Meio Ambiente, S.A." and Director of "RECOLTE, Servicios y Medioambiente, S.A. Sociedad Unipersonal" (Spain) and "EMPA, S.A. - Serviços de Engenharia" (Brazil).

Deputy Chairman of the Board of Directors of "NOVAPONTE, ACE" (Project and Construction of Vasco da Gama Bridge).

Representative of Teixeira Duarte in the Tejo Consortium and Director of "FERPONTE, ACE" (Installation of the railway and widening of the road deck of 25 de Abril Bridge and General Improvement of Alcântara Viaduct);

Director of "TECNOCEANO, ACE" (Execution of large-scale contracts under Expo 98, including the project and construction of the Oceanarium) and representative of Teixeira Duarte in the Executive Committee of "GPCIE, ACE" (construction of infrastructures for Expo 98);

Director: Mr. Carlos Gomes Baptista

BSc in Engineering from "Instituto Industrial de Lisboa", in 1973.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

In November 2013, he withdrew from being a member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A.".

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation

between all its members, this director is currently responsible for monitoring the activities developed by the Buildings Operating Centre, supervised by Mr. Fernando Paulo Baptista Gomes de Araújo, under the action of TD-EC; monitoring the activity developed by the Central Department of Planning and Studies of the subsidiary TD-EC; and supervising the activity of the subsidiary "TDGI - Tecnologia de Gestão de Imóveis, S.A."

His career includes, in particular, employment at "M.S.F., S.A.", where he was Head of Services from 1975 to 1979, collaborating in various works, namely of hydraulic nature (pipeline and dam).

He entered into "Teixeira Duarte - Engenharia e Construções, S.A." in February 1980, as Site Manager in the area of buildings, at that time referred to as "Civil Construction".

From 1982 to 1983, he was on assignment in Venezuela where he monitored various building contract works for housing and offices.

Back in Portugal, he was appointed to the position of Zone Director in 1984, with responsibilities in a large number of enterprises in the areas of tourism, roads, housing, buildings, and especially for banking entities.

In 1989 he was appointed to the position of Production Centre Director, and in 1989 Director of the Operating Centre of what was, at that time, referred to as the "Civil Construction" area, where he was coordinator from 1998 to 2005, when he was appointed director of "Teixeira Duarte - Engenharia e Construções, S.A.", a position he held until November 2013.

From 2000 onwards he has monitored the action of the Teixeira Duarte Group company which operates in the Facilities Management area named "TDGI - Tecnologias e Gestão de Imóveis, S.A.", where he is Chairman of the Board of Directors.

Director: Mr. Diogo Bebiano Branco de Sá Viana Rebelo

Licentiate degree in Civil Engineering from "Instituto Superior Técnico", in 1992.

Appointed for the first time for the position in 2011, through deliberation of the General Meeting, with the current term of office ending in 2014.

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for supervising the action developed in the Real Estate, Distribution and Automobile sectors in all the markets of action of the Teixeira Duarte Group, namely Portugal, Angola, Brazil and Mozambique, being, in this context, director of various other companies of the Group and supervising the activity of "TDHOSP - Gestão de Edifício Hospitalar, S.A."

He worked at "PROFABRIL, S.A." as a Design Engineer in the Buildings Division, participating in projects of reinforced concrete structures from October 1992 to May 1993.

In the Teixeira Duarte Group:

From October 1993 to November 1999, he was a member of the "Teixeira Duarte - Engenharia e Construções, S.A." teams in the Buildings Operating Centre, at that time referred to as Civil Construction, performing the duties of Assistant Site Manager and Site Manager of various works in Portugal.

From November 1999 to May 2011, he part of the real estate teams of the Teixeira Duarte Group, being responsible for the technical area with duties in the development of real estate projects, namely in feasibility analysis, design of real estate solutions, project coordination, contract work coordination, definition of related marketing products, management of rented assets and coordination of sales teams.

His responsibility included all the segments of the sector, from residential to offices, commercial spaces, hotel services, health and leisure, industry/logistics and car parks, as well as dedication to the expansion of spaces allocated to other activities of the Group, especially Construction, Hotel Services, Distribution and the Automobile sector.

In 2010 he also started to coordinate the Group's action in the Distribution and Automobile sectors, and in May 2011 he was elected Director of the leading listed company of the Teixeira Duarte Group, "Teixeira Duarte, S.A."

Director: Mr. Jorge Ricardo de Figueiredo Catarino

Licentiate degree in Civil Engineering from the Faculty of Engineering of "Universidade do Porto", in 1974.

Appointed to the position for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office. He terminated his duties as a Director of TD,SA in 2011, having continued to perform duties in the Administration of other companies of the Group. At the General Meeting of 25 May 2013, he was once again elected to hold the position of Director at TD,SA, together with the other Directors, up to the end of the term of office in course (2011/2014).

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

In November 2013, he withdrew from being a member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A."

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for monitoring the activities developed by the Infrastructures Operating Centre, monitoring the activity developed by the Central Department of Infrastructure Studies of the subsidiary TD-EC and monitoring the activity of the participated companies "MTS - Metro, Transportes do Sul, S.A.", "AEDL - Auto-estradas do Douro Litoral, S.A." and "AEBT - Auto-estradas do Baixo Tejo, S.A."

He started his career as a liberal profession, in the dimensioning and management of construction of various buildings for housing and industry.

He was employed at "CONDURIL S.A.R.L." from 1977 to 1981 as Site Manager, collaborating in various works, namely the construction of the dams of Penha Garcia and Cimeira and Fundeira in Alvão, for "DGH" and "CMVR" respectively; various slope consolidation works along the Douro Line adjacent to the Régua and Valeira developments, for "EDP", following the damage caused by the great floods of 1979 and by the phenomenon of micro turbulence, and a variety of different roadworks for the "JAE".

He entered into "Teixeira Duarte - Engenharia e Construções, S.A." in 1981, as Site Manager in the area of buildings, at that time referred to as "Civil Construction". This area included, in particular, the construction of the Head Office of "Caixa Geral de Depósitos", a series of important buildings in the city of Porto and the construction of a Home for the Elderly on Ilha Terceira, in the Azores.

From 1984 to 1991 he was on assignment in Venezuela, where he performed the duties in the Production and Management Department of the affiliate "TEGAVEN S.A.", under which he monitored various contract works for housing and office buildings as well as maintenance infrastructures and others for Caracas metropolitan railway and the construction of motorways.

Back in Portugal, in 1992 he was appointed to the position of Operating Centre Director of the area at that time referred to as "Public Works", where he was the coordinator until 2005, when he was appointed as director of "Teixeira Duarte - Engenharia e Construções, S.A.". During this period, he coordinated the development of major projects in the area of roads and railways, storage, water treatment and distribution, hydroelectric developments, hospitals and others.

He supervised the entrance of "Teixeira Duarte - Engenharia e Construções, S.A." into Algeria in 2003, and continues, still today, to hold various positions as a director in a variety of entities in which the Teixeira Duarte Group holds a stake in this country.

20. Family, professional or business relations, habitual and significant, of the members, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.

The Chairman of the Board of Directors, **Mr. Pedro Maria Calainho Teixeira Duarte**, is shareholder and Chairman of the Board of Directors of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A., although he does not earn any remuneration for holding this position. Furthermore, we disclose that he is the brother of Mr. Miguel Calainho de Azevedo Teixeira Duarte and son of Mr. Pedro Pereira Coutinho Teixeira Duarte. It is also disclosed that his business relations established with Banco Comercial Português, S.A. are not of any significant nature.

The Director **Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte**, is shareholder and Director of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A., although he does not earn any remuneration for holding this position. Furthermore, we disclose that he is the cousin of Mr. Miguel Calainho de Azevedo Teixeira Duarte and nephew of Mr. Pedro Pereira Coutinho Teixeira Duarte. It is also disclosed that his business relations established with Banco Comercial Português, S.A. are not of any significant nature.

Regarding the **remaining members of the Board of Directors**, we disclose that none of them maintain habitual and significant family, professional or business relations, with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.

21. Organisational charts or flowcharts relative to the distribution of competence between the different governing boards, committees, commissions and/or departments of the company, including information on the delegation of competence, in particular with respect to the delegation of the daily management of the company.

The Articles of Association of the Company define the competence of each of the governing bodies, namely in articles 12 (General Meeting), 19 (Board of Directors) and 23 (Supervisory Board and Chartered Accountants Firm).

There is no distribution or delegation of competence by any of the governing bodies, namely by the Board of Directors, to any specific committees or commissions, in particular an Executive Committee.

This circumstance essentially arises from the fact that the Board of Directors is exclusively composed of executive members, which is reflected in effectiveness of operability and proximity to the matters of their competence, whereby any delegation in this regard would be redundant and counterproductive.

Notwithstanding the above, there is an organisational chart of the Teixeira Duarte Group, presented at the beginning of this Report, which illustrates the general organisational lines defined by the Board of Directors, which should, in particular:

- a) Maintain a series of Central Departments with special responsibilities of transversal support to the action developed in the different business sectors included in the Corporate Centre, entrusted with promoting a standardisation of procedures and providing support to the Group's structures operating abroad in these areas common to various businesses, even though some may be included under TD,SA and others under its subsidiary Teixeira Duarte - Engenharia e Construções, S.A.;
- b) Organise the Group's Operating Structures by Activity Sector, which will cover the responsibility for all the teams and operations of these business areas, regardless of the geographic market in which they operate, thus also acting to draw the technical and human central resources of the Group closer to those operating in the different markets of TD,SA;
- c) Highlight the trade name of certain operations included in the Group which, in view of the particularity of their business, should maintain their individuality, especially in the Construction, Concessions and Services sectors;
- d) Strengthen Teixeira Duarte - Engenharia e Construções, S.A. as the Group's principal company operating in the Construction sector:
 - d.1) Maintaining the development of its action through Operating Centres, which divide up the production areas and are essential for the training of managerial staff and follow-up of their career;
 - d.2) Maintaining a series of Central Departments with specific scope of action in the provision of specialised support to the Operating Centres, in particular in the areas of Studies, Projects and Proposals;
 - d.3) Maintaining the coordination and interaction of the activity of the companies in which the Group has a stake which operate in the Construction sector through the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A.;
- e) Creating, under the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A. and from an operational perspective, an Operational Executive Committee, which should coordinate the action of the Operating Centres and companies in which the Group has a stake in this Construction sector;
- f) Maintain close relations between the Boards of Directors of TD,SA and Teixeira Duarte - Engenharia e Construções, S.A.;
- g) Strengthen the firmness and efficacy of the bonds of unity within the Teixeira Duarte Group through the direct connection of the Board of Direction with the Group's Delegates in the different countries, which represent the management body therein, undertaking the Group's institutional representation, as well as the connection with the structures of the various Sectors and Corporate Centre which operate in these markets and the implementation of practices to optimise the operability of the Group's companies, taking into account the particularities of each country.

b) Operationality

22. Existence and location where the operating regulations may be consulted, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

There are no operating regulations or code of conduct for the governing bodies.

In view of the chosen corporate model, the composition of the Board of Directors (all the members are executive) and the fact that the competence and responsibilities of this body cannot be delegated to any other bodies, specialised committees, commissions or departments, the mode of operation of the Board of Directors is fairly simplified, added to the fact that the number of members included in this body is not of a sufficiently size to justify the stipulation, in regulations, of further rules on operationality.

The individual competence of each member is established by deliberation of the actual Board of Directors and their interaction is maintained in a regular form under the legally stipulated terms and considered sufficient for this purpose.

23. Number of meetings held and level of attendance of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, of the meetings that have been held.

During 2013, the Board of Directors of TD,SA held 26 meetings.

For all due purposes, it is disclosed that the attendance of each member of this Board was as follows:

The Chairman of the Board of Directors, **Mr. Pedro Maria Calainho Teixeira Duarte** attended 25 meetings. The only meeting that he was unable to attend, due to be being on assignment abroad, was called with an urgent nature. Even so, he assured his representation, in this same meeting, by another member of the Board.

The Director **Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte** attended all the meetings of the Board of Directors.

The Director **Mr. Joel Vaz Viana de Lemos** attended 22 of the meetings of the Board of Directors. He was unable to attend 4 meetings, due to be being on assignment abroad, having assured his representation by another Director at one of these meetings. His absences were justified accordingly.

The Director **Mr. Carlos Gomes Baptista** attended 25 of the meetings of the Board of Directors. He was unable to attend 1 meeting, due to be being on assignment abroad, with his absence having been justified accordingly.

The Director **Mr. Diogo Bebiano Branco de Sá Viana Rebelo** attended 25 of the meetings of the Board of Directors. The only meeting that he was unable to attend, due to be being on assignment abroad, was called with an urgent nature. Even so, he assured his representation, in this same meeting, by another member of the Board.

The Director **Mr. Jorge Ricardo de Figueiredo Catarino** attended 12 of the meetings of the Board of Directors and assured his representation by another Director at another meeting he was unable to attend. However, it should be recalled that he was elected to the position at the General Meeting of 25 May 2013, hence he only began to attend these Board meetings as of this date. He was unable to attend 5 meetings, due to be being on assignment abroad, having assured his representation by another Director at one of these meetings. His absences were justified accordingly.

24. Indication of the company's governing bodies which are competent to assess the performance of the executive directors

The competent body for the assessment of the performance of the Company's Directors, all of whom are executive, is the General Meeting, which, under the terms of number 1 of article 376 of the Commercial Companies Code, carries out an annual general assessment of the management and supervision of the Company.

The Supervisory Board monitors, under the established terms described in this document, the action of the Board of Directors, ensuring compliance with a series of matters and issuing an opinion on the annual report and accounts which is submitted to the appraisal of the shareholders at the General Meeting.

Moreover, the Remuneration Committee assesses the activity developed by each Director for the purpose of establishing the respective remuneration, based on the remuneration policy approved at the General Meeting.

Furthermore, it is disclosed that due to the organisational and functional model established for the different governing bodies, it was not considered appropriate to create any committees or commissions for the purpose of assuring a competent and independent assessment of the individual and overall performance of the executive Directors. Therefore, as described, there are no commissions or committees.

Indeed, in view of the adopted model and the structure and composition of the Governing Bodies, these duties are explicitly entrusted to the General Meeting, Supervisory Board and Remuneration Committee, under the terms indicated above.

Likewise and for the same reasons, it was considered that it was unnecessary to create any committee or commission to reflect on the adopted governance system, structure and practices, verify their effectiveness and propose to the competent bodies the measures to take with a view to their improvement.

These duties are performed and developed by each of the Governing Bodies which, better than any other body created only for this effect, are successful in identifying any constraints and difficulties which might have been encountered, and in the same way, collaborate together in the assessment of the adopted corporate governance model, reporting and overcoming any operational and interaction difficulties.

Ultimately, the overall assessment of the action of the governing bodies is always entrusted to the shareholders at the General Meeting.

25. Predefined criteria for the assessment of the performance of the executive directors.

There are no predefined criteria for the assessment of the performance of the Executive Directors. Indeed, all the Directors are assessed in accordance with their respective performance during the year, based on fixed and achievable objectives, the Company's net income and various other parameters which, due to their diversity and variation over the years, are not to be considered exhaustive but rather adaptable to the circumstances of each period and each specific situation, pursuant to the remuneration policy approved annually at the General Meeting.

26. Availability of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year.

All the members of the Board of Directors of TD,SA have dozens of years "in-house", with professional paths conducted almost exclusively within the Teixeira Duarte Group, where, according to the Group's areas and sectors of action they supervised or monitored, they were appointed to other corporate positions. This also enabled them to report information to TD,SA on the action of these same entities and their corresponding implementation of the guidelines defined for the Teixeira Duarte Group.

However, there are various occasional situations of corporate positions held in other entities outside the Teixeira Duarte Group, where none of

these directors earn remuneration or are professionally bound to these entities, or subject to any circumstances which hinder their total availability to perform their duties as a member of the Board of Directors of TD,SA.

Chairman of the Board of Directors: Mr. Pedro Maria Calainho Teixeira Duarte

As at 31 December 2013, he held the following positions **in other companies of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";

In companies outside the Teixeira Duarte Group:

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.".

Member of the Advisory and Strategy Board of "E.I.A. - Ensino, Investigação e Administração, S.A.".

Chairman of the Board of Directors of "PASIM - Sociedade Imobiliária, S.A.";

Chairman of the Board of Directors of "PACIM - Sociedade Gestora de Participações Sociais, S.A.".

Director: Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte

As at 31 December 2013, he held the following positions **in other companies of the Teixeira Duarte Group**:

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";

Chairman of the Board of Directors of "BONAPARTE - Imóveis Comerciais e Participações, S.A.";

Chairman of the Board of Directors of "C+P.A. - Cimento e Produtos Associados, S.A.";

Chairman of the Board of Directors of "ESTA - Gestão de Hotéis, S.A.";

Chairman of the Board of Directors of "EVA - Sociedade Hoteleira, S.A.";

Chairman of the Board of Directors of "IMOPEDROUÇOS - Sociedade Imobiliária, S.A.";

Chairman of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "LAGOAS HOTEL, S.A.";

Chairman of the Board of Directors of "LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.";

Chairman of the Board of Directors of "PTG - Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "ROCHORIENTAL - Sociedade Hoteleira, S.A.";

Chairman of the Board of Directors of "SINERAMA - Organizações Turísticas e Hoteleiras, S.A.";

Chairman of the Board of Directors of STELGEST - Gestão Hoteleira, S.A.";

Chairman of the Board of Directors of "TD VIA - Sociedade Imobiliária, S.A.";

Chairman of the Board of Directors of "TDE - Empreendimentos Imobiliários, S.A.";

Chairman of the Board of Directors of "TDH - Sociedade Gestora de Participações, S.A.";

Chairman of the Board of Directors of "TDHC - Instalações para Desporto e Saúde, S.A.";

Chairman of the Board of Directors of "TDO - Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "TEDAL - Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.";

Chairman of the Board of Directors of "V-8 - Gestão Imobiliária, S.A.";

Director of "CPM - Companhia de Parques de Macau, S.A.";

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia";

Director of "MARINERTES, S.A.";

Director of "TDARCOL - Sociedade Gestora de Participações Sociais, S.A.";

Director of "TDHOSP - Gestão de Edifício Hospitalar, S.A.";

Director of "TEIXEIRA DUARTE - Engenharia e Construções (Macau), Limitada";

Director of "Votorantim Macau Investimentos, S.A.";

Manager of "BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda."

In companies outside the Teixeira Duarte Group:

Chairman of the Board of Directors of "SEIUR - Sociedade de Empreendimentos Imobiliários e Urbanísticos, S.A.";

Chairman of the Board of Directors of "ILTA - Urbanizadora da Ilha de Tavira, S.A.";

Director of "TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.";

Secretary of the Board of the General Meeting of "HAB - Cooperativa de Construção e Habitação C.R.L.";

Member of the General and Supervisory Board of "E.I.A. - Ensino, Investigação e Administração, S.A."

Director: Mr. Joel Vaz Viana de Lemos

As at 31 December 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";

Chairman of the Board of Directors of "SOMAFEL - Engenharia e Obras Ferroviárias, S.A.";

Chairman of the Board of Directors of "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.";

Chairman of the Board of Directors of "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly named RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.);

Chairman of the Board of Directors of "INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.";

Chairman of the Board of Directors of "GMP - Grupo Marítimo Português, ACE";

Chairman of the Board of Directors of "GMP MEK - Grupo Marítimo Português Mers El Kebir, ACE";

Chairman of the Board of Directors of "MARINERTES, S.A.";

Deputy Chairman of the Board of Directors of "Novaponte - Agrupamento para a Construção da Segunda Travessia do Tejo, ACE";

Director of "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.";

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia";

Director of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A.";

Director of "PTG - Sociedade Gestora de Participações Sociais, S.A.";

Director of "TDARCOL - Sociedade Gestora de Participações Sociais, S.A.";

Director of "SOMAFEL e FERROVIAS, ACE";

Director of "Groupement Maritime Portugais GMP - ORAN";

Director of "TEIX.CO, SPA".

Director: Mr. Carlos Gomes Baptista

As at 31 December 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "TDGI - Tecnologia de Gestão de Imóveis, S.A.";

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia";

Director of "RECOLTE, Servicios y Medioambiente, S.A. - Sociedad Unipersonal";

Director of "TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque da Nações em Lisboa 3.ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE".

Director: Mr. Diogo Bebiano Branco de Sá Viana Rebelo

As at 31 December 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "QUINTA DE CRAVEL - Imobiliária, S.A.";

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Distribuição, S.A.";

Chairman of the Board of Directors of "TDO - Investimento e Gestão, S.A.";

Chairman of the Board of Directors of "TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.";

Director of "BONAPARTE - Imóveis Comerciais e Participações, S.A.";

Director of "IMOPEDROUÇOS - Sociedade Imobiliária, S.A.";

Director of "IMOTD - Sociedade Gestora de Participações Sociais, S.A.";

Director of "TD VIA - Sociedade Imobiliária, S.A.";

Director of "TDE - Empreendimentos Imobiliários, S.A.";

Director of "TDHOSP - Gestão de Edifício Hospitalar, S.A.";

Director of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A.";

Director of "V8 - Gestão Imobiliária, S.A.";

Manager of "BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.".

Director: Mr. Jorge Ricardo de Figueiredo Catarino

As at 31 December 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "CONBATE, ACE";

Director of "Abdul Rahman Saad Al Rashid And Sons & Teixeira Duarte, Limited Liability Company";

Director of "Douro Litoral, ACE";

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia";

Director of "Engil / Mota / Teixeira Duarte - Requalificações Urbanas, ACE";

Director of "GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE";

Director of "Groupement ETRHB Haddad/Teixeira Duarte Harrach Douera";

Director of "Groupement Mètro d'Alger Centre (GMAC)";

Director of "GROUPEMENT TEIXEIRA DUARTE / GROUPE ETRHB HADDAD";

Director of "GROUPEMENT TEIXEIRA DUARTE, S.A. / KANAGHAZ, SPA - Lagunes de Souf";

Director of "MOLINORTE - Linha do Norte - Construção Civil, ACE";

Director of "TEIXEIRA DUARTE ALGÉRIE, SPA".

c) Committees and commissions within the management or supervisory body and chief executive officers

27. Identification of committees and commissions within, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, and location where the operating regulations may be consulted.

Currently, there are no specialised Committees or Commissions on management or supervisory matters, and the foreseen Executive Committee cannot even be constituted under article 20 the Articles of Association, although some members of the Board of Directors maintain frequent contact and sectorial meetings and hold regular meetings together, accompanied by other members of the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A. and the advisor to the Board of Directors.

28. Composition, if applicable, of the executive committee and/or identification of chief executive officer(s).

Considering that there is neither an Executive Committee nor Chief Executive Officers, the present rule is not applicable to TD,SA.

29. Indication of the areas of competence of each of the created committees and commissions, and summary of the activities developed during performance of this competence.

Considering that there are no committees or commissions created under the Board of Directors, as noted in 2.7 above, the present rule is not applicable to TD,SA.

III. SUPERVISION

(Supervisory Board, Audit Committee or General and Supervisory Board)

a) Composition

30. Identification of the supervisory body (Supervisory Board, Audit Committee or General and Supervisory Board) corresponding to the adopted model.

The adopted corporate model is usually referred to as the Latin one-tier model, accordingly the appointment of a Supervisory Board was selected as the supervisory body.

31. Composition, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 18.

Pursuant to article 24 of the Articles of Association of TD,SA, the Supervisory Board is necessarily composed of three permanent members and one alternate, who should comply with the requirements and are entitled to use the powers established by law. When electing the members of this Board, the General Meeting must, mandatorily, elect one of them to perform the duties of Chairman.

As is the case with the other governing bodies and under the terms of number 2 of article 10 of the Memorandum and Articles of Association, the members of the Supervisory Board are elected at the General Meeting, through the list system, for periods of four years, coinciding with the financial years, and may be re-appointed once or twice, under the terms and with the legally established limits.

Accordingly, the Supervisory Board is currently composed of the following members:

Chairman: Mr. António Gonçalves Monteiro

Members: Mr. Mateus Moreira

Mr. Miguel Carmo Pereira Coutinho

Alternate: Mr. Horácio Lisboa Afonso

All the current members of the Supervisory Board were appointed at the time of the incorporation of the company on 30 November 2009, to perform duties during the term of office of 2009/2010.

At the Annual General Meeting of 20 May 2011, they were all re-elected to their positions, to perform duties during the four-year period of 2011/2014.

Furthermore, it should be noted that they all possess suitable competence for the performance of their duties, as described below in 33.

32. Identification, as applicable, of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee who are considered independent, under the terms of article 414, number 5 of the Commercial Companies Code. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 19.

All the current members fully comply with all the requirements of independence, and there is no incompatibility for the performance of their duties for any of them, under the terms established in the Commercial Companies Code.

The facts referred to in the previous paragraph are investigated periodically in relation to each member of the Supervisory Board.

33. Professional qualifications, as applicable, of each member of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee and other relevant curricular elements. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 21.

The professional qualifications and other relevant curricular elements of the members of the Supervisory Board are described below:

Mr. António Gonçalves Monteiro (Chairman of the Supervisory Board)

Licentiate degree in Finance from "Instituto Superior de Economia" and diploma in Accounting and Administration from "Instituto Superior de Contabilidade e Economia de Lisboa".

He is a partner and Chairman of the Board of Directors of "Moore Stephens & Associados, SROC, S.A.", representing the company in the performance of statutory auditor duties or as a member of supervisory bodies of various companies and other entities.

Chairman of the Board of Directors of "ESTAMO – Participações Imobiliárias, S.A." and "SAGESTAMO – Sociedade Gestora de Participações Sociais Imobiliárias, S.A.".

Chairman of the Accounting Standardisation Committee (CNC).

Chairman of the Remuneration Committee of "BANIF – Banco Internacional do Funchal, S.A.".

Former Chairman of the Portuguese Institute of Statutory Auditors (2006-2011) and member of the National Council for Audit Supervision (2009-2011). Former Chairman of the Portuguese Association of Tax Consultants (1998-2005).

Former Chairman of the Supervisory Board of "Teixeira Duarte - Engenharia e Construções, S.A."

He has never exercised any professional activities at TD,SA, although he has represented the Company at the Chartered Accountants Firm which performed the supervisory duties at the companies "SOMAFEL - Engenharia e Obras Ferroviárias, S.A." and "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A."; as well as at the "TDF Closed Real Estate Investment Fund", included in the Teixeira Duarte Group.

Mr. Mateus Moreira (Member of the Supervisory Board)

Licentiate degree in Finance from "Instituto Superior de Ciências Económicas e Financeiras" (1972).

Retired from Millennium BCP on 30 September 2003, where he held the position of Central Deputy Director.

Former member of the Supervisory Board of "Teixeira Duarte - Engenharia e Construções, S.A."

Mr. Miguel Pereira Coutinho (Member of the Supervisory Board)

Attendance of the 2nd year of "Instituto Superior de Agronomia" (1952).

Formerly, a businessman.

Currently, he is retired.

Former member of the Supervisory Board of "Teixeira Duarte - Engenharia e Construções, S.A."

Mr. Horácio Lisboa Afonso (Alternate of the Supervisory Board)

Licentiate degree in Finance from "Instituto Superior de Ciências Económicas e Financeiras".

Attendance of various professional specialisation courses, organised by Price Waterhouse, Deloitte, Grant Thornton, Nexia International and other entities, in Portugal and abroad, covering accounting, financial management, financial audits, computer-based audits, time management, personal skills and other specific matters of relevance to corporate governance.

Seven month internship at the Audit Department of Price Waterhouse, in London during the period from October 1978 to April 1979.

Member of the Chartered Accountants Association.

Member of the Economists Association.

Member of the Chartered Accountants Association.

Founding member of "Camacho Palma & Lisboa Afonso - SROC", representative in Portugal of Nexia International, he performs the duties of

Chartered Accountant at various companies, being responsible for the Review and Legal Certification of their respective accounts.

Former alternate of the Supervisory Board of "Teixeira Duarte - Engenharia e Construções, S.A."

b) Operationality

34. Existence and location where the operating regulations may be consulted, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 24.

As described above in number 22 of the present Report, there are no operating regulations or code of conduct for the governing bodies.

35. Number of meetings held and level of attendance of the meetings which have been held, as applicable, of each of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 25.

During 2013, the Supervisory Board held 6 meetings, all of which were attended by all of its permanent members.

36. Availability of each member, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 26.

All the members of the Supervisory Board show the appropriate availability for the performance of their duties at TD,SA, namely for participation in the periodic meetings of the Board of Directors and Supervisory Board, and for follow-up of the Company's activity and the preparation and publication of the documents presenting the accounts, in coordination with the action of the Chartered Accountants Firm.

The positions held by each of the members of the Supervisory Board in companies within and outside the Group are indicated below:

Mr. António Gonçalves Monteiro (Chairman of the Supervisory Board)

As at 31 December 2013, he did not hold any positions in other companies within the Teixeira Duarte Group.

On this date, in the capacity of representative of "Moore Stephens & Associados, SROC, S.A.", he performed the duties of Statutory Auditor at various companies and institutions which are not part of the Teixeira Duarte Group.

Mr. Mateus Moreira (Member of the Supervisory Board)

As at 31 December 2013, he did not perform duties in any other companies.

Mr. Miguel Pereira Coutinho (Member of the Supervisory Board)

As at 31 December 2013, he did not perform duties in any other companies.

Mr. Horácio Lisboa Afonso (Alternate of the Supervisory Board)

As at 31 December 2013, he did not hold any positions in other companies within the Teixeira Duarte Group.

On this date, he held the following positions in other companies and institutions which are not part of the Teixeira Duarte Group:

Managing partner of "Camacho Palma & Lisboa Afonso - SROC";

Manager of "NEXIA, CPLA & Associados - SROC, Lda.";

Chairman of the Audit Committee of "Banco Espírito Santo, S.A.";

Chairman of the Supervisory Board of "PARTRAN - SGPS, S.A.";

Member of the Supervisory Board of "SOMINCOR - Sociedade Mineira de Neves-Corvo, S.A.".

c) Areas of competence and duties

37. Description of the procedures and criteria applicable to the intervention of the supervisory board for purposes of contracting additional services from the external auditor.

No services are contracted from the external auditor other than those related to the legal review of accounts and auditing, hence the present regulation is not applicable to TD,SA.

38. Other duties of the supervisory bodies and, if applicable, the Financial Matters Committee.

The supervisory bodies do not perform any duties other than those described above and legally defined.

IV. CHARTERED ACCOUNTANT

39. Identification of the chartered accountant and chartered accountant partner representing the former.

The position of chartered accountant is held by "Mariquito, Correia & Associados - SROC", represented by Mr. António Francisco Escarameia Mariquito.

40. Indication of the number of years during which the chartered accountant has performed duties consecutively at the company and/or group.

The chartered accountant was appointed for the first time at the time of the incorporation of the company on 30 November 2009, having been re-elected to hold the same position during the four-year period of 2011/2014 at the General Meeting of 20 May 2011.

41. Description of other services provided by the chartered accountant to the company.

The chartered accountant does not provide any services other than those related to the legal review of accounts and audit of TD,SA.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed pursuant to article 8 and chartered accountant partner who represents the external auditor in compliance with these duties, as well as the partner's registration number at the CMVM.

The appointed external auditor, under the terms of article 8 of the Securities Market Code, is the chartered accountants firm "Mariquito, Correia & Associados - SROC", represented by its partner, Mr. António Francisco Escarameia Mariquito, registered at the CMVM under number 2.235.

43. Indication of the number of years during which the external auditor and respective chartered accountant partner who represents it in compliance with these duties, has performed duties consecutively at the company and/or group.

The external auditor and respective chartered accountant partner who represents it in compliance with these duties, has performed duties at TD,SA since its incorporation on 30 November 2009, in other words, for 4 years.

However, it is disclosed that both the SROC (chartered accountants firm) and respective partner referred to above have performed duties at other companies of the Teixeira Duarte Group for 26 years.

44. Policy and frequency of rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.

There is no defined policy on the rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.

However, it should be further noted that the issue established in Recommendation number IV.3, *companies should promote the rotation of the auditor at the end of two or three terms of office, according to whether they are four or three years respectively*, is not relevant in this case since the auditor is performing its second term of office in this position.

45. Indication of the body responsible for the assessment of the external auditor and frequency with which this assessment is conducted.

The action of the External Auditor has been assessed by all the Supervisory Board and all other governing bodies of TD,SA, and there have never been any circumstances that could justify his dismissal or the termination of the contract for the provision of his services on fair grounds.

On this issue, it should be noted that the Board of Directors of TD,SA and the services under this board have undertaken the commitment to assure the existence of appropriate conditions for the provision of services by the external auditor within the Company, since the Board of Directors and its services are placed directly within the operating structure of TD,SA, and ensure that they have the necessary physical means, information and documentation in order to provide the external auditor with the appropriate conditions for the performance of its duties.

The Company's agent of communication and first receiver of the external auditor's reports is the Board of Directors, since, as has been described above, this is the body which is placed directly within the company's operating structure, facilitating the communication and disclosure of information between the different bodies and entities, where under no circumstances has the independence of the auditor ever been hindered.

These procedures are, however, adjusted and coordinated with the Supervisory Board which, notwithstanding this, also receives, from the external auditor and its team, all the information and details deemed necessary to perform their duties.

The remuneration of the external auditor is established by the Company's Remuneration Committee, under the terms stipulated in the Article of Association, as is the case for all the other governing bodies, and up to this date, no grounds have been found to suggest the interference of the Supervisory Board in this matter.

This model, implemented some years ago under the Teixeira Duarte Group, has proved to be appropriate to the good operation of the governing bodies and guaranteed transparency.

46. Identification of work, other than audit, carried out by the external auditor for the company and/or for the companies which are in a controlling relationship with it, as well as indication of the internal procedures for the purpose of approval of contracting such services and indication of the reasons for their contracting.

It is disclosed that neither the External Auditor, nor any other entities in a holding relationship or which are part of the same network, provide TD,SA with any services other than audit services.

47. Indication of the value of the annual remuneration paid by the company and/or legal persons in a controlling or

group relationship with the auditor and other natural or legal persons belonging to the same network, and details of the percentage relative to the following services (for the effect of this information, the concept of network is as defined in European Commission Recommendation number C (2002) 1873, of 16 May).

The retribution paid by the company and/or legal persons in a controlling or group relationship with the auditor and other natural or legal persons belonging to the same network determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

By the Company		
Value of review of legal accounts services	61,000.00	100%
Value of reliability assurance services	0.00	-
Value of tax advisory services	0.00	-
Services other than legal review of accounts	0.00	-
By entities included in the Group		
Value of review of legal accounts services	217,800.00	100%
Value of reliability assurance services	0.00	-
Value of tax advisory services	0.00	-
Services other than legal review of accounts	0.00	-

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the amendment of the articles of association (article 245-A, number 1, subparagraph h)).

There are no specific rules for any amendments of the Articles of Association, with the general rules established in the Commercial Companies Code being applicable, in particular the provisions in articles 85, 383, number 2 and 386.

II. COMMUNICATION OF IRREGULARITIES

49. Means and policy of communication of irregularities occurred in the company.

Regarding the policy of communication of irregularities which have allegedly occurred, the Company encourages its employees to provide information, through the means they deem convenient (direct contact, written document, email or telephone) to the respective hierarchies of any detected irregularities. The persons with legitimacy to receive these communications are the respective hierarchical senior staff.

Whenever deemed appropriate to the correct establishment of the facts and responsibilities inherent to their practice, the corresponding proceedings or enquiries are initiated, also safeguarding the necessary confidentiality of the communication when requested by the declarant or deemed convenient by the receiver, without prejudice to this not being followed if the persecution is revealed to be of no value to the organisation.

The proceedings are monitored by the person responsible for the department where the alleged irregularity has occurred, using people who

are not involved in the situation in question and, if deemed appropriate, followed by lawyers and the Central Department for Human Resources and Administrative Services.

The proceedings are subject to the decision of the hierarchies involved, which shall be reported to the Board of Directors and any other entities to which it is mandatory that this communication must be made.

In addition to the aforesaid rules and especially from the point of view of the other stakeholders, an Investor Support Office is also available for the reporting of any possible irregularities, and likewise the Company's supervisory bodies, that is, the Supervisory Board and the Chartered Accountants Firm.

Furthermore, a new vehicle for the communication of irregularities directly to the Supervisory Board was established in 2014, via the creation of the email address irregularidades@teixeiraduarte.pt, through which employees (especially using the corporate portal) and shareholders (the same is provided for this purpose on TD,SA's official website www.teixeiraduarte.pt) may send reports on any irregularities.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People, bodies, committees or commissions responsible for internal audit and/or for the implementation of internal control systems.

The Internal Audit Services of the Teixeira Duarte Group have progressively played a fundamental role regarding the implementation of internal control systems.

As at 31 December 2013, these services were assured by 6 employees, under the hierarchical and operational dependence of Director Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte.

On this issue, particular note should be made of the relevant contribution provided by the corporate services of Consolidation of Accounts and Corporate secretarial services in the process of reporting and disclosure of financial information.

51. Explanation, even if by inclusion of an organisational chart, of the relations of hierarchical and operational dependence in relation to other bodies, committees or commissions of the company.

As indicated above, as at 31 December 2013, the internal audit services were under the hierarchical and operational dependence of Director Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte, who was not considered independent under the applicable rules and regulations.

Nevertheless, it is considered that this Director is not under any circumstances capable of affecting his impartiality in analysis and decision-making.

It should be added that, since its creation within the internal organisation of the Teixeira Duarte Group, the Internal Audit Department has not only always been under the hierarchical dependence of the Board of Directors, but has always reported functionally to the Director responsible for the financial area. This model has proved to be appropriate, since this not only facilitates the communication, collaboration and exchange of information between the said Departments within the company's organisational structure, and the Director responsible for the area, but also, it should be stressed, has ensured that none of their impartiality has ever been placed in question.

It is, therefore, in this context that we disclose that it is the Board of Directors which issues opinions on all the work plans and resources allocated to the Internal Audit Service and receives all the reports produced by this service, even when unrelated to matters concerning the presentation of accounts, the identification or settlement of conflicts of interests and the detection of potential illegalities.

Regarding the Company's internal control and risk management systems, the Board of Directors is responsible, in the first place, for knowing and assessing the most important risks faced by the Company, as well as for the promotion of the necessary initiatives for their respective prevention.

In this context, the Board of Directors is responsible for designing and planning the internal control and risk management systems which prove necessary and appropriate for the different situations which are identified, as well as monitoring their respective implementation, supervising and assessing their operation.

Furthermore, the Board of Directors is also responsible - rather than the supervisory bodies - for the assessment of the operation of these systems and for proposing their respective adjustment to the needs of TD,SA, since this matter which, due both to its nature and particularities described above, falls under the specific scope of action of the Board of Directors and under the control and supervision of this board of the different Departments of the Company, a system that has proved suitable for its respective purposes.

This reality is, however, followed closely by the members of the supervisory bodies which, in addition to the regular monitoring of the Group's activity, are represented at the monthly meetings held by the Board of Directors where a vast series of elements are provided of different nature with reporting information and forecasts on the Group's action in its different markets and sectors.

52. Existence of other operational areas with competence in risk control.

There are no other areas with exclusive competence concerning risk control, since, in view of the model enforced within the Group on this matter, all the areas have their respective share of responsibility under the terms described above.

53. Identification and description of the main types of risk (economic, financial and legal) to which the company is exposed during the exercise of its activity

The main economic, financial and legal risks to which the company is exposed during the exercise of its activity are as follows:

- alterations in the economic and business conditions in Portugal, as well as in the economic and business conditions of the Group's operations abroad, namely in Angola, Algeria, Brazil, and Venezuela;
- fluctuations and volatility of interest rates, credit spreads and exchange rates;
- alterations in government policies;
- regulatory and financial framework of banking activity;
- alterations in the competitive environment of the activity sectors in which the Teixeira Duarte Group operates; and
- fluctuations in stock markets in general and in particular the stock market price of BCP shares.

Furthermore, the activity of the Teixeira Duarte Group is dependent on the economic environment and on the consequences which certain macroeconomic situations might have on the levels of confidence of the different economic agents, on investment volumes, exports and global trade, as well as on employment levels and consumption patterns.

The evolution of the activity areas in which the Group operates, namely the construction area, but also, for example, the real estate, hotel and energy areas, is historically correlated, more or less directly, with the macroeconomic performance of the countries or markets in which the Teixeira Duarte Group operates, in particular, with the evolution of Gross Domestic Product (GDP). Therefore, the Group's activity and its results may be significantly affected by the performance of the economies where the Teixeira Duarte Group operates, mainly through the effect of the growth or retraction of the construction market, the most representative business area in the Group's operating income (50.5% in 2013).

Considering that **construction** activity is the core business of the Teixeira Duarte Group, in particular in the sub-branches of Geotechnics and Rehabilitation, Buildings, Infrastructures, Mechanical Engineering, Underground, Railway and Maritime Works, the main risks inherent to this business are described below:

Large-scale construction business involves a major allocation of human and material resources, which implies a high fixed cost structure not only due to the necessary need to invest in the teams and their training, but also the significant investment required in the acquisition, maintenance and adaptation of equipment.

The costs associated to many of the tenders, both in the preparation of proposals and in the insurance, guarantees and completion bonds which are sometimes necessary to provide, also constitute another risk factor inherent to the activity, especially taking into account the penalties very often related to the large public contract works in which the Teixeira Duarte Group participates.

Moreover, the retraction of public investment, as well as private investment to a lesser extent, has affected revenue, which is also sometimes penalised by the deadlines and delays in payments.

On the other hand, the nature of the service provided often implies alterations of the circumstances that were initially negotiated, as a result of the vicissitudes of the contract work in question (climate change; discovery of adverse and unexpected characteristics; natural, social and economic phenomena arising from the impact of the work) and alterations of projects, very often due to new choices by the owner of the work which calls for great flexibility in the efficiency of their execution.

Yet another important aspect arises from the significant number of suppliers of goods and equipment and service providers with which the Company deals in this area of action and which might imply risks due to actions or omissions imputable to them, including interruptions or delays in the service or supply of goods.

From a commercial point of view, globalisation has enabled the entry of other major Construction Groups in the main and oldest markets of action of the Teixeira Duarte Group - especially Portugal and Angola - forcing greater effort in the presentation of solutions and proposals, as well as the optimisation of costs to enable meeting the competitive strength of these entities.

Concessions are normally long term projects which involve increasingly more areas, such as those linked to planning, design, construction, financing and operation and, which, both due to their complexity and need for partners and the longevity of the processes, imply heavy risk in the evaluation of assets and projects in the long term, in an increasingly more dynamic world characterised by unexpected changes.

The **Real Estate** sector was at the origin and core of the sub-prime crisis and the reflections of this international situation are still experienced in Portugal, where the requirements for new projects have increased at all levels (administrative, economic, social, environmental, amongst others), and the increasingly greater evidence of excess supply has led to price decreases and demand is greatly affected by the increasing restrictions to credit.

The **Hotel Services** sector in the Algarve has been heavily hit by the new destinations which are now accessible and changes of routes of the major international agencies, where the hotels in Africa are naturally exposed to the idiosyncrasies of the respective countries and the increasing competition, at an unprecedented scale. Moreover, and in view of the levels of indebtedness of some of the subsidiary companies operating in this sector, the net income and, consequently, the net worth of these companies may suffer adverse impacts as a result of unfavourable evolutions in interest rates.

Distribution in Angola is very exposed due to the specific circumstances of the country and logistic difficulties related to supply, transport and travel.

The **Automobile** area operates in a very saturated market, where at an international level major players have entered bankruptcy and were strongly affected, with inevitable consequences at a global level and which had already led the Teixeira Duarte Group to dispose of the activity developed in this area in Portugal.

In Angola, competitiveness is becoming much heavier and the investment made by the Group implies strong optimisation of processes and costs, in a market which is increasingly more expensive and difficult.

In the **Energy** sector of the Teixeira Duarte Group, the risks are restricted to the national market, concentrated around three aspects: (i) the minor market share in the area of liquid fuel; (ii) the fact that the main suppliers are simultaneously the main competition, with major market shares; and (iii) the delicate management of the credit granted to re-distributors, namely through the consignment of delivered products.

Regarding the **financial holdings**, in particular the stake held in Banco Comercial Português, S.A., the risk arises from the current fragility of the financial markets and possible impact of the volatility of the respective stock market prices on the accounts of the Teixeira Duarte Group, which might even, under certain circumstances, affect net income.

The risks described above, should they occur, could have a negative impact on the net income of the Teixeira Duarte Group and its financial situation.

TD,SA is exposed to strategy risks, through the possibility of taking inadequate strategic decisions, failures in the implementation of decisions or lack of response capacity regarding changing market conditions.

The international business of the Teixeira Duarte Group represents a significant portion of the Group's total turnover (81.2% in 2013). It is impossible to guarantee the full success of operations on the foreign markets in which the Group operates. Moreover, these operations are exposed to foreign exchange risks arising from possible adverse economic developments in the countries where they are established. These factors could adversely affect the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group operates in various activity sectors, in particular, due to its contribution to the Group's operating income, the Construction sector, but also in others such as Distribution, Energy and Automobile. The sectors referred to above represent 34.5% of the Group's operating income and are highly competitive sectors. This competition environment, when associated to negative cycles in the activity areas in which the Group operates, may have a negative impact on the Company's marketing margins and on its net income and, consequently, on its financial situation.

The capacity of the Teixeira Duarte Group to successfully implement its strategy depends on its ability to recruit and retain qualified and competent employees for each position. Although the human resources policy of the Teixeira Duarte Group is directed towards the achievement of these objectives, it is impossible to guarantee that, in the future, there will be no limitations in this area. Such circumstances could obstruct or delay the execution of the defined strategy, which could have a negative effect on the Group's activity, financial situation, and net income.

The deterioration of global economic conditions or adversities that affect the economies at a local scale could result in the inability of the Group's customers to meet their obligations or significantly delay their payment, leading to the existing credit lines entering into a situation of default. This scenario would result in losses affecting the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group might, in the future, be part of a number of disputes related to its activity, including those where the sentence has been favourable, totally or partially, and which might be subject to appeal or action for annulment by the counterparts under the terms of the applicable procedural rules and until the reading of the final judgement on these same sentences. The Teixeira Duarte Group cannot guarantee that it will win any lawsuits relative to its activities and a negative decision in this area might have an adverse effect of significance to the activity, financial situation and net income of the Teixeira Duarte Group.

The activities of TD,SA require investments. The Group finances part of these investments through the cash flow generated by its operating activities. However, TD,SA and its subsidiaries finance most of their investments through external sources, including bank loans and offers in capital markets.

The Teixeira Duarte Group is exposed to a series of risks, such as liquidity risks, interest rate risks and exchange rate risks, amongst others, and in the event of exceptionally adverse scenarios, the policies and procedures used by TD,SA to identify, monitor and manage risks might not prove to be totally effective.

As is the case of any other economic group integrated in a competitive environment, the Teixeira Duarte Group is also subject to risks related to liquidity. The Group believes that it is suitably equipped with the necessary means to exercise effective control of the risks of its activity, that the action developed by the management is effective, based on information provided by the Consolidation of Accounts and Internal Audit Services and by the Central Department for Finance and Accounting which, under the direct supervision of a Director responsible for this area, is specially committed to controlling the liquidity of the Teixeira Duarte Group.

TD,SA manages the Group's liquidity risk in two ways: ensuring that the Group's financial debt has a high component of medium and long term maturities suitable to the expected capacity of generation of funds and the use of credit facilities, available in various cases in the form of current account credit lines.

During its normal business, the Group is subject to certain operating risks, including interruption or delays in the provision of services, frauds, omissions, errors and delays in the implementation of requirements for risk management. These risks are monitored by the Group in an ongoing manner through administrative and information systems, amongst others, with some of the operating risks being covered by insurance policies.

The operations developed by the Teixeira Duarte Group are dependent on computer processing. The computer processing involves the maintenance of records, financial reporting and other systems, including systems for the monitoring and control of the different operations of the Group, in particular in human resources management, accounts, logistics, administration and storage. Notwithstanding the assessment which has been made of the computer systems and the belief that their capacities are appropriate, it is impossible to guarantee potential investors that all the problems related to the information technology systems will be fully identified and corrected in due time, nor systematic success in the implementation of technological improvements.

The cost of the vast majority of the financial debt incurred by the Teixeira Duarte Group is indexed to variable reference rates, whereby TD,SA is, through this means, exposed to interest rate risk.

However, in order to manage these variations, the financial area of the Teixeira Duarte Group permanently follows market development, and is able to use financial instruments to mitigate the effects of interest rate volatility. These instruments are contracted by considering the risks affecting the assets and liabilities and after checking which instruments available on the market are the most appropriate to cover these risks.

These operations are permanently monitored, particularly through the analysis of various indicators regarding these instruments, in particular the evolution of their market value and sensitivity of forecast cash flows and of the actual market value to changes in key variables that condition the structures, for the purpose of evaluating their financial effects. Derivative financial instruments are recorded in accordance with the provisions of IAS 39 and measured at fair value, which is based on assessments made by financial institutions. These are qualified as hedge instruments or instruments held for trading, in compliance with the provisions of IAS 39.

The variation of the exchange rate of the Euro relative to other currencies, in particular the US Dollar, Angolan Kwanza, Algerian Dinar, Brazilian Real, Mozambican Metical and Venezuelan Bolivar might have an impact on the financial situation of TD,SA. The Teixeira Duarte Group operates in various markets, records revenue in foreign currency and has monetary assets and liabilities denominated in currencies other than the Euro and, therefore, in this way, is exposed to variations in the respective currencies.

In indirect terms, note should also be made of the fact that the Teixeira Duarte Group acquires a variety of materials, of special importance in the construction, distribution and automobile areas in currencies other than those in which the final products are subsequently sold, namely in Angola, which could partially influence the net income achieved by the Group in the activity developed in these sectors.

Particular note should be made of the import and export of materials for construction and products which are essentially consumables to the companies established under Angolan law which operate in the area of distribution, as well as automobile vehicles, spare parts and equipment for the different local participated companies in the automobile sector in Angola, involving, amongst others, the brands Nissan, Honda, Chevrolet, Renault, Peugeot, JMC, Mahindra and SsangYong.

Adverse variations in the price of oil and other commodities might also significantly affect the net income and financial situation of the Teixeira Duarte Group.

The volatility of the price of commodities constitutes a risk for the Teixeira Duarte Group, affecting the operating activity of the construction business area, although this is on occasions mitigated through supplier contracts with fixed prices and customer contracts which enable reflecting these alterations in the prices paid by these customers.

In particular, the Teixeira Duarte Group is indirectly exposed to the price of oil. The Group's capacity to reflect increases in the price of oil in the prices of its final products and services is minor, therefore, negative consequences might arise in the direct margins of the final products sold and in the net contribution of the services rendered. Furthermore, an increase in the price of oil has a direct impact on the transport costs associated to the development of the Group's activity, therefore, adverse variations in the price of oil could have a negative material impact on the Group's activity, financial situation and net income.

More specifically, the evolution in the price of oil could significantly affect the net income of the Teixeira Duarte Group for three reasons:

- directly, through the margin generated in Energy, a business area which represented 7.4% of the operating income of the Teixeira Duarte Group in 2013;
- the cost of transport is one of the most important cost items in the Group's operating accounts;
- energy costs are of some significance in the price of external supplies and services.

Any increase in taxes or reduction in tax benefits could have an adverse effect on the activity of the Teixeira Duarte Group.

The Teixeira Duarte Group could be affected by changes in the legislation and other tax regulations applicable in Portugal, in the European Union and in the different countries in which the Group operates.

The financial statements of the Teixeira Duarte Group might be influenced by the change in value of the financial stakes held.

The net worth, equity and even, in certain situations the impairment, net income of the Teixeira Duarte Group might be influenced by the change in value of the financial stakes owned, which, in the case of the holdings in companies listed for trading on regulated markets, depends directly on the stock market prices of the respective shares.

The entities of the Teixeira Duarte Group are subject to the risks inherent to any economic activity, which is the case of accidents, breakdowns or natural catastrophes that might lead to losses in the Group's assets or temporary interruptions in the respective activity. Likewise, these risks might affect the main customers and suppliers of the Teixeira Duarte Group, which would have a significant impact on profitability where it is not possible to find replacement customers in order to guarantee the turnover level or suppliers to enable maintaining the same cost structure.

54. Description of the process of identification, assessment, monitoring, control and management of risks.

The procedures implemented in terms of internal control and management of risks are characterised by promoting the autonomy of the Company's senior staff in the management and monitoring of matters, instilling an attitude of responsibility and strong stimulus to entrepreneurial behaviour.

This consistent relationship between autonomy and responsibility imposes, in a realistic manner, careful and strict compliance with the tasks allocated to each employee, thus representing, in itself, a solid, sustained and effective risk control system that delivers practical results considered satisfactory.

The importance of weighing the cost of control in relation to the matters that are to be controlled is always taken into account. The assessment of the Company, of the way it is managed, of the composition of its staff and managers of the companies included in the Teixeira Duarte Group and of the fundamental principles and concepts that are applied, leads to the conclusion that the efficiency and control costs related to the creation of any control committees would greatly outweigh the costs of the matters to be controlled. The mere creation of committees for the effect, from a formal point of view, would eventually imply more bureaucratic obstacles that would not be reflected in their practical implementation.

Although the internal control and risk management system implemented in the Company does not fully comply with the requirements listed in Recommendation II.1.5, TD,SA remains firmly convinced of its choice for the model described above, because it believes that the basic assumptions of this recommendation are inappropriate for the regular operation of the Company, and may even create various obstacles from the merely formal and bureaucratic point of view that are incompatible with the execution of the procedures which have already been implemented and with the accountability of the Group's organisational structures.

55. Main elements of the internal control and risk management systems implemented in the company relative to the process of disclosure of financial information (article 245-A, number 1, subparagraph m)).

The process of disclosure of financial information is coordinated by the Board of Directors and always monitored by the Supervisory Bodies. The teams of the Consolidation of Accounts and Corporate Secretarial Services contribute to this process, respectively, in the preparation and recording of the accounts and other accounting and financial reporting and in the preparation and disclosure of the final document.

Both the aforesaid Services closely follow the evolution of the applicable rules and regulations, both in the financial and legal areas, and

interact with the Securities Market Commission to ensure updated supplementary information and regulations on these matters and report directly to the Board of Directors.

All the employees of the Consolidation of Accounts Services and those who, in the Corporate Secretarial Services, participate in the preparation and disclosure of the final document are included in the list established in article 248 of the Securities Market Code, as employees with access to privileged information, with all being notified by letter delivered by hand of their inclusion in this list and the legal consequences arising from the disclosure or abusive use of privileged information.

IV. INVESTOR SUPPORT

56. Service responsible for investor support, composition, duties, information provided by these services and contact details.

In order to reinforce the policy of disclosure of information referred to above, and in order to foster permanent contact with the market and the response to requests made by investors in due time, assuring strict compliance with the principle of equality among shareholders and for the purpose of preventing any asymmetries in access to information on the part of investors, the Company has an Investor Support Office, which operates directly under Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte, Director with this area of responsibility, coordinated by Mr. José Pedro Poiães Cobra Ferreira, Representative for Market Relations, duly registered at the CMVM.

All the information required by investors and available under the rules, regulations and other applicable directives is provided by this Office and may be accessed through the following means of communication:

Address: Lagoas Park, Edifício Dois, 2740-265, Porto Salvo, Oeiras

Tel: + 351 217 912 415

Fax: + 351 217 941 108

Email representantemercado@teixeiraduarte.pt

The Investor Support Office also assures the maintenance of a record of the requests submitted by the different stakeholders and their subsequent treatment.

57. Representative for market relations.

As noted in 56 above, the position of Representative for Market Relations is held by Mr. José Pedro Poiães Cobra Ferreira.

58. Information on the proportion and response time to requests for information entered during the year or outstanding from previous years.

The response time to requests for information during 2013 was, on average, 2 days.

V. INTERNET WEBSITE

59. Address(es).

The internet website of TD,SA has the following address: www.teixeiraduarte.pt. The Company provides, on this website, in Portuguese and English, the information which is considered relevant and enables knowledge on its evolution and current reality in economic, financial and governance terms.

60. Location where information can be found on the corporate name, capacity as a public company, head office and other elements mentioned in article 171 of the Commercial Companies Code.

These elements may be consulted at:

<http://www.teixeiraduarte.pt/investidores/identificacao-da-sociedade.html>

61. Location where the articles of association and operating regulations for the bodies and/or committees or commissions.

The Articles of Association may be consulted at:

<http://www.teixeiraduarte.pt/investidores/estatutos.html>.

As noted above, there are no operating regulations for the bodies and/or committees or commissions.

62. Location where information is provided on the identity of the members of the governing bodies, representative for market relations, Investor Support Office or equivalent structure, respective duties and means of access.

The information on the identity of the members of the governing bodies may be consulted at:

<http://www.teixeiraduarte.pt/investidores/orgaos-sociais/orgaos-sociais-teixeira-duarte-sa.html>.

The information on the representative for market relations and the Investor Support Office may be consulted at:

<http://www.teixeiraduarte.pt/investidores/gabinete-apoio-investidor.html>

63. Location providing the documents presenting the accounts, which should be accessible for at least five years, as well as the six-monthly calendar of corporate events, disclosed in the beginning of each semester, including, among others, general meetings, disclosure of annual, six-monthly and, when applicable, quarterly accounts.

The documents presenting the accounts since the incorporation of the company, in 2009, and the documents presenting the accounts of Teixeira Duarte – Engenharia e Construções, S.A. (former leading listed company of the Group) relative to the last 5 years may be consulted at:

<http://www.teixeiraduarte.pt/investidores/informacao-financieira/relatorios-anuais.html>

The six-monthly calendar of corporate events may be consulted at:

<http://www.teixeiraduarte.pt/investidores/calendario-do-investidor.html>

64. Location disclosing the call notice of a general meeting and all the preparatory and subsequent information related to this meeting.

All the elements related to the General Meetings of TD,SA may be consulted at:

<http://www.teixeiraduarte.pt/investidores/assembleias-gerais/teixeira-duarte-sa.html>

65. Location providing the historical record with the deliberations taken at the company's general meetings, the share capital represented and the results of the voting, relative to the preceding 3 years

All these elements may be consulted at:

<http://www.teixeiraduarte.pt/investidores/assembleias-gerais/teixeira-duarte-sa.html>

D. REMUNERATIONS

I. COMPETENCE FOR DETERMINATION

66. Indication of competence to determine the remuneration of the governing bodies, members of the executive committee or chief executive officer and senior managers of the company.

Pursuant to article 11 of the Articles of Association of TD,SA and under the terms established in the Policy of Remuneration of the Management and Supervisory Bodies of the Company, the Remuneration Commission is competent to determine the remuneration of the governing bodies.

It should also be noted, as has already been clarified, there is no executive committee or chief executive officer, hence, in this regard, this issue is not applicable to TD,SA.

However, and based on the criteria established in article 248-B, number 3 of the Securities Market Code, the only senior managers of TD,SA who are not part of their Board of Directors are members of the Board of Directors of its subsidiary company "Teixeira Duarte – Engenharia e Construções, S.A.", where, as also established in the aforesaid Policy of Remuneration of the Management and Supervisory Bodies of TD,SA,

the determination of these senior managers is entrusted to the Remuneration Committee of "Teixeira Duarte - Engenharia e Construções, S.A.", which is composed of precisely the same members as those of the Remuneration Committee of TD,SA.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including identification of natural or legal persons contracted to provide support and statement of the independence of each member and adviser.

Currently, the Remuneration Committee is composed of the following persons, elected at the General Meeting of 20 May 2011, to perform duties during the term of office of 2011/2014:

Mr. Pedro Maria Calainho Teixeira Duarte

Mr. António Carlos Calainho de Azevedo Teixeira Duarte

Mr. Maria da Conceição Maia Teixeira Duarte

Mr. Pedro Maria Calainho Teixeira Duarte is not considered independent in relation to the members of the Board of Directors, since he is also the Chairman of this management body.

Since TD,SA is controlled by companies held by members of the Teixeira Duarte family, it is natural that they are part of the Remuneration Committee. Traditionally and during decades, this has been the practice and always in conformity with the current rules and recommendations on the remuneration of the members of the Management Board established by the CMVM, hence there are no reasons to change this.

It is important to stress that this is a Company which, following the example of the Group's former holding company (Teixeira Duarte - Engenharia e Construções, S.A.), with its own specific way of acting and its distinctive business image, has adopted a very particular way of being and a healthy management policy which has been recognised as such by the public and market.

Furthermore, no natural or legal persons were contracted for the Remuneration Committee or to support the Remuneration Committee in the performance of its duties.

Moreover, we disclose that the External Auditor, under its competence, is responsible for verifying the application of the policies and systems of remuneration of the governing bodies.

68. Knowledge and experience of the members of the remuneration committee on matters of remuneration policy.

Mr. Pedro Maria Calainho Teixeira Duarte and Mr. António Carlos Calainho de Azevedo Teixeira Duarte have knowledge and experience on matters of remuneration policy, taking into account that they performed these duties for several years in other companies.

III. STRUCTURE OF THE REMUNERATIONS

69. Description of the policy of remuneration of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June.

The Remuneration Committee of TD,SA issued the respective remuneration policy statement relative to the members of the Management and Supervisory Bodies, which was approved unanimously at the General Meeting of this company, held on 25 May 2013, where the contents of this statement are reproduced below:

I. REGULATORY FRAMEWORK

Pursuant to the provisions in Law number 28/2009, of 19 June, this Committee is responsible for the annual submission, for the approval of the General Meeting, of a statement on remuneration policy of the members of the management and supervisory bodies of this Company, which should take into consideration, in addition to this diploma, the combined provisions of articles 399 of the Commercial Companies Code and 248-B of the Securities Market Code, as well as the Recommendations of the Securities Market Commission on the Governance of Listed Companies (2010).

II. SCOPE OF THE STATEMENT:

Pursuant to the adopted corporate model, the Management and Supervisory bodies of "Teixeira Duarte, S.A." are the Board of Directors, the Supervisory Board and the Chartered Accountants Firm.

Based on the statement submitted by the Board of Directors for this effect, the only employees who, while not being members of the management and supervisory bodies of "Teixeira Duarte, S.A.," have regular access to privileged information and participate in decisions on management and negotiation strategy are the members of the Board of Directors of the 100% controlled company "Teixeira Duarte - Engenharia e Construções, S.A.," in other words, Mr. Jorge Ricardo de Figueiredo Catarino, Mr. João José de Gouveia Capelão and Mr. João José do Carmo Delgado.

Hence, the present statement covers the members of the Management and Supervisory bodies of "Teixeira Duarte, S.A." as well as these three directors, who are included pursuant to number 3 of article 248-B of the Securities Market Code.

III. INTRODUCTION:

Since, under a corporate restructuring process of the Teixeira Duarte Group, in 2010, "Teixeira Duarte, S.A." succeeded "Teixeira Duarte - Engenharia e Construções, S.A." as the Group's leading company, the definition of this Remuneration Policy takes into account the historical reality and context of the subject experienced in relation to this latter company over the years. No remunerative policy or practice of other groups of companies is taken as a comparative element for the establishment of remuneration.

IV. BOARD OF DIRECTORS:

Regarding the Board of Directors, the Remuneration Committee should determine the values of the fixed and variable component of their remunerations in accordance with guidelines that link them to the performance and results of the Company as a whole, as well as the overall activity of the management board, relative to the defined objectives, taking into account the conditions and amounts of the remunerations of the other employees of the company 100% held by it, "Teixeira Duarte - Engenharia e Construções, S.A."

The remuneration policy and its implementation under the terms described herein should take into account the company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

The variable amount should be established for each member of the Board of Directors as supplementary remuneration and performance bonus, where this component is totally unrelated to the evolution of the stock market price of the Company's shares, but rather depends on the evolution of corporate business, financial indicators such as net indebtedness and financial autonomy, dedication by each member to the achievement of the tasks and objectives inherent to their respective duties, as well as the net income for the year and corresponding policy on its appropriation, which has progressively favoured the reinforcement of the Company's equity and ensuring the continued and balanced distribution of dividends to shareholders.

No Director is entitled to any right to the variable component of his remuneration until its specific attribution by this Remuneration Committee. Likewise, there is no provision stipulating the possibility of the payment of the variable component taking place, totally or partially, after the calculation of the accounts for the years corresponding to the entire term of office. Furthermore, there are no mechanisms limiting the variable remuneration, in the event of the net income showing a considerable deterioration in the company's performance in the last reported year or when such is expected for the year in progress.

However, the Committee should consider whether a significant part of the variable remuneration should be deferred for a period not less than three years, and if its payment should be subject to the continued positive performance of the company over this period, where this is defined as the occurrence of at least one of the following facts:

- Increased equity;*
- Average EBITDA for 2013 to 2015 above the EBITDA recorded for 2012;*
- Average Consolidated Net Income for 2013 to 2015 above the Consolidated net income for 2012.*

There will be no system for the attribution of shares or rights to acquire options on shares or any other share incentive scheme.

For the overall remuneration of the members of the Board of Directors, no sum will be paid in the form of profit-sharing.

The Directors of "Teixeira Duarte, S.A." should not receive any remuneration, of any nature, paid by companies that are in a controlling or group relationship with it.

There should not be any other relevant non-cash benefits, apart from those established by this Committee.

The members of the Board of Directors shall be paid daily allowances under the terms and of the amounts determined for all the other employees of "Teixeira Duarte - Engenharia e Construções, S.A.," namely for deployment under work for the Company.

No sums have been paid, and nor are any payments foreseen, relative to the dismissal or termination of office through agreement of Directors.

V. SUPERVISORY BOARD:

All the members of the Supervisory Board should, pursuant to the current system established in the Commercial Companies Code, receive a fixed remuneration for the performance of the duties inherent to their respective positions, determined by this Remuneration Committee, where none of these members should receive any other retribution from "Teixeira Duarte, S.A." or other company with which it was in a controlling or group relationship, in particular for any other services provided to these entities.

Likewise, and as referred to above on the Management Board, there should not be any scheme for the attribution of shares and/or rights to acquire options on shares and/or any other share incentive scheme, nor any sum paid under the form of profit-sharing, nor any other relevant non-cash benefits.

VI. CHARTERED ACCOUNTANT:

The remuneration of the Chartered Accountants Firm should be determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

In the case of "Teixeira Duarte, S.A.", this supervisory body is responsible for conducting all the examinations and verification required for the review and legal certification of the Company's accounts, for which an amount should be established in the form of an annual overall value to be paid under the terms and within the periods of time defined with the Board of Directors, according to its sensitivity and monitoring of the business and activity of this Supervisory Body.

It should be noted in particular that this same Chartered Accountants Firm also provides legal review of accounts and auditing services, exclusively of the same nature, to other entities included in the Teixeira Duarte Group, receiving the corresponding retributions from these companies, whose overall value shall be disclosed under the terms of the Law, especially through the publication of the Corporate Governance Report.

Since the Supervisory Board has played an increasingly more active role in monitoring the work of the Chartered Accountants Firm, this board should be consulted in order to issue an opinion on the establishment of the remunerations of this firm.

VII. OTHER DIRECTORS:

The three directors included under this regulation are members of the Board of Directors of the participated company "Teixeira Duarte - Engenharia e Construções, S.A.," whose elected Remuneration Committee is composed precisely of these same members as those of "Teixeira Duarte, S.A."

The rules and guidelines defined above for the members of the Board of Directors of "Teixeira Duarte, S.A." are also applicable to all of these three directors, although their remunerations, fixed and variable, are paid by "Teixeira Duarte - Engenharia e Construções, S.A."

VIII. CONCLUSION:

Therefore, it shall be based on the remuneration policy presented above that this Committee should, specifically, establish the exact values of the remunerations of the members of the indicated management and supervisory bodies of the company, in accordance with the personal opinion of their members, expressed in a deliberation drawn up in minutes and whose content is then communicated to the Board of Directors for implementation, under the strict terms defined therein.

These amounts shall be disclosed annually whenever so required by the law, especially in the Corporate Governance Reports.

To conclude, it is emphasised that many of the aspects established above seek to comply with the regulations mentioned at the beginning, and may be altered in accordance with any changes that these rules might undergo."

70. Information on the way the remuneration is structured so as to permit the alignment of the interests of the members of the management board with the long-term interests of the company, as well as on the manner in which it is based on the assessment of performance and discourages excessive risk taking

In addition to the obligations inherent to the performance of the actual duties, the remuneration of the Directors also, complementarily, acts to meet the alignment of their interests with those of the Company. Indeed, the remuneration is determined by this Committee elected at the General Meeting, which establishes these values in accordance with guidelines related to the performance

and results of the Company as a whole, as well as the overall activity of the management board, relative to the defined objectives, taking into account the conditions and amounts of the remunerations of the other employees of the company 100% held by it, Teixeira Duarte - Engenharia e Construções, S.A.

The establishment of remunerations also takes into account the company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

71. Reference, if applicable, to the existence of a variable component of the remuneration and information on any impact of the assessment of performance on this component.

The remuneration of the Directors includes a variable component, which is unrelated to the evolution of the stock market prices of the Company's shares, but rather depends on the evolution of corporate business, financial indicators such as net debt and financial autonomy, the dedication shown by each member in the accomplishment of the tasks and objectives inherent to their duties, as well as the net income for the year and the corresponding policy of its appropriation, which has also always prioritised the reinforcement of the Company's equity and assurance of the continued and balanced distribution of dividends to shareholders.

Accordingly, there is no maximum ceiling for each component, but rather an attribution in conformity with the parameters identified above, the remuneration policy defined for the Company, and the assessment of the performance and execution of duties of each individual Director.

Although part of the variable component attributed by the Remuneration Committee may be deferred over time, it is important to note that no Director is entitled to any right to the variable component of his remuneration until a specific allocation has been made by the Remuneration Committee, under the terms and on the grounds established by this committee.

Pursuant to Recommendation number III.5, we disclose that the members of the management body did not enter into contracts, either with the company or third parties, which have the effect of mitigating the risk inherent to the variability of their remuneration established by the company.

72. Deferral of the payment of the variable component of remuneration, mentioning the period of deferral

Part of the payments of the sums of the variable component were deferred to 2016 and depend on the continued positive performance of the Company over the financial years of 2013 to 2016.

It should be noted that the payment of the variable component of the remuneration of the members of the Board of Directors has been intrinsically dependent on the net income for the year and development of corporate business. In this regard, it should be recalled that the Directors of TD,SA have been "in-house people" for dozens of years, and that their remunerations are placed in the context of a general plan covering all the employees. They are neither managers who have come from other companies or groups, nor do they represent personal interests of shareholders.

73. Criteria underlying the attribution of variable remuneration in shares as well as on the holding, by the executive directors, of these shares, on any conclusion of contracts relative to these shares, namely, hedging or risk transfer contracts,

the respective limit, and their relation to the value of the annual total remuneration

Not applicable. The variable retribution is not attributed in shares and no contracts have been concluded with the characteristics described above.

74. Criteria underlying the attribution of variable remuneration in options and indication of the deferral period and price for exercise of the option.

Not applicable. The variable retribution is not attributed through options.

75. Main parameters and grounds of any system of annual bonuses and any other non-cash benefits.

The Remuneration Committee takes into consideration, in the attribution of annual bonuses, the performance and net income of the Company as a whole, as well as the overall activity of the management board, in view of the defined objectives, taking into account the conditions and values of the remunerations of the other employees of the company 100% held by it, Teixeira Duarte - Engenharia e Construções, S.A.

The annual bonuses were established taking into account the Company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge, as already indicated above.

Furthermore, no relevant non-cash benefits were attributed to the Directors of the Company.

76. Main characteristics of schemes for supplementary pensions or early retirement pensions for the directors and date on which they were approved at the general meeting, on an individual basis.

Regarding any retired former Directors, it should be mentioned that the Remuneration Committee is responsible for establishing all the amounts paid in this context, under all circumstances.

As to the attribution of supplementary pension schemes, the actual Articles of Association establish, in article 22, transcribed below, the terms and criteria on which the Remuneration Committee should base the establishment of such amounts:

ARTICLE TWENTY-TWO

ONE - When people who have performed duties as Directors cease to hold office, the Company may grant them a retirement pension for life, whenever they meet one of the following requirements:

- a) Have held that position in this Company for over ten years, counting, for the effect, the years of service under the same position at "Teixeira Duarte - Engenharia e Construções, S.A.";*
- b) Have provided, even with a shorter period of holding this position, a total of over twenty-five years of service to this Company, counting, for the effect, the years of service at "Teixeira Duarte - Engenharia e Construções, S.A.";*

TWO - The value of this pension will be determined taking into consideration the time or relevance of the services provided and the situation of the beneficiary, and should be reviewed on an annual basis but can never be greater than the highest remuneration received any given time by the permanent Directors.

THREE - Through delegation of the General Meeting, hereby established, the Remuneration Committee referred to in Article Eleven will be responsible for the assessment of the cases submitted to it and establishing the values and other procedures for the award of pensions.

The General Meeting reserves the right to appoint the members of the Remuneration Committee which is exclusively competent to decide on these matters.

The determination of the Memorandum and Articles of Association referred to above does not invalidate that the Remuneration Committee may submit such a matter to the General Meeting, however, this has actually never taken place because this has never proved necessary or appropriate in view of the established statutory rule.

For all due purposes, it is disclosed that, since the incorporation of the company in 2009, up to this date, no retirement benefit schemes established in favour of the members governing bodies have been approved at the General Meeting. Likewise, neither has any specific benefit been attributed, namely by the Remuneration Committee, for any termination of duties, in particular due to retirement.

IV. DISCLOSURE OF THE REMUNERATIONS

77. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the management bodies, derived from the company, including fixed and variable remuneration and, relative to the latter, reference to its different components.

During 2013, the remunerations, in a broad sense, received individually by the members of the Board of Directors, were as follows:

Board of Directors	Fixed Remuneration	Variable Remuneration (a)	Total Remuneration
Mr. Pedro Maria Calainho Teixeira Duarte	140,000.00	200,000.00	340,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	137,200.00	105,114.90	242,314.90
Mr. Joel Vaz Viana de Lemos	131,200.00	97,453.85	234,653.85
Mr. Carlos Gomes Baptista	137,200.00	108,846.25	246,046.25
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	137,200.00	125,402.25	262,602.25
Mr. Jorge Ricardo Figueiredo Catarino (b)	88,200.00	31,101.40	119,301.40
	777,000.00	667,918.65	1,444,918.65

(a) Payment of Bonuses was 560,000.00 euros, with the remaining 107,918.65 euros corresponding to compensation for deployment.

(b) Mr. Jorge Ricardo de Figueiredo Catarino was elected to the position of Director of TD, SA on 25 May 2013. Up until then, his remuneration was paid by the 100% subsidiary Teixeira Duarte - Engenharia e Construções, S.A. and corresponded to the total amount of 149,690.00 euros in 2013: 49,000.00 euros as fixed remuneration and 100,690.00 euros as variable remuneration (including a sum for compensation for deployment).

During 2013, no pension rights were acquired.

Regarding the variable component of the remuneration, it should be noted that the total amount attributed to each member of the Board of

Directors included the sum indicated above in the preceding table increased by the amounts indicated in the following table, whose payments were deferred to 2016, depending on the continued positive performance of the Company over the financial years of 2013 to 2016:

Board of Directors	Variable Remuneration (Bonuses)		
	Paid 2013	Deferred	Total
Mr. Pedro Maria Calainho Teixeira Duarte	200,000.00	210,000.00	410,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	85,000.00	87,000.00	172,000.00
Mr. Joel Vaz Viana de Lemos	95,000.00	100,000.00	195,000.00
Mr. Carlos Gomes Baptista	90,000.00	95,000.00	185,000.00
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	90,000.00	95,000.00	185,000.00
Mr. Jorge Ricardo Figueiredo Catarino (a)	0.00	0.00	0.00
	560,000.00	587,000.00	1,147,000.00

(a) Mr. Jorge Ricardo de Figueiredo Catarino was elected to the position of Director of TD,SA on 25 May 2013. Up until then, his remuneration was paid by the 100% subsidiary Teixeira Duarte - Engenharia e Construções, S.A., which also paid the variable remuneration, of the value of 85,000.00 euros, with the payment of 87,000 euros having been deferred over time.

In 2013, the total value of the variable remunerations paid by TD,SA represented 46.2% of the total value received.

78. Amounts paid, for any reason, by other companies in a controlling or group relationship or which are subject to common control.

During 2013, the members of the Board of Directors did not receive any remuneration, of any nature, paid by other companies that are in a controlling or group relationship with TD,SA.

79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for the granting of such bonuses and/or profit-sharing.

In the overall remuneration of the members of the Board of Directors, no sum is paid in the form of profit-sharing.

Indeed, the members of the Board of Directors are paid a sum as a performance bonus and distribution of profit, as deliberated by the Remuneration Committee.

As clarified above, the establishment of the bonuses was the result of the performance and net income of the Company as a whole, as well as the overall activity of the management board, in view of the defined objectives, having taken into account the conditions and values of the remunerations of the other employees of the company 100% held by it, Teixeira Duarte - Engenharia e Construções, S.A.

The establishment of the bonuses also took into account the Company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

80. Compensation paid or owed to former executive directors relative to their termination of office during the financial year.

No compensation has been paid, or is owed, to any former executive Directors relative to their termination of office during the financial year. Furthermore, it should be noted that no Director terminated office during 2013.

81. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the supervisory bodies, pursuant to Law number 28/2009, of 19 June.

All the members of the Supervisory Board receive, under the current system established in the Commercial Companies Code, and as determined by the Remuneration Committee, fixed remunerations for the performance of the duties inherent to their respective positions.

Thus, during 2013, the remunerations received by the members of the Supervisory Board of TD,SA were distributed as follows:

Supervisory Board	Fixed Remuneration	Variable Remuneration (a)	Total Remuneration
Mr. António Gonçalves Monteiro	32,500.00	0.00	32,500.00
Mr. Mateus Moreira	19,500.00	0.00	19,500.00
Mr. Miguel Carmo Pereira Coutinho	19,500.00	0.00	19,500.00
	71,500.00	0.00	71,500.00

The total value paid to the Chartered Accountants Firm "MARIQUITO, CORREIA & ASSOCIADOS, SROC" and other natural and legal persons belonging to the same network supported by the Company and/or by legal persons in a controlling or group relationship, relative to the only services provided, that is, Legal Review of Accounts and Audit services, was:

SROC	Remuneration
Legal review of accounts services for the Group	278,800.00
Other reliability assurance services	0.00
Tax advisory services	0.00
Services other than legal review of accounts	0.00
	278,800.00

All the values listed above relative to the remuneration of the members of the Supervisory Board and Chartered Accountants Firm were paid during 2013, therefore there are no portions whose payment is deferred over time.

Furthermore, it should also be noted that, as established in the Policy of Remuneration of the Management and Supervisory Bodies and, simultaneously, in compliance with the provisions in Recommendation number III.2, the remuneration of the members of the supervisory body does not include any component whose value depends on the performance of the company or its value.

82. Indication of the remuneration of the chairman of the board of the general meeting for the year in question.

With the exception of the aforesaid Secretary of the Board of the General Meeting, all the other members of this body, under the current system established in the Commercial Companies Code, namely the provisions in 422-A, through number 3 of article 374-A, receive a fixed remuneration for the performance of the duties inherent to the respective positions, determined by the Remuneration Committee established in article 11 of the Articles of Association.

Under these terms, it is disclosed that the remuneration of the Chairman of the Board of the General Meeting was € 5,000.00 (five thousand euros) during 2013.

V. AGREEMENTS WITH REMUNERATIVE IMPLICATIONS

83. Contractual limitations established for the compensation payable for dismissal without fair grounds of a director and its relationship with the variable component of the remuneration.

There is no contractual limit established for the compensation payable for the unfair dismissal of a member of the Board of Directors, considering, firstly, that no contract was signed for the performance of the duties of the position of Director, nor is any agreement signed on any possible compensation payable for fair or unfair dismissal. The existence of a contractual limit under the terms referred to above would be incoherent, in view of the characteristics of the existing relationship between the Company and the members of its Management board.

It should be noted that, pursuant to Recommendation number III.8, no legal mechanisms have been established, apart from those stipulated by the law, for any indemnity or compensation, apart from that legally owed, to be payable when the dismissal of the director neither arises from serious breach of duties nor from incapacity for the normal performance of his duties but, even so, can be attributed to inadequate performance.

It should be recalled that the Directors of the leading listed company of the Teixeira Duarte Group, formerly "Teixeira Duarte - Engenharia e Construções, S.A." and currently "TD,SA", have always been "in-house people", whose career progression was developed within the Teixeira Duarte Group and are not managers from other companies or groups. Therefore, no situation of dismissal of director has occurred since its incorporation, nor has there ever been any payment of compensation for termination of contract, hence it is deemed inappropriate to establish any legal mechanisms of the nature described above.

84. Reference to the existence and description, indicating the amounts involved, of agreements between the company and members of the management board and senior managers, in observance of number 3 of article 248-B of the Securities Market Code, which establish compensation in the case of resignation, unfair dismissal or termination of the work relation following a change of control of the company (article 245-A, number 1, subparagraph I)).

There are no agreements with these characteristics. The Company follows the policy of not undertaking any payments related to the early termination of the exercise of duties by the Directors or other senior managers, as well as not signing any agreements relative to these matters.

VI. PLANS TO ATTRIBUTE SHARES OR STOCK OPTIONS

85. Identification of the plan and respective beneficiaries.

There are no plans relative to the attribution of shares or attribution of options for the acquisition of shares. Some years ago, and in relation to the Group's former leading company, Teixeira Duarte – Engenharia e Construções, S.A., depending on the circumstances and economic environment, there were reference shareholders who provided a certain number of shares to be assigned to the staff members of this Company for defined periods of time and at specified prices. However, regarding TD,SA and relative to the year under review, there were no such operations.

86. Characterisation of the plan (conditions of attribution, clauses on the inability to dispose of shares, criteria relative to the price of the shares and price for the exercise of options, period during which the options can be exercised, characteristics of the shares to be attributed, existence of incentives for the acquisition of shares and/or exercise of options).

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

87. Option rights attributed for the acquisition of shares (stock options) whose beneficiaries are the company's workers and employees.

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

88. Control mechanisms established for any system of participation of the workers in the share capital to the extent that voting rights are not exercised directly by them (article 245-A, number 1, subparagraph e)).

There is no system of participation of the workers in the share capital, therefore there is no justification for the existence of control mechanisms to the extent that the voting rights are not exercised directly by them.

E. TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company for the purpose of control of transactions with related parties (the concept arising from IAS 24 is used for this effect).

All transactions between entities of the Teixeira Duarte Group with related parties are conducted at market prices. The Concept is clear and undertaken by all business managers of the different areas of the Group who deal with related parties.

This attitude is transversal to all transactions of this nature, in other words, any transfer of resources, services or obligations between related parties, regardless of the existence of a price debit.

In addition to these general guidelines, all transactions between related parties are recorded electronically in the Group's overall supporting platform, which, apart from the actual business managers, is also accessible to the teams dealing with finance and accounting, consolidation of accounts and audit, as well as the actual management and, supplementarily, the supervisory bodies of the Company and Group.

90. Indication of transactions which were subject to control during the year under review.

In this context and in view of the mechanisms referred to above, all the transactions with related parties were subject to control under the aforesaid terms. These transactions with related parties and their respective balances and additional information may be consulted in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2013.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the effects of the prior assessment of transactions to be carried out between the company and owners of the qualifying holdings or entities which are in any relationship with it, under the terms of article 20 of the Securities Market Code.

There are no procedures and criteria under the terms mentioned above since the type of operations carried out between the Company and owners of qualifying holdings are of a current character and for the performance of the activity, namely for financing by Banco Comercial Português, S.A., which is considered to be a matter of the exclusive responsibility and competence of the Board of Directors and which, naturally, concerns operations carried out under normal market conditions, whereby it is deemed inappropriate to subject these transactions to the prior opinion of the supervisory bodies.

II. ELEMENTS RELATIVE TO BUSINESS

92. Indication of the location of the documents presenting the accounts with available information on business with related parties, in accordance with IAS 24, or, alternatively, reproduction of this information.

The information on business with related parties, in accordance with IAS 24, is reproduced in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2013.

PART II - ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the adopted corporate governance code

The Corporate Governance Code to which the company is subject or has voluntarily decided to adopt should be identified, under the terms and for the effects of article 2 of the present Regulation.

Apart from the applicable legal and regulatory rules, namely the Commercial Companies Code, the Securities Market Code and Regulations of the CMVM, especially Regulation number 4/2013, TD,SA has chosen not to adopt any Corporate Governance Code other than that issued by the CMVM in 2013.

Indication of the location where the texts on corporate governance codes to which the issuer is subject (article 245-A, number 1, subparagraph p)).

The aforesaid Corporate Governance Code issued by the CMVM in 2013 may be consulted at www.cmvm.pt.

2. Analysis of compliance with the adopted corporate governance code

Under the terms of article 245-A number 1, subparagraph o), the statement on the endorsement of the corporate governance code to which the issuer is subject should be presented, specifying which, if any, parts of this code there is divergence and the reasons for this divergence.

The information to be presented should include, for each recommendation:

- a) Information which enables appraising compliance with the recommendation or reference to the point of the report where the issue is discussed in detail (chapter, title, point and page);
- b) Justification for any non-compliance or partial compliance;
- c) In the case of non-compliance or partial compliance, identification of any alternative mechanism adopted by the company for the effect of pursuing the same objective of the recommendation.

3. Other information

The company should provide any elements or additional information which, not having been presented in the preceding points, are relevant for the comprehension of the model and governance practices that have been adopted.

The points included in number 2 should be developed simultaneously, since they are interrelated.

Among the 41 Recommendations comprising the aforesaid Corporate Governance Code of the CMVM, the Company does not adopt twelve and partially adopts six.

The table below reproduces the text of these Recommendations with the same numbering of the aforesaid Corporate Governance Code, followed by an indication of their adoption or not and reference to the point in this Report where such matter is described or where, observing the principle of "comply or explain", any non-adoption is justified.

	Recommendation	Adoption	Reference
I.1.	Companies should encourage their shareholders to participate and vote at general meetings, in particular, by not establishing an excessively high number of shares required for access to the right to one vote and implementing the indispensable means for the exercise of the right to vote by correspondence and electronically.	Partial	12
I.2	Companies should not adopt mechanisms which hinder the taking of deliberations by their shareholders, in particular establishing a deliberative quorum greater than that stipulated by law.	Yes	14
I.3	Companies should not establish mechanisms with the effect of causing a time lag between the right to receive dividends or the subscription of new securities and the voting right of each ordinary share, unless duly substantiated as being in the long term interests of the shareholders.	Yes	12
I.4	Articles of association of companies which set a limit on the number of votes which may be held or exercised by a single shareholder, individually or jointly with other shareholders, should also establish the commitment that, at least every five years, the maintenance or not of this statutory provision will be subject to deliberation at the general meeting, with no requirement of a quorum larger than that legally established, and that in this deliberation all the votes cast will be counted, without the application of the above limit.	Not Applicable.	5
I.5	Measures should not be adopted if they imply payments or the incurring of costs by the company in the event of transfer of control or change of the composition of the management board, and which might jeopardising the free transferability of shares and the free assessment by the shareholders of the performance of members of the management board.	Yes	6
II	SUPERVISION, MANAGEMENT AND AUDIT		
II.1	SUPERVISION AND MANAGEMENT		
II.1.1	Within the limits established by the law, and unless due to the small size of the company, the board of directors should delegate the daily management of the company, with the delegated competence being identified in the annual Corporate Governance Report.	No	21

	Recommendation	Adoption	Reference
II.1.2	The Board of Directors should ensure that the company acts in accordance with its objectives, and should not delegate its competence, namely, with respect to: i) the definition of the strategy and general policies of the company; ii) the definition of the business structure of the group; iii) decisions which should be considered strategic due to the amount involved, risk or special characteristics.	Yes	21
II.1.3.	The General and Supervisory Board, apart from performing the supervisory duties entrusted to it, should assume full responsibility in terms of corporate governance, therefore, through statutory provision or equivalent measure, it should be made compulsory that this body issue an opinion on the strategy and main policies of the company, the definition of the group's business structure and the decisions which should be considered strategic due to their amount or risk. This body should also assess compliance with the strategic plan and the execution of the main policies of the company.	Not Applicable.	15
II.1.4	Unless as a result of the small size of the company, the Board of Directors and General and Supervisory Board, according to the adopted model, should create the committees which prove necessary to:		
a)	Ensure competent and independent assessment of the performance of the executive directors and their own overall performance, as well as that of the various existing committees and commissions;	No	24
b)	Reflect on the adopted governance system, structure and practices, verify its effectiveness and propose to the competent bodies the measures to take with a view to its improvement.	No	24
II.1.5	The Board of Directors or General and Supervisory Board, according to the applicable model, should establish objectives on matters of risk-taking and create systems for their control, with a view to assuring that the risks which are effectively incurred are consistent with these objectives.	Partial	54
II.1.6	The Board of Directors should include a sufficient number of non-executive members so as guarantee effective capacity to monitor, supervise and assess the activities of the other members of the management body.	No	18

	Recommendation	Adoption	Reference
II.1.7	<p>Among the non-executive directors, there should be an adequate proportion of independent directors, taking into consideration the adopted governance model, the size of the company, its shareholder structure and respective free float. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is appraised under the terms of the current legislation and, regarding the other members of the Board of Directors, members are considered independent when they are neither associated to any specific group of interests in the company nor in any circumstance which might affect the impartiality of their analysis or decision-making, namely due to:</p> <p>a. Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years;</p> <p>b. Having, in the last three years, provided services or established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person;</p> <p>c. Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties;</p> <p>d. Living in non-marital cohabitation or being the spouse, parent or family member in a straight line and up to the 3rd degree, inclusively, in a collateral line, of directors or natural persons who directly or indirectly hold a qualifying stake;</p> <p>e. Holding a qualifying stake or representing a shareholder holding a qualifying stake.</p>	No	18
II.1.8	When requested by other members of the governing bodies, directors who perform executive duties should provide, in due time and in a form appropriate to the request, any information requested by them.	Yes	18
II.1.9	The chairman of the executive management body or executive committee should send, as applicable, to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board, and the Chairman of the Financial Matters Committee, the call notices and minutes of the respective meetings.	Yes	18
II.1.10	Should the chairman of the management body perform executive duties, this body should indicate, from among its members, an independent director to assure the coordination of the work of the other non-executive members, and the conditions to enable them to take decisions in an independent or informed manner or find other equivalent mechanisms to assure this coordination.	Not Applicable.	18

	Recommendation	Adoption	Reference
II.2	SUPERVISION		
II.2.1	According to the applicable model, the chairman of the Supervisory Board, Audit Committee or Financial Matters Committee should be independent, according to the applicable legal criteria, and possess adequate competence to perform the respective duties.	Yes	32
II.2.2	The supervisory body should be the main agent for communication with the external auditor and first receiver of the respective reports, being responsible, namely, for proposing the remuneration of the external auditor and ensuring the existence of the appropriate conditions for the provision of the services within the company.	No	45
II.2.3.	The supervisory body should assess the external auditor on an annual basis and propose, to the competent body, the external auditor's dismissal or termination of its service contract whenever there are fair grounds for the effect.	No	45
II.2.4	The supervisory body should assess the operation of the internal control and risk management systems, and propose any adjustments deemed necessary.	No	51
II.2.5	The Audit Committee, General and Supervisory Board and Financial Matters Committee should issue an opinion on the work plans and resources allocated to the internal audit services and services which endeavour to assure compliance with the rules applied to the company (compliance services) and should receive the reports produced by these services at least when related to matters concerning the presentation of accounts, the identification or settlement of conflicts of interests and the detection of potential illegalities.	No	51
II.3	ESTABLISHMENT OF REMUNERATIONS		
II.3.1.	All the members of the Remuneration Committee or equivalent should be independent from the executive members of the management board and include at least one member with knowledge and experience on matters of remuneration policy.	Partial	67 and 68
II.3.2	No legal or natural person who has provided, during the last three years, services to the any structure directly under the management body, the actual management body of the company or who has an current relationship with any consultant of the company or with the company's consultants should be contracted to support the Remuneration Committee. This recommendation is also applicable to any natural or legal person which is related to such persons through a work or service contract.	Yes	67

	Recommendation	Adoption	Reference
II.3.3	The statement on the policy of remunerations of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June, should contain: a) Identification and explanation of the criteria for the determination of the remuneration to be attributed to the members of the governing bodies; b) Information regarding the potential maximum amount, in individual terms, and the potential maximum amount, in aggregate terms, payable to the members of the governing bodies, and identification of the circumstances when these maximum amounts may be due; d) Information on the enforceability or non-enforceability of payments relative to the dismissal or termination of office of directors.	Partial	69
II.3.4	The proposal relative to approval of share attribution plans and/or share acquisition options, or based on share price variations, to members of the governing bodies, should be submitted to the General Meeting. The proposal should contain all the elements necessary for an appropriate assessment of the plan.	Not Applicable.	85
II.3.5	The proposal relative to approval of any retirement benefit scheme established in favour of the members of the governing bodies should be submitted to the General Meeting. The proposal should contain all the elements necessary for a correct assessment of the scheme.	No	76
III	REMUNERATIONS		
III.1	The remuneration of the executive members of the management body should be based on effective performance and discourage excessive risk-taking.	Yes	70
III.2	The remuneration of the non-executive members of the management body and the remuneration of the members of the supervisory body should not include any component whose value depends on the company's performance or its value.	Yes	18 and 81
III.3	The variable component of the remuneration should be reasonable as a whole in relation to the fixed component of the remuneration, and maximum limits should be established for all the components.	Partial	71
III.4	A significant part of the variable remuneration should be deferred for a period not less than three years, and the right to its receipt should be subject to the continued positive performance of the company over this period.	Yes	72
III.5	The members of the management body should not enter into contracts, either with the company or third parties, which have the effect of mitigating the risk inherent to the variability of their remuneration established by the company.	Yes	71

	Recommendation	Adoption	Reference
III.6	Until the end of their term of office, the executive directors should keep the company shares that they have obtained through variable remuneration schemes, up to the limit of twice the value of the annual total remuneration, with the exception of any which might need to be disposed of in order to pay taxes arising from the benefit of these same shares.	Not Applicable.	73
III.7	When the variable remuneration includes the attribution of options, the beginning of the period of exercise should be deferred for a period not less than three years.	Not Applicable.	74
III.8	When the dismissal of a director does not arise from serious breach of duties nor from incapacity for the normal performance of his duties but, even so, can be attributed to inadequate performance the company should be endowed with the appropriate and necessary legal instruments so that no indemnity or compensation, apart from that legally owed, should be payable.	No	83
IV	AUDIT		
IV.1	The external auditor should, under its competence, verify the application of the policies and systems for the remuneration of the governing bodies, the effectiveness and functioning of the internal control mechanisms and report any flaws to the company's supervisory board.	Partial	51 and 67
IV.2	The company or any entities in a controlling relationship with it should not contract from the external auditor, or from any entities in a group relationship or which are part of the same network, any services other than audit services. If there are reasons to contract such services, which should be approved by the supervisory body and explained in its Annual Corporate Governance Report, this should not amount to more than 30% of the total value of the services provided to the company.	Yes	37, 41 and 46
IV.3	Companies should promote the rotation of the auditor at the end of every two or three terms of office, according to whether they last four or three years. Their maintenance beyond this period should be justified by a specific opinion of the supervisory board which explicitly reflects on the conditions of independence of the auditor and advantages and costs of the auditor's replacement.	Yes	44

	Recommendation	Adoption	Reference
V	CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES		
V.1	The company's business with shareholders holding a qualifying stake, or with entities which are in any relationship with them, under the terms of article 20 of the Securities Market Code, should be conducted under normal market conditions.	Yes	10
V.2	The supervisory or audit body should establish the necessary procedures and criteria for the definition of the relevant level of significant business with shareholders holding qualifying stakes, or with entities which are engaged with them in any of the relations established in number 1 of article 20 of the Securities Market Code, where the conduct of business of significant relevance should depend on the prior opinion of this body.	No	10
VI.	INFORMATION		
VI.1	Companies should provide, through their website, in Portuguese and English, access to information which enables knowledge on their evolution and current reality in economic, financial and governance terms.	Yes	59
VI.2	Companies should ensure the existence of a an investor support office and permanent contact with the market, which responds to requests submitted by investors in due time, and records should be kept of the submitted requests and their subsequent treatment.	Yes	56

Financial Statements **2013**



The notes are an integral part of the balance sheet for the years ended on 31 December 2013 and 2012

(Values in thousand euros)

Headings	Notes	2013	2012 Restated
Assets			
Non-current assets			
Financial holdings – equity method	6	436,026	372,274
Deferred tax assets	8.2	1,250	1,220
Other accounts receivable	5.3 and 9.1	107,955	-
		545,231	373,494
Current assets			
Customers	5.3 and 9.1	339	-
State and other public bodies	9.1	12,935	7
Other accounts receivable	2.3, 5.3 and 9.1	39,355	13,547
Deferrals	9.1	-	70
Cash and bank deposits	4	26	1
		52,655	13,625
Total Assets		597,886	387,119
Equity and Liabilities			
Equity			
Paid-up share capital	17	210,000	210,000
Legal reserves	18	10,000	5,500
Other reserves	18	128,661	118,983
Retained earnings:			
Non-attributed profits – equity method		(118,184)	(102,218)
Adjustments to financial assets of subsidiaries:			
Non-attributed profits – equity method		118,184	102,218
Other adjustments to financial assets of subsidiaries	6	5,348	1,378
		354,009	335,861
Net income for the period		64,029	20,478
Total Equity		418,038	356,339
Liabilities			
Non-current liabilities			
Loans received	9.3 and 16.2	192	183
Other accounts payable	9.2 and 16.2	2,375	1,426
		2,567	1,609
Current liabilities:			
Suppliers	9.2 and 16.2	116	27
State and other public bodies	9.2 and 16.2	319	4,226
Loans received	9.3 and 16.2	154,552	16,296
Other accounts payable	2.3, 9.2 and 16.2	22,294	8,622
		177,281	29,171
Total Liabilities		179,848	30,780
Total Equity and Liabilities		597,886	387,119

Income and Costs	Notes	2013	2012
Sales and services rendered		2,606	-
Gains/losses imputed to subsidiaries, associates and joint ventures	6	70,282	22,266
Cost of goods sold and materials used		(1)	-
External supplies and services	13	(2,108)	(197)
Staff costs	12	(7,171)	(1,245)
Other income and gains	14	153	-
Other costs and losses	15	(102)	(6)
Earnings before interest, taxes, depreciation and amortisation		63,659	20,818
Interest and similar income received	11	45	7
Interest and similar costs paid	11	(1,772)	(929)
Earnings before tax		61,932	19,896
Income tax for the period	8.1	2,097	582
Net income for the period		64,029	20,478

The notes are an integral part of the income statement by nature for the years ended on 31 December 2013 and 2012

(Values in thousand euros)

The notes are an integral part of the statement of changes in equity for the periods ended on 31 December 2013 and 2012.

(Values in thousand euros)

Description	Notes	Equity attributed to the shareholders						Net income for the period	Total
		Paid-up share capital	Legal reserves	Other reserves	Retained earnings	Adjustments to financial assets of affiliates and associates			
Balance as at 01.01.12	1	420,000	5,500	90,766	(108,384)	131,602	(175,617)	363,867	
Changes in the period:									
Appropriation of net income		-	-	-	(175,617)	-	175,617	-	
Other changes recorded under equity		-	-	-	-	(28,006)	-	(28,006)	
Reduction of capital		(210,000)	-	28,217	181,783	-	-	-	
	2	(210,000)	-	28,217	6,166	(28,006)	175,617	(28,006)	
Net income for the period	3						20,478	20,478	
Comprehensive net income for the period	4=2+3							(7,528)	
Balance as at 31.12.12	5=1+2+3	210,000	5,500	118,983	(102,218)	103,596	20,478	356,339	
Balance as at 01.01.13	5	210,000	5,500	118,983	(102,218)	103,596	20,478	356,339	
Changes in the period:									
Appropriation of net income		-	4,500	9,678	-	-	(14,178)	-	
Other changes recorded under equity		-	-	-	(15,966)	19,936	-	3,970	
	6	-	4,500	9,678	(15,966)	19,936	(14,178)	3,970	
Net income for the period	7						64,029	64,029	
Comprehensive net income for the period	8=6+7							67,999	
Transactions with shareholders in the period:									
Distributions	9	-	-	-	-	-	(6,300)	(6,300)	
Balance as at 31 December 2013	10=5+6+7	210,000	10,000	128,661	(118,184)	123,532	64,029	418,038	

	Notes	2013	2012
Operating activities			
Payments to suppliers		(885)	(180)
Staff payments		(2,476)	(688)
		(3,361)	(868)
Income tax payment/revenue		(13,636)	(975)
Other revenue/payments		(913)	(541)
		(17,910)	(2,384)
Investment activities			
Revenue derived from:			
Interest and similar income		14	7
Dividends	4	10,500	-
		10,514	7
Financing activities			
Revenue derived from:			
Loans received		138,256	3,196
Payments relative to:			
Loans received		-	-
Related parties		(122,955)	-
Interest and similar costs		(1,580)	(1,034)
Dividends		(6,300)	-
		7,421	2,162
Net change in cash and cash equivalents (1+2+3)		25	(215)
Cash and cash equivalents at the beginning of the period	4	1	216
Cash and cash equivalents at the end of the period	4	26	1

The notes are an integral part of the cash flow statement for the years ended on 31 December 2013 and 2012

(Values in thousand euros)

Notes

1. Introduction

Teixeira Duarte, S.A. ("Company"), legal person number 509.234.526, with head office in Porto Salvo, was incorporated on 30 November 2009, and its core business is the undertaking and management of investments, the coordination and supervision of other companies included in or related to its corporate group, operating essentially in the areas of strategic and organisational planning, as well as the provision of administrative, management, consulting, operational assistance or support in terms of human resources, technical and financial services to companies in which the Group has a stake or entities with which contracts have been concluded for this purpose.

The financial statements attached herewith refer to the Company on an individual basis, with the financial investments in subsidiaries and associates having been recorded through the equity method, as explained in Note 3.2. a).

All the values of these Notes are expressed in thousand euros.

2. Basis of accounting of the financial statements

2.1 The present financial statements were prepared in accordance with the Accounting and Financial Reporting Standards (NCRF) established in the Accounting Standardisation System (SNC), approved by Decree-Law number 158/2009, of 13 July, with the corrections of Rectification Statement number 67-B/2009, of 11 September, and as amended by Law number 20/2010, of 23 August.

2.3 During the year ended on 31 December 2013, the Company reclassified balances with Group companies, relative to the Special Taxation Scheme for Groups of Companies (RETGS), formerly recognised under the heading "Shareholders/partners".

Thus, and for purposes of comparison of the present financial year with the preceding financial year, the following restatement was carried out:

Heading	2012	Restatement	2012 Restated
Current assets:			
Shareholders	13,974	(13,974)	-
Other accounts receivable	-	13,547	13,547
	13,974	(427)	13,547
Current liabilities:			
Shareholders	8,231	(8,231)	-
Other accounts receivable	818	7,804	8,622
	9,049	(427)	8,622

3. Principal accounting policies

3.1 Basis of measurement

The financial statements were prepared pursuant to the historical cost convention, except with respect to investment properties, based on the accounting ledgers and records of the Company kept in accordance with the NCRF.

The Company integrates all the movements of its branches, eliminating internal operations and, if existent, any profit or loss derived thereof.

3.2 Relevant accounting policies

a) Financial investments:

Financial investments in subsidiary and associated companies are recorded using the equity method, whereby the holdings are initially recorded at their acquisition cost,

then increased or reduced by the difference between that acquisition cost and the value proportional to the holding owned in the equity of these companies, reported on the acquisition date or on the first application of the aforesaid method.

Pursuant to the equity method, financial investments are adjusted periodically by the value corresponding to the participation in the net income of the associates and subsidiaries against Income and Gains or Costs and Losses in subsidiaries and associates, and through other changes which might have occurred in their equity against the heading "Adjustments in financial assets - related to the equity method", as well as through the recognition of impairment losses. Furthermore, the dividends received from these companies are recorded as a reduction in the value of financial investments.

Losses in subsidiaries and associates which exceed the investment made in those entities are not recognised unless the Company has undertaken commitments in relation to them.

b) Impairment of assets

On each reporting date, and whenever an event or alteration in circumstances is identified which indicates that the amount for which the asset is recorded may not be recoverable, an assessment is made of the assets' impairment.

Whenever the amount for which the asset is recorded is greater than its recoverable value, an impairment loss is recognised and recorded in the income statement under the respective headings, according to their nature.

The recoverable amount is the highest value between the net sales price and its value in use. The net sales price is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable parties, minus the costs directly attributable to the sale. The value in use is the net present value of the estimated future cash flow which would be expected to arise from the continued use of the asset and its disposal at the end of its useful life. The recoverable amount is estimated for each asset, individually or, when this is not possible, for the unit generating the cash flow to which the asset belongs.

The reversal of impairment losses recognised in previous years is recorded when it is concluded that the previously recognised impairment losses no longer exist or have decreased. The reversal of impairment losses is immediately recognised in the income statement under the respective headings.

The reversal of the impairment loss is made up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in previous years.

c) Accrual principle

Income and costs are recorded on an accrual basis, through which they are recognised as they are generated.

When the real value of the costs and income is unknown, they are estimated.

Differences between the amounts received and paid and the corresponding income and costs are recorded under "Other accounts receivable" and "Deferrals" (current and non-current) in the assets and under "Other accounts payable" and "Deferrals" (current and non-current) in the liabilities.

d) Borrowing costs

Borrowing costs are recognised in the income statement for the year to which they refer, except to the extent that the financial costs of the loans received directly related to the acquisition, construction and production of assets that take a substantial period of time to become ready for their intended use, are capitalised as part of the costs of the assets. The capitalisation of these costs begins after the beginning of the preparation of construction activities or development of the asset and is interrupted after the beginning of use or end of production or construction of the asset or when the project concerned is suspended. Any financial gain arising from loans obtained in advance and which may be allocated to a specific investment is deducted from financial costs eligible for capitalisation.

e) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party in the contractual relationship.

Cash and cash equivalents

The amounts included in Cash and cash equivalents correspond to cash, bank deposits, term deposits and other cash investments, with a maturity of less than three months and which can be immediately mobilised with no significant risk of change in value.

Accounts receivable

Accounts receivable are measured, when recognised initially, at fair value and subsequently at amortised cost in accordance with the effective interest rate method. When there is an indication that they are impaired, their adjustment is recorded through profit or loss. The recognised adjustment is measured by the difference between the value at which the receivables are recognised and the present value of the cash flows discounted at the effective interest rate determined at their initial recognition.

Investments

Investments are recognised on the date when the inherent risks and rewards are transferred substantially. They are initially recorded at their acquisition value, which is the fair value of the price paid, including transaction costs.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the nature of the contract regardless of their legal form. Equity instruments are contracts that have a residual interest in the company's assets after deduction of the liabilities.

Equity instruments issued by the company are recorded at the amount received net of costs incurred with their issue.

Accounts payable

Accounts payable are measured at fair value when they are initially recognised and are subsequently stated at amortised cost in accordance with the effective interest rate method less estimated impairment losses.

Bank loans

Loans are initially recorded and recognised as liabilities at their nominal value, net of the costs incurred to issue them and subsequently measured through the amortised cost method. Financial costs, calculated in accordance with the effective interest rate and including premiums payable, are accounted for in accordance with the accrual accounting principle, being added to the book value of the loan if they are not settled during the financial year.

f) Corporate income tax

The cost relative to "Income tax for the period" corresponds to the sum of current tax and deferred tax.

Current income tax in Portugal is calculated based on the taxable profit of the entity in accordance with the tax rules in force, while deferred tax results from the temporary differences between the amount of the assets and liabilities for the effect of accounts reporting (book value) and the respective amounts for tax purposes (tax base).

Deferred tax assets and liabilities are calculated and assessed annually using the taxation rates which are in force or announced to be in force on the expected date of the reversal of the temporary differences.

Deferred taxes assets are recognised only when there are reasonable expectations of sufficient future taxable profits for their use, or in situations where there are temporary differences for taxation purposes which compensate the deductible temporary differences in the period of their reversal.

At the end of each period these deferred taxes are reviewed and reduced whenever their future use is no longer probable.

Deferred taxes are recorded as a cost or income for the year, unless they arise from values recorded directly under equity, in which case the deferred tax is also recorded under the same heading.

g) Contingent assets and liabilities

Contingent assets are possible assets derived from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events, not totally under the control of the entity.

Contingent assets are not recognised in the consolidated financial statements of the entity, but are disclosed when the existence of a future economic benefit is probable.

Contingent liabilities are defined as: (i) possible liabilities arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more

uncertain future events not totally under the control of the entity; or (ii) present liabilities which arise from past events but are not recognised because it is unlikely that an outflow of resources affecting economic benefits will be required to settle the liability or the amount of the liability cannot be measured reliably.

Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even disclosed.

3.3 Value judgements of the management body

When preparing the financial statements, the Company adopted certain assumptions and estimates which affect the related assets, liabilities, income and costs. All the estimates and assumptions made by the Board of Directors were based on the best existing knowledge, at the date of the approval of the financial statements, of the events and transactions in progress.

The estimates were determined based on the best information available on the date of preparation of the financial statements and on the best knowledge and experience of past and/or current events. However, situations might occur in subsequent periods which, not having been predictable on that date, were not considered in these estimates. Any alterations to the estimates, which occur subsequently to the date of the financial statements, will be corrected prospectively in the income statement.

4. Cash flow

The breakdown of cash and equivalent as at 31 December 2013 and 31 December 2012 is as follows:

	2013	2012
Bank deposits repayable on demand	26	1

The dividends received during the years years ended on 31 December 2013 and 2012 were as follows:

	2013	2012
Teixeira Duarte - Engenharia e Construções, S.A.	10,500	-

5. Related parties

5.1 The remunerations attributed to the members of the governing bodies of the Company for the years ended on 31 December 2013 and 2012 were as follows:

	2013	2012
Executive directors		
Short term benefits	1,445	1,078
Supervisory board		
Short term benefits	72	66
Chartered accountant		
Short term benefits	61	60
	1,578	1,204

5.2 The remunerations attributed to the members of the Company's senior management for the years ended on 31 December 2013 and 2012 were as follows:

	2013	2012
Short term benefits	397	-

5.3 Balances and transactions between related parties

During the years ended on 31 December 2013 and 2012, the transactions with subsidiaries, associates, joint ventures and other related parties were as follows:

	Intra-group services rendered		Purchases and services received	
	2013	2012	2013	2012
Parent company:				
Teixeira Duarte - E.C., S.A.	639	-	551	18
Other related parties:				
Lagoas Hotel, S.A.	-	-	4	5
	639	-	555	23

For the years ended on 31 December 2013 and 2012, the balances with subsidiaries, associates, joint ventures and other related parties were as follows:

	Balance receivable		Balance payable		Other debts receivable and payable	
	2013	2012	2013	2012	2013	2012
Subsidiaries:						
Teixeira Duarte - E.C., S.A.	339	-	5	5	130,247	5,601
Other related parties:						
Bonapapel, Lda.	-	-	-	-	(24)	(13)
Bonaparte, S.A.	-	-	-	-	(69)	(48)
EPOS, S.A.	-	-	-	-	3,323	1,949
ESTA, S.A.	-	-	-	-	648	205
EVA, S.A.	-	-	-	-	(77)	(32)
Imopedrouços, S.A.	-	-	-	-	436	(1)
IMOTD - S.G.P.S., S.A.	-	-	-	-	(74)	(406)
Lagoas Hotel, S.A.	-	-	-	-	(347)	(179)
Lagoasfut, S.A.	-	-	-	-	(70)	(36)
PTG - S.G.P.S., S.A.	-	-	-	-	(8)	(2)
Quinta de Cravel, S.A.	-	-	-	-	(532)	(254)
Recolte, S.A.	-	-	-	-	(103)	(173)
Rochoriental, S.A.	-	-	-	-	(112)	(94)
Sinerama, S.A.	-	-	-	-	62	58
TDHOSP, S.A.	-	-	-	-	(1,058)	(600)
TDE, S.A.	-	-	-	-	(352)	(177)
TDF, S.A.	-	-	-	-	27	17
TDGI, S.A.	-	-	-	-	1,422	634
TD-G.P.I.I., S.A.	-	-	-	-	(12,819)	(3,945)
TDH - S.G.P.S., S.A.	-	-	-	-	(713)	(456)
TDHC, S.A.	-	-	-	-	(878)	(424)
TDVIA, S.A.	-	-	-	-	(984)	(443)
Tedal, S.A.	-	-	-	-	3,881	2,450
T.D. - Distribuição, S.A.	-	-	-	-	6,472	2,636
Transbrital, S.A.	-	-	-	-	(51)	(26)
V8, S.A.	-	-	-	-	(968)	(498)
	-	-	-	-	(2,968)	142
	339	-	5	5	127,279	5,743

With the exception of the outstanding balance between the Company and Teixeira Duarte-E.C., S.A., all the other balances with related parties refer, only and exclusively, to the RETGS.

6. Investments in subsidiaries

For the year ended on 31 December 2013, the Company recorded the following financial holding, measured through the equity method:

Corporate Name	Head office	Percentage Holding
Teixeira Duarte - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park - Porto Salvo - Oeiras	100%

The main financial information relative to the subsidiary, as at 31 December 2013 and 2012, is as follows:

	Total assets		Total liabilities		Income		Net income	
	2013	2012	2013	2012	2013	2012	2013	2012
Teixeira Duarte - Engenharia e Construções, S.A.	1,683,186	1,320,795	1,247,160	948,521	808,859	600,381	70,282	22,266

The following movements occurred in the holding in the subsidiary's share capital during the years ended on 31 December 2013 and 2012:

	Stakes
Balance as at 01.01.12	378,014
Effects of the application of the equity method:	
- Effect on net income for the year	22,266
- Effect on equity	(28,006)
Balance as at 31.12.12	372,274
Balance as at 01.01.13	372,274
Effects of the application of the equity method:	
- Effect on net income for the year	70,282
- Effect on equity	3,970
- Dividends received	(10,500)
Balance as at 31 December 2013	436,026

7. 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. ("T.D.-G.P.I.I., 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 T.D.-G.P.I.I., S.A.:

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 Closed 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 companies in which the Group has a stake under the form of additional paid-in capital.

Since T.D.-G.P.I.L., 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. ("Teixeira Duarte - E.C., S.A."), which filed judicial reviews at the Administrative and Fiscal Court of Sintra.

During 2013, Teixeira Duarte - E.C., S.A., 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 T.D.-G.P.I.L., 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 subject to corrections.

It should be noted that the Statement of Payment of IRC and compensatory interest for the financial year of 2008 issued to Teixeira Duarte - E.C., S.A. as the controlling company, apart from the corrections described above relative to the controlled company T.D.-G.P.I.L., also include a correction to the taxable profit calculated at an individual level by Teixeira Duarte - E.C., S.A.

The total amount of corrections to taxable profit reached 35,467 thousand euros, of which Teixeira Duarte - E.C., 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 made to the company T.D. - G.P.I.L., S.A. in which the Group has a stake has not yet been the object of any additional payment by the controlling company, as the controlling company, as at the closing date of December 2013.

8. Income tax

The Company, and most of the companies in which it has a stake based in Portugal, are subject to Corporate Income Tax (IRC) at the rate of 25%. 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 and 7,500,000 euros, at the rates of 3% and 5%, 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.

For the calculation of the taxable profit, to which the aforesaid tax rates are applied, after deduction of the tax losses carried forward, non-acceptable amounts for tax purposes are added to and/or subtracted from the book value profit. 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.

The Company and the companies in which it, directly or indirectly, holds a stake of at least 90% of their capital, provided that this confers the Company over 50% of the voting rights, with head office and effective management located in Portugal, are taxed under the special taxation scheme for groups of companies (RETGS). This scheme consists of the aggregation of the taxable assets and liabilities of all the companies included in the consolidation perimeter, as provided in article 63 of the Corporate Income Tax Code, with the application of the IRC rates to the overall amount obtained in this manner, after deduction of the tax losses carried forward. The value of tax calculated in this form is increased by the Municipal and State Surcharge, if applicable, calculated individually and at the rates referred to above, as well as by the autonomous taxation calculated for each company.

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 individual financial statements reported as at 31 December 2013.

The Company 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 NCRF 25 - Income Tax, whenever it is probable that future tax profits will be generated against which the temporary differences may be used. It should be noted that this assessment is based on the Company's business plan, which is periodically reviewed and updated.

8.1 Regarding Income Tax, the relationship between the tax cost/income and the book value profit, for the years ended on 31 December 2013 and 2012, is as follows:

	2012	2011
Net income for the period	64,029	20,478
Adjustments to taxable profit:		
Definitive differences:		
- To be added	14	11
- To be deducted	(72,361)	(22,859)
Tax loss	(8,318)	(2,370)
Other tax components:		
- Autonomous taxation	13	11
Current tax	13	11
Deferred tax	(2,080)	(592)
Alterations in estimates	(30)	(1)
Tax costs	(2,097)	(582)

The effective tax rate for the years ended on 31 December 2013 and 2012 was as follows:

	2012	2011
Current tax	13	11
Earnings before tax	61,932	19,896
Effective tax rate	0.02%	0.06%

8.2 For the years ended on 31 December 2013 and 2012, the movements which occurred in deferred tax assets and liabilities, according to the temporary differences which generated them, are as follows:

2013

	Opening balance	Constitution	Adjustment	Closing balance
Deferred tax assets:				
Tax losses carried forward	1,220	2,110	(2,080)	1,250

2012

	Opening balance	Constitution	Adjustment	Closing balance
Deferred tax assets:				
Tax losses carried forward	1,220	592	(592)	1,220

9. Financial instruments

For the years ended on 31 December 2013 and 2012, the financial assets and liabilities, current and non-current, were broken down as follows:

9.1 Financial Assets

a) Customers

As at 31 December 2013, the heading "Customers" (current) was only and exclusively composed of a balance receivable from the subsidiary company Teixeira Duarte - Engenharia e Construções, S.A. of the value of 339 thousand euros (Note 5.3).

b) Other accounts receivable

As at 31 December 2013 and 2012, the heading "Other accounts receivable" (current) was broken down as follows:

	2013		2012	
	Current	Non-current	Current	Non-current
Accrued income receivable:				
Services rendered and not invoiced	760	-	-	-
Interest receivable	33	-	-	-
	793	-	-	-
Other receivables	38,562	107,955	13,547	-
	39,355	107,955	13,547	-

c) Other assets

As at 31 December 2013 and 2012, the other assets were broken down as follows:

	2013	2012
State and other public bodies:		
Corporate income tax (IRC):		
- Estimated tax	(2,065)	-
- Tax withheld at source	3,296	-
- Payments on account	11,704	-
	12,935	-
Value added tax - VAT	-	7
	12,935	7
Deferrals	-	70

9.2 Financial Liabilities

a) Suppliers

As at 31 December 2013 and 2012, the heading "Suppliers" (current) was broken down as follows:

	2013		2012	
	Non-group	Group	Non-group	Group
Current account	111	5	22	5

b) Other accounts payable

As at 31 December 2013 and 2012, the heading "Other accounts payable" was broken down as follows:

	2013		2012	
	Current	Non-current	Current	Non-current
Accrued costs payable:				
Expenditures incurred and not invoiced by suppliers	64	-	-	-
Staff costs	932	-	98	-
Distribution of net income	1,833	2,375	650	1,426
Unpaid overdue financial charges	185	-	70	-
Insurance payable	33	-	-	-
	3,047	2,375	818	1,426
Other payables	19,247	-	7,804	-
	22,294	2,375	8,622	1,426

The heading "Other payables" refers to the outstanding balances between the Company, as the controlling company, and the other companies belonging to the Group, under the special taxation regime of groups of companies (RETGS).

c) Other liabilities

	2013	2012
State and other public bodies:		
Corporate income tax (IRC):		
- Estimated tax	-	6,236
- Tax withheld at source	-	(1,076)
- Special payments on account	-	(973)
	-	4,187
Income tax - Withheld from third parties	127	19
Value added tax - VAT	41	-
Social security	151	20
	319	4,226

9.3 Loans Received

As at 31 December 2013 and 2012, the balances of the heading "Loans received" were presented as follows:

	2013		2012	
	Current	Non-current	Current	Non-current
Pledged accounts	110,313	-	16,296	-
Contracted bank overdrafts	44,239	-	-	-
Commercial paper	-	192	-	183
	154,552	192	16,296	183

As at 31 December 2013, the heading "Loans received" refers to several operations contracted with various financial institutions, which earn interest at normal market rates.

The financing contracted by the Company essentially correspond to:

- Bank overdrafts and pledged accounts which earn interest at normal market rates.

- Grouped programme for commercial paper issues, contracted on 30 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 - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Engenharia e Construções, S.A. and the Group's holding, Teixeira Duarte, S.A. participate, where the amounts being used by each on this date were 35,500, 250 thousand euros and 250 thousand euros, respectively. Each of the 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 has a duration of 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%.

The above are repayable in accordance with the following repayment periods:

	2013	2012
Less than one year	154,552	16,296
4 to 5 years	192	183
	154,744	16,479

Collateral guarantees:

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

10. Comfort letters and other commitments

During the period ended on 30 December 2013, the Company has issued comfort letters provided in favour of companies of the Group, under the form of bank endorsements, of the following amounts:

Company	Currency amount	Currency	Value in thousand euros
Angoimo - Empreendimentos e Construções, Lda.	4,390,650,000.00	AON	32,622
EMPA - Serviços de Engenharia, S.A.	18,770,400.00	BRL	5,762
TDA - Comércio e Indústria, Lda.	1,891,400,000.00	AON	14,053
Teixeira Duarte - Engenharia e Construções, S.A.			12,524
			64,961

11. Financial results

For the years ended on 31 December 2013 and 2012, the financial results were detailed as follows:

	2013	2012
Financial costs and losses:		
Interest paid	1,391	765
Other financial costs and losses	381	164
	1,772	929
Financial income and gains:		
Interest received	45	7
Financial results	(1,727)	(922)

12. Employee benefits

During the year ended 31 December 2013, the average number of staff working for the Company was 78.

For the year ended on this date, staff costs were broken down as follows:

	2013	2012
Wages	2,182	-
Other remunerations	301	-
Charges on remunerations	462	184
Costs related to corporate bodies	1,655	811
Distribution of net income	2,500	250
Insurance	71	-
	7,171	1,245

13. External supplies and services

The external supplies and services for the years ended on 31 December 2013 and 2012 were broken down as follows:

	2013	2012
Specialised services	1,884	145
Materials	29	27
Travel, hotel and transport expenses	139	15
Miscellaneous services	56	10
	2,108	197

14. Other income and gains

Other income and gains for the years ended on 31 December 2013 and 2012 were broken down as follows:

	2013	2012
Correction of previous periods	153	-

15. Other costs and losses

Other costs and losses for the years ended on 31 December 2013 and 2012 were broken down as follows:

	2013	2012
Stamp duty	89	-
Rates	6	6
Fines	1	-
Other	6	-
	102	6

16. Financial risk management

The Company is exposed to a number of financial risks arising from its activities, where the following deserve special mention:

- Interest rate risks arising from financial liabilities;
- Liquidity risk, as regards the maintenance of cash balance stability.

The Company's Financial Department ensures the centralised management of the financing operations, applications of cash surplus, currency conversion transactions, as well as the counterpart risk of the Company. In addition to the above, it is responsible for identifying, measuring, proposing and implementing measures to manage/mitigate the financial risks to which the Company is exposed.

The main financial risks to which the Company is exposed and the main measures implemented to manage them are analysed in greater detail below.

16.1 Interest rate risk

The objective of the interest rate risk management policy is the minimisation of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

As at 31 December 2013 and 2012, the financial liabilities consist, only and exclusively, of variable interest rates.

Had the market interest rates been lower by 1% during the years ended on 31 December 2013 and 2012, the financial results for these years would have increased by 260 thousand euros and 148 thousand euros, respectively. In contrast, had the same market interest rates been higher by 1% during the same periods, their financial results would have fallen by 260 thousand euros and 148 thousand euros, respectively.

16.2 Liquidity risk

This risk can occur if the sources of financing, such as the cash flows from operating activities, divestment, credit lines and from financing operations, do not meet the financing needs, such as the cash outflows for operating activities and financing, investments, remuneration of shareholders and debt repayment.

In order to mitigate this risk, the Company seeks to maintain a liquidity position and an average maturity of debt that allows it to repay its debt within reasonable periods of time.

Financial liabilities maturing within one year are replaced with medium and long term maturities as deemed appropriate.

The maturity of the financial liabilities as at 31 December 2013 and 2012 is as follows:

2013					
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Suppliers	116	-	-	-	116
Loans received	154,552	-	-	192	154,744
State and other public bodies	319	-	-	-	319
Other accounts payable	22,294	385	740	1,250	24,669
	177,281	385	740	1,442	179,848

2012					
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	Total
Suppliers	27	-	-	-	27
Loans received	16,296	-	-	183	16,479
State and other public bodies	4,226	-	-	-	4,226
Other accounts payable	8,622	391	385	650	10,048
	29,171	391	385	833	30,780

17. Share capital

Share Capital

As at 31 December 2013, the Company's share capital was fully underwritten and paid-up, and composed of 420,000,000 shares with the nominal value of 0.50 euros each.

As at 31 December 2013, the holdings accounting for over 20% of the Company's share capital were as follows:

	% Share Capital	Nr. of Shares
Teixeira Duarte – Sociedade Gestora de Participações Sociais, S.A.	47%	197,950,000

Legal reserve

The Portuguese commercial legislation establishes that at least 5% of annual net income should be used to reinforce the legal reserve until it represents at least 20% of the share capital. This reserve is not distributable, except in the case of the Company's liquidation, but may be used to absorb losses, after all the other reserves have been depleted, or incorporated in the share capital.

Appropriation of Net Income

Through decision of the General Meeting, held on 25 May 2013, the accounts for the financial year of 2012 were approved and it was decided that the recorded net income of the value of € 20,478,206.13 (twenty million, four hundred and seventy-eight thousand, two hundred and six euros and thirteen euro cents) should be appropriated as follows:

	Value
Legal Reserves	4,500,000.00
Free Reserves	9,678,206.13
Dividends	6,300,000.00
	20,478,206.13

18. Other information

The Board of Directors discloses that the Company does not have any debts to the State in a situation of late payment, under the terms of Decree-Law 534/80, of 7 November.

Pursuant to Decree-Law number 411/91, of 17 October, the Board of Directors discloses that the situation of the Company relative to Social Security is settled, within the legally stipulated periods of time.

19. Subsequent events

At this date, no subsequent events are known of any significant impact on the Financial Statements as at 31 December 2013.

After the closure of the financial year, and up to the preparation of the present report, no other facts have occurred that might modify the situation reported in the accounts, for the effect of the provisions in subparagraph b) of number 5 of article 66 of the Commercial Companies Code.

Consolidated Financial Statements **2013**



(Values expressed
in thousand euros)

 The notes are an integral part of
the consolidated statement of the
financial position as at 30 December
2013

	Notes	2013	2012
Non-current assets:			
<i>Goodwill</i>	19	29,706	29,715
Intangible assets	20	34,563	31,281
Tangible fixed assets	21	571,257	529,775
Investment properties	22	479,965	498,236
Investments in associates	7 and 23	35,898	50,709
Financial assets available for sale	7 and 25	84,613	48,597
Other investments	26	15,537	14,546
Deferred tax assets	27	188,514	111,912
Customers	28	53,224	58,091
Other receivables	28	97	79
Other non-current assets	31	1,561	1,716
Total non-current assets		1,494,935	1,374,657
Current assets:			
Inventories	9 and 10	289,894	313,575
Customers	28	492,305	476,851
Other receivables	28	69,307	64,095
Cash and cash equivalents	30	189,912	246,063
Other investments	26	62	10,888
Other current assets	31	247,181	281,357
Total current assets		1,288,661	1,392,829
TOTAL ASSETS	7	2,783,596	2,767,486
Equity:			
Equity	33	210,000	210,000
Adjustments of holdings in associates		1,669	1,607
Currency conversion adjustments		(37,085)	(3,671)
Reserves and retained earnings	34	86,849	20,066
Consolidated net income		63,974	24,003
Equity attributable to shareholders		325,407	252,005
Non-controlling interests	35	35,321	73,863
TOTAL EQUITY		360,728	325,868
Non-current liabilities:			
Loans	36	680,980	401,060
Provisions	37	74,407	38,203
Financial leases	39	184,062	199,580
Deferred tax liabilities	27	52,693	57,979
Other payables	38	9,833	15,110
Other non-current liabilities	40	83,906	177,793
Total non-current liabilities		1,085,881	889,725
Current liabilities:			
Loans	36	681,626	834,905
Suppliers	38	167,773	187,830
Financial leases	39	21,634	22,015
Other payables	38	84,162	19,097
Other current liabilities	40	381,792	488,046
Total current liabilities		1,336,987	1,551,893
TOTAL LIABILITIES	7	2,422,868	2,441,618
TOTAL LIABILITIES AND EQUITY		2,783,596	2,767,486

	Notes	2013	2012
Operating Income:			
Sales and services rendered	7 and 8	1,580,959	1,383,326
Other operating income	8	48,968	56,775
Total operating income	8	1,629,927	1,440,101
Operating Costs:			
Cost of sales	9	(583,362)	(519,475)
Change in production	10	(5,761)	(958)
External supplies and services	11	(465,172)	(388,505)
Staff costs	12	(275,643)	(244,898)
Amortisation and depreciation	7, 20 and 21	(62,856)	(60,747)
Provisions and impairment losses in depreciable and amortisable assets and Goodwill	7 and 37	(36,213)	(5,105)
Other operating costs	14	(86,875)	(77,170)
Total operating costs		(1,515,882)	(1,296,858)
Net operating income	7	114,045	143,243
Financial costs and losses	7 and 15	(156,072)	(144,593)
Financial income and gains	7 and 15	49,177	67,214
Earnings from investment activities:			
Earnings from associates	7 and 15	(99)	7,892
Other	7 and 15	5,748	(10,574)
Financial results		(101,246)	(80,061)
Earnings before tax	7	12,799	63,182
Income tax	16	51,947	(37,125)
Consolidated net income for the year		64,746	26,057
Net income attributable to:			
Shareholders	17	63,974	24,003
Non-controlling interests	35	772	2,054
Earnings per share:			
Basic (euros)	17	0.15	0.06
Diluted (euros)	17	0.15	0.06

(Values expressed
in thousand euros)

The notes are an integral part of the
consolidated income statement for
the year ended on 31 December 2013

(Values expressed
in thousand euros)

The notes are an integral part of the consolidated statement of profit and loss and other comprehensive income for the year ended on 31 December 2013

	Notes	2013	2012
Consolidated net income for the year		64,746	26,057
Income and costs that will not be subsequently reclassified to net income			
Acquisition of non-controlling interests	35	(24,304)	(1,303)
Other changes in equity		(120)	2,579
		(24,424)	1,276
Income and costs that may be subsequently reclassified to net income			
Fair value of financial assets available for sale	25	33,079	995
Currency conversion adjustments		(35,009)	(35,470)
Adjustments of holdings in associates	23	62	2,812
Hedge financial instruments	41	2,706	(2,453)
		838	(34,116)
Net income recognised directly in equity		(23,586)	(32,840)
Comprehensive income for the year		41,160	(6,783)
Comprehensive income attributable to:			
Shareholders		79,702	(4,067)
Non-controlling interests		(38,542)	(2,716)

	Notes	Equity	Adjustments of holdings in associates	Currency conversion adjustments	Reserves and retained earnings					Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Fair value reserve	Hedge operation reserve	Retained earnings				
Balance as at 31.12.12	33	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 year:													
Consolidated net income for the year		-	-	-	-	-	-	-	-	63,974	63,974	772	64,746
Variation in currency conversion adjustments		-	-	(33,414)	-	-	-	-	-	-	(33,414)	(1,595)	(35,009)
Variation in the fair value and disposal of financial assets available for sale	25	-	-	-	-	-	33,079	-	-	-	33,079	-	33,079
Effect of hedge operations	41	-	-	-	-	-	-	2,706	-	-	2,706	-	2,706
Effect of the application of the equity method	23	-	62	-	-	-	-	-	-	-	62	-	62
Acquisition of non-controlling interests	35	-	-	-	-	-	-	-	5,433	-	5,433	(29,737)	(24,304)
Other		-	-	-	-	-	-	-	7,862	-	7,862	(7,982)	(120)
Operations with shareholders in the year:													
Appropriation of the consolidated net income for 2012:													
Transfer to legal reserves, free reserves and retained earnings		-	-	-	4,500	9,678	-	-	3,525	(17,703)	-	-	-
Dividends distributed	18	-	-	-	-	-	-	-	-	(6,300)	(6,300)	-	(6,300)
Balance as at 31 December 2013		210,000	1,669	(37,085)	10,000	75,378	34,074	(8,305)	(24,298)	63,974	325,407	35,321	360,728

The notes are an integral part of the consolidated statement of change in equity for the year ended on 31 December 2013

	Notes	Equity	Adjustments of holdings in associates	Currency conversion adjustments	Reserves and retained earnings					Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Fair value reserve	Hedge operation reserve	Retained earnings				
Balance as at 31.12.11	33	420,000	(1,205)	31,018	5,500	37,483	(13,980)	(8,558)	(13,749)	(200,437)	256,072	76,579	332,651
Comprehensive income for the year:													
Consolidated net income for the year		-	-	-	-	-	-	-	-	24,003	24,003	2,054	26,057
Variation in currency conversion adjustments		-	-	(34,689)	-	-	-	-	-	-	(34,689)	(781)	(35,470)
Variation in the fair value and disposal of financial assets available for sale	25	-	-	-	-	-	14,975	-	(13,980)	-	995	-	995
Effect of hedge operations	41	-	-	-	-	-	-	(2,453)	-	-	(2,453)	-	(2,453)
Effect of the application of the equity method	23	-	2,812	-	-	-	-	-	-	-	2,812	-	2,812
Acquisition of non-controlling interests	35	-	-	-	-	-	-	-	-	-	-	(1,303)	(1,303)
Other		-	-	-	-	-	-	-	5,265	-	5,265	(2,686)	2,579
Operations with shareholders in the year:													
Appropriation of the consolidated net income for 2011:													
Transfer to retained earnings		-	-	-	-	-	-	-	(200,437)	200,437	-	-	-
Reduction of capital	33	(210,000)	-	-	-	28,217	-	-	181,783	-	-	-	-
Balance as at 31.12.12		210,000	1,607	(3,671)	5,500	65,700	995	(11,011)	(41,118)	24,003	252,005	73,863	325,868

(Values expressed in thousand euros)

(Values expressed
in thousand euros)

The notes are an integral part of the
cash flow statement for the year
ended on 31 December 2013

	Notes	2013	2012
OPERATING ACTIVITIES:			
Revenue from customers		1,403,216	1,417,091
Payments to suppliers		(1,015,756)	(940,892)
Payments to staff		(268,810)	(245,049)
Cash flow generated by operations		118,650	231,150
Income tax payment/revenue		(47,693)	(35,947)
Other revenue/payments relative to operating activity		12,115	(86,788)
Cash flow from operating activities (1)		83,072	108,415
INVESTMENT ACTIVITIES:			
Revenue derived from:			
Financial investments	30	58,886	39,506
Tangible fixed assets and investment properties		7,559	4,617
Intangible assets		-	45
Interest and similar income		9,040	14,194
Dividends	30	1,555	9,548
		77,040	67,910
Payments relative to:			
Financial investments	30	(54,803)	(27,359)
Tangible fixed assets and investment properties		(158,373)	(124,197)
Intangible assets		(2,071)	(4,352)
		(215,247)	(155,908)
Cash flow from investment activities (2)		(138,207)	(87,998)
FINANCING ACTIVITIES:			
Revenue derived from:			
Loans raised		2,852,302	1,889,784
Payments relative to:			
Loans raised		(2,725,661)	(1,872,385)
Interest and similar costs		(88,058)	(78,072)
Dividends	18	(6,300)	-
		(2,820,019)	(1,950,457)
Cash flow from financing activities (3)		32,283	(60,673)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(22,852)	(40,256)
Effect of currency conversion differences		(32,228)	(5,374)
Cash and cash equivalents - perimeter alteration		(1,071)	-
Cash and equivalent at the beginning of the year	30	246,063	291,693
Cash and equivalent at the end of the year	30	189,912	246,063

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 420,000,000 euros, represented by 420,000,000 shares with the nominal value of 1 euro each, and its core business is the implementation and management of investments, the coordination and supervision of other companies included in or related to its business Group.

On 19 October 2012, the share capital was reduced to 210,000,000 euros, henceforth being represented by 420,000,000 shares with the nominal value of 0.50 euros (Note 33).

The corporate universe of Teixeira Duarte ("Group") is composed of the participated companies indicated in Notes 4, 23, and 24. The Group's core activities are: Construction; Concessions and Services; Real Estate; Hotel Services; Distribution; Energy and Automobile (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. The operations conducted abroad are included in the consolidated financial statements pursuant to the policy described in Note 2.9.

2. MAIN ACCOUNTING POLICIES

2.1. Basis of presentation

The consolidated financial statements have been prepared under the assumption of the continuity of operations, based on the accounting books and records of the companies included in the consolidation (Note 4), adjusted in accordance with the consolidation process, in order to conform with the provisions of the International Financial Reporting Standards adopted by the European Union, effective for financial years beginning on 1 January 2013.

The standards include the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and respective interpretations, issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"), respectively, whose adoption has been approved by the European Union. Hereinafter, these standards and interpretations shall be referred to in general as "IFRS".

The financial statements were prepared under the historical cost convention, except with respect to investment properties, financial assets available for sale and derivative financial instruments.

The following standards, interpretations, amendments and revisions endorsed by the European Union are of compulsory application for the first time in the financial year ended on 31 December 2013:

Standard / Interpretation	Applicable in financial years starting on or after	Comments
Amendment to IFRS 1 - First-time Adoption of the International Financial Reporting Standards (government loan)	1-Jan-13	This amendment exempts entities which adopt the IFRS for the first time from the retrospective application of the provisions of IAS 39 and paragraph 10A of IAS 20 relative to government loans.
Amendment to IFRS 7 - Financial Instruments: disclosures (Offsetting financial assets and financial liabilities)	1-Jan-13	This amendment requires additional disclosures in terms of financial instruments, in particular those related to offsetting financial assets and financial liabilities.
Amendment to IAS 1 - Presentation of Financial Statements (Other comprehensive income)	1-Jul-12	This amendment consists of the following alterations: (i) the items comprising Other Comprehensive Income and which will, in the future, be recognised through profit or loss for the year are now presented separately; and (ii) The Comprehensive Income Statement is henceforth also referred to as the Statement of Profit and Loss and Other Comprehensive Income.

Standard / Interpretation	Applicable in financial years starting on or after	Comments
Revision of IAS 19 – Employee Benefits	1-Jan-13	The revision of this standard covered various alterations, namely: (i) recognition of the actuarial and financial gains and losses arising from differences between the assumptions used in the determination of liabilities and expected income of assets and the values effectively observed, as well as those arising from alterations of actuarial and financial assumptions occurred during the year, against reserves (other comprehensive income); (ii) a single interest rate is henceforth applied in the determination of the present value of the liabilities and expected return of the plan's assets; (iii) the gains recorded through profit or loss correspond only to current service cost and net expenses related to interest; (iv) introduction of new requirements in terms of disclosure.
IFRS 13 – Measurement at Fair Value (new standard)	1-Jan-13	This standard has replaced the existing guidelines in the different IFRS standards relative to the measurement of fair value. This standard is applicable when another IFRS standard requires or permits measurements or disclosures of fair value.
IFRIC 20 – Recording of certain stripping costs in the production phase of a surface mine	1-Jan-13	This interpretation clarifies the recording of certain stripping costs incurred during the production phase of a surface mine.
Improvements to the international financial reporting standards (2009-2011 cycle)	1-Jan-13	These improvements involve the revision of various standards, namely IFRS 1 (repeated application of the standard), IAS 1 (comparative information), IAS 16 (service equipment), IAS 32 (tax effect of the distribution of equity instruments) and IAS 34 (segmental information).

There were no relevant impacts on the consolidated financial statements for the year ended on 31 December 2013, arising from the adoption of the standards and interpretations, amendments and revisions referred to above.

The following standards, interpretations, amendments and revisions, of compulsory application in future financial years had been endorsed by the European Union by the date of approval of these financial statements:

Standard / Interpretation	Applicable in financial years starting on or after	Comments
IFRS 10 – Consolidated Financial Statements	1-Jan-14	This standard establishes the requirements relative to the presentation of consolidated financial statements by the parent company, replacing, with regard to these aspects, standard IAS 27 – Consolidated and Separate Financial Statements and SIC 12 – Consolidation – Special Purpose Entities. This standard also introduces new rules with respect to the definition of control and the determination of the consolidation perimeter.
IFRS 11 – Joint Arrangements	1-Jan-14	This standard has replaced IAS 31 – Joint Ventures and SIC 13 – Jointly Controlled Entities – Non-monetary Contributions by Venturers, and eliminated the possibility of use of the proportional consolidation method in the statement of interests in joint ventures.
IFRS 12 – Disclosures of Interests in Other Entities	1-Jan-14	This standard has established a new series of disclosures relative to interests in subsidiaries, joint arrangements, associates and non-consolidated entities.
IAS 27 – Separate Financial Statements (2011)	1-Jan-14	This amendment has restricted the scope of application of IAS 27 to separate financial statements
IAS 28 – Investments in Associates and Jointly Controlled Entities (2011)	1-Jan-14	This amendment now ensures consistency between IAS 28 – Investments in Associates and the new standards endorsed, in particular IFRS 11 – Joint Arrangements.
Amendment to standards: IFRS 10 – Consolidated Financial Statements; IFRS 12 – Disclosures of Interests in Other Entities (Investment Entities)	1-Jan-14	This amendment has introduced exemption from consolidation for certain entities which meet the definition of an investment entity. It also establishes the rules for the measurements of investments held by these investment entities.

Standard / Interpretation	Applicable in financial years starting on or after	Comments
Amendment to IAS 32 - Offsetting Financial Assets and Liabilities	1-Jan-14	This amendment has clarified certain aspects of the standard related to the application of requirements for offsetting financial assets and liabilities.
Amendment to IAS 36 - Impairment (Disclosures on the recoverable amount of non-financial assets)	1-Jan-14	This amendment eliminates the requirements of disclosure of the recoverable amount of a cash-generating unit with goodwill or intangibles with undefined useful life allocated in periods where no impairment loss or reversal of impairment was recorded. It introduces additional disclosure requirements for assets relative to which an impairment loss or reversal of impairment has been recorded and the their recoverable amount was determined based on fair value minus selling costs.
Amendment to IAS 39 - Financial Instruments: recognition and Measurement (Reformulation of derivatives and continuation of hedge accounting)	1-Jan-14	This amendment has enabled, under certain circumstances, the continuation of hedge accounting when a derivative classified as a hedge instrument is reformulated.

The Company did not proceed with the early application of any of these standards in the financial statements for the year ended on 31 December 2013.

Due to the enforcement on 1 January 2014 of IFRS 11 - Joint Arrangements, the statement of interests in joint ventures as mentioned in Note 2.3. b) will no longer be permitted. Therefore, as of 1 January 2014 the proportional consolidation of these assets and liabilities will be discontinued and they will be henceforth recognised in the consolidated financial statements by the equity method. In accordance with the equity method, financial holdings are recorded at their acquisition cost adjusted by the value corresponding to the group's holding in the changes in the equity (including net income) of these companies against gains or losses for the year and dividends received, net of accumulated impairment losses. The impacts of this alteration on the financial position and consolidated income statement will be as follows:

	2013	Adjustment	2013 "Restated"	
Non-current assets	1,494,935	540	1,495,475	Financial Position
Current assets	1,288,661	(4,893)	1,283,768	
Total Assets	2,783,596	(4,353)	2,779,243	
Equity attributable to shareholders	325,407	-	325,407	
Non-controlling interests	35,321	-	35,321	
Total Equity	360,728	-	360,728	
Non-current liabilities	1,085,881	(1,473)	1,084,408	
Current liabilities	1,336,987	(2,880)	1,334,107	
Total Liabilities	2,422,868	(4,353)	2,418,515	
Total Equity + Liabilities	2,783,596	(4,353)	2,779,243	
	2013	Adjustment	2013 "Restated"	
Operating income	1,629,927	(627)	1,629,300	Income Statement
Operating costs	(1,416,813)	799	(1,416,014)	
EBITDA	213,114	172	213,286	
Amortisation and depreciation	(62,856)	11	(62,845)	
Provisions and impairment losses	(36,213)	126	(36,087)	
EBIT	114,045	309	114,354	
Financial results	(101,246)	(309)	(101,555)	
Earnings before tax	12,799	-	12,799	
Income tax	51,947	-	51,947	
Net income	64,746	-	64,746	
Attributable to:				
Shareholders	63,974	-	63,974	
Non-controlling interests	772	-	772	

The following standards, interpretations, amendments and revisions, of compulsory application in future financial years had not been endorsed by the European Union by the date of approval of these financial statements:

Standard / Interpretation	Comments
IFRS 9 – Financial Instruments (2009) and subsequent amendments	This standard is included in the draft revision of IAS 39 and establishes the requirements for the classification and measurement of financial assets.
Amendments to standards: IFRS 9 – Financial Instruments (2013) IFRS 7 – Financial Instruments Disclosures	The amendment to IFRS 9 is included in the draft revision of IAS 39 and establishes the requirements for the application of hedge accounting rules. IFRS 7 was also revised as a result of this amendment.
Amendment to IAS 19 – Employee Benefits	This amendment clarifies the circumstances under which the contributions of employees to post-employment benefit plans constitute a reduction of the cost related to short term benefits.
Improvements to the international financial reporting standards (2011–2013 cycle)	These improvements involve the revision of various standards.
IFRIC 21 – Payments to the State	This amendment establishes the conditions regarding the timing of the recognition of a liability related to the payment to the State of a contribution by an entity as a result of a particular event (for example, participation in a certain market), when this payment is not made in exchange of the specified goods and services.

These standards have not yet been endorsed by the European Union and, as such, were not applied by the Group in the financial year ended on 31 December 2013.

2.2. Judgements and estimates

The preparation of the consolidated financial statements in conformity with principles of recognition and measurement of the IFRS requires the Executive Board of Directors to make judgements, estimates and assumptions that might affect the reported value of assets and liabilities.

These estimates are based on the best knowledge existing at all times and on the planned actions, and are periodically reviewed based on the available information. Changes in facts and circumstances may lead to the need to review the estimates, hence the actual future results may differ from these estimates.

The significant estimates and assumptions made by the Board of Directors in preparing these consolidated financial statements include, namely, the assumptions used in the treatment of the following aspects:

Impairment of non-current assets (except goodwill)

The determination of a possible impairment loss can be triggered by the occurrence of different events, many of which are outside the sphere of influence of the Group, such as the availability of future financing, the cost of capital or any other changes.

The identification of impairment indicators, the estimate of future cash flows and the determination of the recoverable amount of assets imply a high degree of judgement by the Board of Directors regarding the identification and evaluation of various impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

Impairment of goodwill

Goodwill is subject to annual impairment tests or whenever there are indications of a possible loss in value. The recoverable values of the cash flow generating units to which the goodwill is allocated, are determined based on expected cash flow. These calculations require the use of estimates by the Board of Directors regarding the future evolution of the business and discount rates considered.

Useful lives of tangible and intangible assets

The useful life of an asset is the time during which an entity expects an asset to be available for use, which must be reviewed at least at the end of each financial year.

The determination of the useful lives of assets, the amortisation / depreciation method to be applied and estimated losses resulting from the replacement of equipment before the end of its useful life, for reasons of technological obsolescence, is essential to determine the amount of amortisation / depreciation to be recognised in the consolidated income statement for each financial year.

These three parameters are defined according to the management's best estimate for the assets and business in question, also considering the practices adopted by companies in the Group's operating segments.

Provisions and contingent liabilities

The Group periodically analyses possible obligations arising from past events that must be recognised or disclosed. The subjectivity inherent in determining the likelihood of the existence of a present liability and amount of internal resources necessary for the payment of the obligations could lead to significant adjustments, either by changing the assumptions made, or by the future recognition of provisions previously disclosed as contingent liabilities.

Recognition of deferred tax assets

Deferred tax assets are only recognised when there is a reasonable expectation that there will be sufficient future taxable profits to use them or when there are deferred tax liabilities whose reversal is expected to occur in the same period of the reversal of the deferred tax assets. The carrying amount of deferred tax assets is reviewed by the management at the end of each year and takes into consideration the expectation of future tax performance.

Impairment losses of accounts receivable

The credit risk associated to accounts receivable is evaluated at the end of each reporting date, taking into account the debtor's historical information and risk profile. The accounts receivable are adjusted according to the management's assessment of the estimated risks of recovery existing on the reporting date, which may prove to be erroneous.

Recognition of revenue from construction contracts

The Group recognises the earnings of construction contracts in accordance with the percentage completion method, which is defined as the relationship between the incurred costs in each contract up to the reporting date and the sum of these costs with the estimated costs to complete the contract. The assessment of the degree of completion of each contract is periodically reviewed, taking into account the latest production indicators.

Valuation of investment properties

Investment properties are measured at their fair value, which is determined through valuations, in some cases made by independent specialised entities and in accordance with generally accepted valuation criteria for the real estate market. These valuations are based on observable market data and require judgments by the valuator with respect to the transaction conditions of each property in the market, which might diverge from the outcome recorded in the future.

2.3. Principles of consolidation

a) Controlled companies

The controlled companies are consolidated in each financial year through the full consolidation method. Control exists when the Group directly or indirectly holds a majority of the voting rights in the General Meeting, or has the power to determine the financial and operating policies.

Third party participation in the equity and net income of these companies is presented separately in the consolidated statement of profit and loss and other comprehensive income, under the respective headings of "Non-controlling interests"

Significant transactions and balances between these companies were eliminated during the consolidation process. Capital gains arising from the disposal of participated companies, made within the Group, were also annulled.

Whenever appropriate, adjustments are made to the financial statements of the subsidiaries with a view to the standardisation of their accounting policies with those of the Group.

b) Jointly controlled companies

Investments in jointly controlled companies (Note 24) were consolidated through the proportional consolidation method, from the date on which joint control is acquired. According to this method, the assets, liabilities, income and expenditure of these companies were integrated into the consolidated financial statements on a line-by-line basis, in proportion to the Group's control over them.

Transactions, balances and dividends distributed between companies are eliminated in the proportion of the Group's control over them.

The classification of financial investments in jointly controlled companies is determined based on agreements that regulate the joint control.

c) Business combinations

Business combinations, namely the acquisition of jointly controlled companies, are recorded through the acquisition method.

The acquisition cost corresponds to the sum of the fair values of the assets acquired, liabilities incurred or assumed and the equity instruments issued by the Group in exchange for the acquired control. Costs related to the acquisition are recognised as a cost when incurred. When applicable, the acquisition cost also includes the fair value of contingent payments measured on the acquisition date. Subsequent alterations in the value of contingent payments are recorded in accordance with the accounting rules which regulate the recording of the assets or liabilities in question, unless they qualify as an adjustment in the provisional measurement period (with a maximum of 12 months).

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 - Business Combinations ("IFRS 3"), are measured by their fair value on the acquisition date, except for non-current assets (or groups of assets) which are classified as held for sale, in accordance with IFRS 5 - Non-current assets held for sale and discontinued operations ("IFRS 5"), which are recognised and measured at the respective fair value minus the costs to be incurred in their future sale.

Any excess of the acquisition cost increased by the value of the non-controlled interests relative to the fair value of the acquired assets and liabilities is recognised as Goodwill. If the cost of acquisition is less than the fair value of the identified net assets, the difference is recorded as net income gain for the period when the acquisition occurs, after re-confirmation of the attributed fair value.

If the process of recording of the business combinations is incomplete by the end of the year when the combination occurs, the Group discloses this same situation, and the provisioned values may be adjusted during the measurement period (the period between the acquisition date and the date when the Group obtains the complete information on the facts and circumstances that existed on the acquisition date and within the maximum of 12 months), or new assets and liabilities may be recognised so as to reflect facts and circumstances that existed on the reporting date and which, in known cases, would have affected the amounts recognised on the acquisition date.

Non-controlling interests are identified separately in equity by the equity attributable to the shareholders of the Parent Company. Non-controlling interests may be measured initially either at their fair value or by the proportion of the fair value of the assets and liabilities of the acquired subsidiary. This option is made separately for each transaction.

After the initial recognition the book value of the minority interests is determined as the value recognised initially plus the proportion of alterations of equity of the subsidiary. The full income of a subsidiary is attributed to the non-controlling interests even if it is negative.

Changes in the percentage control of subsidiaries that do not result in a loss in control are recorded as equity transactions. The value of the Group's interests and the non-controlled interests is adjusted to reflect the percentage changes. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the transaction price is recognised directly under equity and attributed to the shareholders of the Parent Company.

When the Group loses control over a subsidiary, the gain or loss in the divestment is calculated as the difference between (i) the aggregate amount of the fair value of the price and the fair value of the retained interests and (ii) the book value of the assets (including goodwill) and the liabilities of the subsidiary and of the non-controlling interests. Amounts recognised previously as other comprehensive income are transferred to profit or loss for the year or transferred to retained earnings in the same way as would be the case if the related assets or liabilities were sold. The fair value of the retained interests corresponds to the fair value in the initial recognition for the effect of subsequent recording under IAS 39 - Financial instruments or, as and when applicable, the cost for the effect of the initial recognition of an investment in an associate or joint venture.

d) Investments in associates

An associate is a company in which the Group exercises significant influence, through participation in decisions relative to its financial and operating policies, but does not have control or joint control over it.

Financial investments in most of the associates (Note 23) are recorded through the equity method, except when they are classified as held for sale, with the shares initially stated at acquisition cost, which is increased or decreased according to the difference between this cost and the proportional value of the holding in the equity of these companies reported on the date of acquisition or first application of this method.

Pursuant to the equity method, financial holdings are adjusted periodically by the amount corresponding to the participation in the net income of the associated companies against "Earnings from associates", and through other changes in their equity against "Adjustments of holdings in associates", as well as through the recognition of impairment losses. Furthermore, the dividends received from these companies are recorded as a reduction in the value of financial investments.

Losses in associates which exceed the investment made in these entities are not recognised unless the Group has undertaken commitments in relation to them.

Any excess of the acquisition cost over the fair value of the identifiable net assets is recorded as "Investments in associates - goodwill". In cases where the acquisition cost is lower than the fair value of the identified net assets, the difference is recorded as a gain in the income statement for the year in which the acquisition occurs.

Unrealised gains on transactions with associates are eliminated in proportion to the Group's interest in the associate, against the investment made in that associate. Unrealised losses are eliminated in a similar manner, but only to the extent that the loss does not show that the transferred asset is impaired.

e) Goodwill

Differences between the acquisition cost of the investments in subsidiaries, jointly controlled and associates, plus, in the case of subsidiaries, the value of the non-controlled interests and fair value of the identifiable assets and liabilities of these companies on their acquisition date, if positive, are recorded as goodwill (in the case of subsidiaries and jointly controlled companies) or maintained under the heading of investments in associates.

Goodwill is recognised as an asset and is not subject to amortisation, and is presented separately in the consolidated statement of financial position or under the heading "Investments in associates" (Notes 19 and 23). Regarding the goodwill of subsidiaries and jointly controlled companies, annually, or whenever there are indications of a possible loss in value, the goodwill values are subject to impairment tests. Any impairment loss is immediately recorded as a cost in the consolidated income statement for the period and is not subject to subsequent reversal.

Upon the disposal of a subsidiary, associate or jointly controlled company, the corresponding goodwill is included in the determination of the capital gain or loss.

Where the acquisition cost is less than the fair value of the identified net assets, the difference is recognised as a gain for the period in which the acquisition occurs.

2.4. Intangible assets

Intangible assets essentially comprise contractual rights and costs incurred in specific projects with future economic value, and are stated at cost, minus accumulated depreciation and impairment losses. Intangible assets are recognised only if it is probable that they will produce future economic benefits for the Group, are controllable by the Group and their value can be measured reliably.

Internally generated intangible assets, including expenditure on current research and development, are recognised as a cost for the period when they are incurred.

Internal costs relating to the maintenance and development of software are recorded as costs in the income statement when incurred, except when such costs relate directly to projects which will probably generate future economic benefits for the Group. In such cases, these costs are capitalised as intangible assets.

Amortisation is calculated, after the beginning of use of the assets, through the straight-line method, in accordance with the year of utility that the Group expects of the assets concerned.

2.5. Tangible fixed assets

Tangible fixed assets used in production, services rendered or for administrative use are recorded at acquisition or construction cost, including the expenses incurred with their acquisition, minus accumulated depreciation and impairment losses, when applicable.

Tangible fixed assets are depreciated through the straight-line method, according to their estimated useful life, from the date on which they are available to be used for the intended purpose and cease when the assets become classified as non-current assets held for sale. Depreciation is calculated in accordance with the following estimated useful lives:

	Years of useful life
Buildings and other constructions	5 - 20
Basic equipment	4 - 8
Transport equipment	3 - 7
Tools and utensils	3 - 7
Administrative equipment	2 - 10
Other tangible fixed assets	1 - 4

Improvements and upgrades are only recognised as assets when they correspond to the replacement of goods, which are written-off, or lead to an increase in future economic benefits.

Tangible fixed assets in progress correspond to tangible assets under construction and are recorded at acquisition cost minus any impairment losses. These tangible fixed assets are depreciated as from the time when the underlying assets are able to be used for the intended purposes.

Capital gains or losses arising from the sale or write-off of tangible fixed assets are determined by the difference between the sales price and the net book value on the date of sale/write-off and stated at their net worth in the income statement under "Other operating income" or "Other operating costs", as applicable.

2.6. Leasing

Lease contracts are classified as: (i) financial leases, if all the risks and benefits of their ownership are transferred substantially; or (ii) operating leases, if all the risks and benefits of ownership are not transferred substantially.

Leases are classified as financial or operating leases according to the nature of the contract and not its form.

Assets acquired under financial lease contracts, as well as the corresponding liabilities, are recorded through the financial method, recognising the asset, the corresponding accumulated depreciation and the outstanding debts payable pursuant to the contractual financial plan. Furthermore, the interest included in the lease instalments and depreciation / amortisation of the assets are recognised as costs in the income statement of the period to which they refer.

For operating leases, the instalments payable are recognised as a cost in the income statement on a straight line basis during the year of the lease contract.

2.7. Impairment of non-current assets, excluding goodwill

Impairment is assessed whenever events or changes in circumstances indicate that the amount at which an asset is recognised might not be recovered. When such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extent of the impairment loss.

In situations where the individual asset does not generate cash flow independently of other assets, the recoverable value is estimated for the cash flow generating unit to which the asset belongs.

Whenever the amount for which the asset is recorded is greater than its recoverable value, an impairment loss of the difference is recognised, which is recorded in the income statement under the heading "Provisions and impairment losses in depreciable and amortisable assets and goodwill".

The recoverable amount is the highest value between an asset's net sales price (sales price minus the costs of its sale) and its value in use. The net sales price is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable parties, minus the costs directly attributable to the sale. The value in use is the present value of estimated future cash flows that are expected from continued use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each individual asset or, when this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses is recorded when there are indications that the recognised impairment losses no longer exist or have decreased. The reversal of impairment losses is recognised in the income statement under "Provisions and impairment losses in depreciable and amortisable assets and goodwill" for the year when the reversal occurs. However, the reversal of the impairment loss is made up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in prior years.

2.8. Investment properties

Investment properties, which include land and buildings held for leasing, capital appreciation, or both, are recorded initially at their acquisition price or at construction cost (in the case of own construction investment), including any directly attributable expenditure.

After their initial recognition, all the investment properties, including those that are under construction, are measured at their fair value reflecting market conditions on the reporting date. All gains or losses arising from changes in the fair value of investment properties are recognised through profit or loss for the year when they occur and recorded under the heading "Variation in the fair value of investment properties", included in "Other operating income" or "Other operating costs", depending on whether they refer to gains or losses.

The fair value of each investment property is determined through valuations, in some cases made by independent specialised entities and in accordance with generally accepted valuation criteria for the real estate market. In all other cases, the market value is determined internally, based on criteria similar to those considered by external valuers.

The costs incurred for investment properties in use, namely maintenance, repairs, insurance and taxes, are recognised in the income statement for the year to which they refer. Improvements or upgrades are only recorded as assets when they correspond to the replacement of goods, which are written-off, or lead to an increase in future economic benefits.

2.9. Assets, liabilities and transactions in foreign currency

The financial statements are presented in euro, since this is the currency used preferably in the economic environment in which the Group operates.

Transactions carried out in currencies other than the euro are recorded at the rates prevailing on the transaction date. On each reporting date, the monetary assets and liabilities expressed in foreign currencies are converted into euros using the exchange rates in force on that date. Non-monetary assets and liabilities recorded at fair value denominated in foreign currencies are converted into euros using the exchange rate in force on the date when the fair value was determined.

Favourable and unfavourable exchange rate differences arising from differences between the exchange rates on the date of the transactions and those in force on the date of the collection, payment, or the reporting date of such transactions are recorded as gains and costs in the income statement for the year, except those related to non-monetary items whose change in fair value is directly recorded in equity under the heading "Currency conversion adjustments."

The financial statements of subsidiaries and jointly controlled companies expressed in foreign currencies are converted considering the exchange rate in force on the reporting date for the conversion of assets and liabilities, the historical exchange rate for the conversion of the balances of the equity headings, and the average exchange rate for the year of the conversion of the headings of the statement of profit and loss and other comprehensive income and cash flow statement.

Pursuant to IAS 21 - Effects of changes in foreign exchange rates ("IAS 21"), the goodwill and fair value corrections determined upon the acquisition of foreign entities are considered in the reporting currency of these entities, and are converted into euros at the exchange rate in force on the reporting date. Exchange rate differences generated in this way are recorded under the heading "Currency conversion adjustments."

2.10. Borrowing costs

Borrowing costs are recognised in the income statement for the year to which they refer, except when the financial costs of the loans received are directly related to the acquisition, construction and production of assets that take a substantial period of time to become ready for their intended use, and are capitalised as part of the costs of the asset. The capitalisation of these costs begins after the beginning of the preparation of construction activities or development of the asset and is interrupted after the beginning of use or end of production or construction of the asset or when the project concerned is suspended. Any financial gain arising from loans obtained in advance and which may be allocated to a specific investment is deducted from financial costs eligible for capitalisation.

2.11. Grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the grant conditions.

Operating grants, particularly for employee training, are recognised in the income statement in accordance with costs incurred.

Investment grants relating to the acquisition of tangible fixed assets are included under "Other current liabilities" and "Other non-current liabilities" (as applicable) and are credited to the income statement according to the straight-line depreciation / amortisation of the assets financed with the grants.

2.12. Inventories

Goods and raw materials are stated at acquisition cost, using the average cost as the costing method.

Intermediate and finished products and work in progress are stated at the weighted average cost of production, which includes the cost of the incorporated raw materials, labour and manufacturing overheads (considering the depreciation of production equipment calculated on the basis of normal usage levels), which is below the net realisable value. The net realisable value corresponds to the normal sales price minus the production completion costs and marketing costs.

The difference between the cost value and respective realisation value of the inventories, when the latter is lower than the book value, is recorded as impairment losses in inventories.

2.13. Provisions

Provisions are recognised when and only when: i) the Group has a present obligation (legal or constructive) as a result of a past event, ii) it is probable that a transfer of economic benefits will be required to settle the obligation, and iii) a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each reporting date and adjusted to reflect the best estimate on that reporting date.

2.14. Segmental reporting

A business segment is a group of assets and operations involved in the provision of products and services subject to risks and benefits that are different from other business segments. A geographic segment is a group of assets and operations involved in the provision of products and services in a specific economic environment, which is subject to risks and benefits different from those that affect segments that operate in other economic environments.

The Group presents business segments as operating segments, in a manner consistent with the way the management conducts the business.

2.15. Net operating income

Net operating income includes all the costs and revenues of operating activities, both recurrent and non-recurrent, including restructuring costs and the costs and revenues related to operating assets (tangible fixed assets and other intangible assets). It also includes the capital gains or losses calculated on the sale of companies included in the consolidation using the full or proportional consolidation method. Hence, net financing costs, the net income of associates, other financial investments and income tax are excluded from net operating income.

2.16. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party in the respective contractual relationship.

a) Cash and cash equivalents

The amounts included in "Cash and equivalent" heading correspond to cash, bank deposits, term deposits and other cash investments with a maturity of less than three months and which are immediately repayable on demand with no significant risk of change in value.

b) Accounts receivable

Accounts receivable are measured, when recognised initially, at fair value and subsequently at amortised cost in accordance with the effective interest rate method. When there is evidence that they are impaired, the corresponding adjustment is recorded through profit or loss under the heading "Other operating costs". The recognised adjustment is measured by the difference between the value at which the receivables are recognised and the present value of the cash flows discounted at the effective interest rate determined at their initial recognition.

c) Investments

Investments are recognised on the date when the inherent risks and rewards are transferred substantially. They are initially recorded at their acquisition value, which is the fair value of the price paid, including transaction costs.

Investments are classified as follows:

Financial assets available for sale

Financial assets available for sale are financial investments which are available for sale and are classified as non-current assets.

After initial recognition, the financial assets available for sale are measured by reference to their market value on the reporting date, with no deduction for transaction costs that could arise up to the date of their sale. Gains or losses due to changes in the fair value are recorded in equity, under the heading "Fair value reserve" until the investment is sold, received or disposed in any other way, or when impairment losses are believed to exist, in which case the accumulated gain or loss is recorded in the income statement.

Other investments

Financial assets available for sale in equity instruments that do not have a market price listed in an active market and whose fair value cannot be measured reliably are measured at their acquisition cost minus any accumulated impairment losses, and are recorded under the heading "Other investments".

Furthermore, assets measured at fair value through profit or loss are revalued at their fair value with reference to their market value on the reporting date, without any deduction for transaction costs that may be incurred until their sale. These assets are recognised in the heading "Other investments" and any variation in their fair value is recorded under the heading "Earnings from investment activities - Other".

d) Equity instruments

Equity instruments are classified according to the nature of the contract regardless of their legal form. Equity instruments are contracts that have a residual interest in the Group's assets after deducting its liabilities.

Equity instruments issued by the Group are recorded at the amount received net of the costs incurred to issue them.

e) Accounts payable

Accounts payable are measured initially at fair value and subsequently at amortised cost in accordance with the effective interest rate method.

f) Loans

Loans are initially recorded and recognised as liabilities at their nominal value, net of the costs incurred to issue them and subsequently measured through the amortised cost method. Financial costs, calculated in accordance with the effective interest rate and including premiums payable, are accounted for in accordance with the accrual accounting principle, being added to the book value of the loan if they are not settled during the financial year.

g) Derivative financial instruments and hedge accounting

Derivative financial instruments are used to hedge the financial risks to which the Group is exposed due to changes in interest rates. Therefore, the Group does not resort to financial derivative instruments for speculative purposes.

Financial instruments are used in accordance with internal policies adopted by the Board of Directors.

Derivative financial instruments are measured at their respective fair value and recognised in the heading "Other liabilities/current assets" or "Other non-current liabilities/assets", as applicable. The method of recognition depends on the nature and purpose of their contracting.

The fair value of the derivative financial instruments is determined with reference to stock market values. If the stock market values are not available, the fair value is determined based on the analysis of discounted cash flows, which include assumptions supported on observable market prices or rates.

Hedge accounting

The possibility of classifying a derivative financial instrument as a hedging instrument follows the provisions of IAS 39 - Financial Instruments: recognition and measurement ("IAS 39"), namely relative to the respective documentation and effectiveness.

Changes in the fair value of derivative financial instruments classified as fair value hedges are recognised as a financial profit or loss for the year, as well as changes in the fair value of the asset or liability subject to that risk.

Changes in the fair value of derivative financial instruments classified as cash flow hedges are recorded under the "Hedge operation reserve" for their effective component and through financial profit or loss for their non-effective component. The values recorded under the "Hedge operation reserve" are transferred to the financial profit or loss for the year when the hedged item also has an effect on profit or loss.

Hedge accounting is discontinued when the hedging instrument reaches maturity, is sold or exercised, or when the hedge relationship no longer meets the requirements established in "IAS 39".

2.17. Liabilities related to pensions

The Group offers a retirement plan to its employees.

This insurance plan was established in the context of a social and incentive policy for workers and is of the exclusive initiative of the subsidiary companies where these benefits are attributed. Characterised by their voluntary nature, contributions that are deemed appropriate at any given time are subject to the sole discretion of their board of directors, taking into account the performance and economic and financial situation. Thus, the contributions made by the Group are recorded as a cost on the date when they are due.

2.18. Income tax

Income tax for the year is calculated based on taxable income of the companies included in consolidation and considers deferred taxation.

The current income tax rate is calculated based on the taxable income (which differs from accounting income) of the companies included in the consolidation in accordance with the tax rules in force at the head office of each company of the Group.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and their amounts for taxation purposes, as well as the resulting tax benefits obtained.

Deferred tax assets and liabilities are calculated and periodically evaluated using tax rates that are expected to be in force at the date of reversal of the temporary differences, are not discounted and are recognised as non-current assets or liabilities.

Deferred tax assets are only recorded when there are reasonable expectations of sufficient future tax profits to use them. On each reporting date, the temporary differences underlying deferred tax assets are reviewed to recognise or adjust them according to the current expectation of future recovery. Deferred tax liabilities are recognised for all taxable temporary differences.

2.19. Contingent assets and liabilities

A contingent asset is a possible asset derived from past events and whose existence will only be confirmed by the occurrence or not of uncertain future events.

Contingent assets are not recognised in the consolidated financial statements but are disclosed when an inflow of future economic benefits is probable.

A contingent liability is (i) a possible liability arising from past events and whose existence will be confirmed by the occurrence or not of uncertain future events or (ii) a present liability which arises from past events, but which is not recognised because it is unlikely that there will be an outflow of funds or the possible outflow of funds cannot be measured reliably.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

2.20. Revenue and the accrual principle

Sales

Revenue arising from the sale of goods is recognised in the income statement when all the following conditions have been met:

- The Group has transferred to the buyer the significant risks and rewards of the ownership of the assets;
- The Group maintains neither continued managerial involvement to the extent usually associated with ownership nor effective control over the sold assets;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred with respect to the transaction can be measured reliably.

Sales are recognised net of taxes, discounts and other costs incurred to realise the fair value of the amount received or receivable.

Services rendered

Revenue arising from services rendered is recognised in the income statement with reference to the stage of completion of services on the reporting date.

If the result of a construction contract can be estimated reasonably, the revenue and the related costs are recognised using the percentage of completion method as required by IAS 11 - Construction Contracts ("IAS 11"). According to this method, the income directly related to work in progress is recognised in the income statement according to its percentage of completion, which is determined by the ratio of costs incurred and the total estimated costs of works (costs incurred plus costs to be incurred). Differences between the income calculated through the application of this method and the issued invoices are recorded under the headings "Other current assets" or "Other current liabilities", according to the nature of the differences.

Changes in the works under a construction contract, claims and premiums are considered as they are agreed and when they can be quantified in a sufficiently reliable manner.

To make a reasonable estimate of the result of a contract, the following conditions must be met:

- It is probable that the Group will obtain the economic benefits set out in the contract;
- The costs of the contract are identifiable and can be quantified reliably;
- On the reporting date, it must be possible to reliably measure the necessary costs to complete the construction and the degree of completion thereof, so that the actual costs incurred can be compared with the initial estimates.

In order to meet with the costs to be incurred during the warranty year of the works, the Group recognises a provision to hedge this risk, which is calculated taking into account annual production and the record of past costs incurred in works during the warranty year.

If it becomes probable that the costs exceed the income of the contract, the expected loss is recognised in the income statement for the year to which it refers.

The activities developed under public service concession contracts are accounted for in accordance with IFRIC 12 – Service concession arrangements ("IFRIC 12"), which establishes the provisions to be applied in the measurement, recognition, presentation and dissemination of activities developed under public service concession contracts.

Accrual principle

Income and costs are recorded on an accrual basis, through which they are recognised as they are generated, regardless of when they are received or paid. Income and costs whose actual value is unknown are estimated.

Differences between the amounts invoiced and the corresponding income and costs are recorded under "Other current assets" and "Other current liabilities".

2.21. Classification of financial position

Assets which are realisable and liabilities payable less than one year from the reporting date are classified, respectively, as current assets and liabilities.

Liabilities relative to which there is no unconditional right to defer their payment for a period of at least twelve months after the reporting date are also classified as current.

2.22. Impairment of financial assets

On each reporting date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets available for sale

In the case of financial assets classified as available for sale, a significant or prolonged decline in the fair value of the instrument below its cost is considered as an indicator that the instruments are impaired. If such evidence exists for financial assets classified as available for sale, the accumulated loss (measured as the difference between its acquisition cost and present fair value, minus any impairment loss already recognised through profit and loss) is removed from equity and recognised in the income statement. Impairment losses of equity instruments recognised through profit or loss are not reversed through the income statement.

Customers, receivables and other financial assets

Impairment losses are recorded whenever there are clear indicators that the Group will not be able to collect all the amounts to which it is entitled, in accordance with the original terms of the established contracts. Various indicators are used to identify them, such as:

- age of the loan;
- financial difficulties of the debtor;
- probability of insolvency of the debtor.

Impairment losses are measured by the difference between the recoverable amount and the financial position value of the financial asset and recognised through profit or loss. Whenever a certain amount is considered as uncollectible it is written-off through the respective accumulated impairment loss. Subsequent recoveries of amounts that have been written-off are recognised through profit or loss.

2.23. Non-current assets held for sale

Non-current assets (or discontinued operations) are classified as held for sale whenever it is determined that their value will be recovered through their sale and not through

their continued use. This situation is considered to occur only when: (i) the sale is highly probable; (ii) the asset is available for sale immediately in its current conditions; (iii) the management is committed to a sales plan and, (iv) it is expected that the sale will take place within the period of twelve months.

Non-current assets (or discontinued operations) classified as held for sale are measured at the lowest value of their book value and respective fair value minus the costs of their sale.

2.24. Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to the ordinary shareholders of TD, S.A. by the weighted average number of shares in circulation during the year.

Diluted earnings per share are calculated by dividing the earnings attributable to the ordinary shareholders of TD, S.A. by the weighted average number of shares in circulation during the year, adjusted by potential ordinary diluting shares.

Potential ordinary diluting shares can result from options over shares and other financial instruments issued by the Group, convertible into shares of the Company.

2.25. Subsequent events

Events occurring after the reporting date that provide additional information about conditions that existed on the reporting date are duly reflected in the consolidated financial statements.

Events occurring after the reporting date that provide additional information on conditions that occurred after the reporting date are disclosed in the notes to the consolidated financial statements.

3. ALTERATIONS OF POLICIES, ESTIMATES AND ERRORS

During the year ended on 31 December 2013, there were no alterations to the accounting policies in relation to those considered in the preparation of the financial information relative to the year ended on 31 December 2012, including new standards and interpretations, amendments or revisions approved by the European Union, of impact on the Consolidated Financial Position or Consolidated Net Income of the operations, and no significant material errors or alterations made to accounting estimates were recorded relative to previous years.

4. COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 31 December 2013, 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
INTERNAL MARKET		
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%

Corporate name	Head office	Effective percentage holding
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%
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%

(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.

Corporate name	Head office	Effective percentage holding
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		
BONAPAPÉL - 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%
AUTOMOBILE		
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
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%
EXTERNAL MARKET		
SOUTH AFRICA		
DISTRIBUTION		
Global Net Distributors (PTY) Ltd.	Po Box 15318 Farrarmere - Benon - Gauteng 1518 South Africa	100.00%

Corporate name	Head office	Effective percentage holding
ANGOLA		
CONSTRUCTION		
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
CONCESSIONS AND SERVICES		
EDUCARE - Atividades 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%
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%
AUTOMOBILE		
AUTO COMPETIÇÃO Angola, Lda.	Rua Eugénio de Castro, Instalações do Cine Atlântico Luanda	100.00%
AUTO 8, Lda.	Via A-1, Lote CCB-5 - Polo 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%

Corporate name	Head office	Effective percentage holding
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%
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, Empreendimento 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%

Corporate name	Head office	Effective percentage holding
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%
GIBRALTAR		
CONSTRUCTION		
Teixeira Duarte International, Ltd.	23, Portland House - Glacis Road Gibraltar	100.00%
MACAU		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Rua de Xangai, 175 Edifício Associação Comercial de Macau, 10 A Macau	100.00%
MOZAMBIQUE		
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%

Corporate name	Head office	Effective percentage holding
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. 24 de Julho, 141 Maputo	98.72%
<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%
<u>VENEZUELA</u>		
CONSTRUCTION		
Consortio Boyacá - La Guaira	Av. San Juan Bosco Ota Coromoto no Aplica Urb. Altamira Caracas - Venezuela	57.20%

5. ALTERATIONS IN THE CONSOLIDATION PERIMETER

During the fourth quarter of 2013, control was lost of the company in which the Group has a stake "TEGAVEN - Teixeira Duarte Y Asociados, C.A.", with this holding having been consolidated by the full method up to September 2013, and with the respective impact on the consolidated statement of profit and loss and other comprehensive income.

It should also be noted that the following companies were dissolved during 2013:

- MERCAPETRO - Produtos Petrolíferos, S.A.
- ANGOCIME - Cimentos de Angola, Lda.
- BEL - ere - Engenharia e Reabilitação de Estruturas Angola, Lda.
- CASANGOL - Gestão Imobiliária, Lda.
- EMPA Logística, Ltda.

6. EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into euros as at 31 December 2013 and 2012, as well as the earnings of the operations developed in countries where the functional currency is different from the euro, for the years ended on 31 December 2013 and 2012:

Currency	Closing rate			Average rate		
	2013	2012	Var	2013	2012	Var
US Dollar	1.3791	1.3194	4.5%	1.3300	1.2932	2.8%
Macaense Pataca	11.0141	10.5328	4.6%	10.6251	10.3322	2.8%
Mozambican Metical	41.2400	39.2400	5.1%	39.6346	36.3715	9.0%
Venezuelan Bolivar	8.6774	5.6664	53.1%	7.9551	5.5539	43.2%
Angolan Kwanza	134.5920	126.8460	6.1%	128.0569	123.6906	3.5%
Algerian Dinar	108.1034	103.1890	4.8%	105.7237	100.1353	5.6%
Moroccan Dirham	11.2621	11.1526	1.0%	11.1687	11.1061	0.6%
Brazilian Real	3.2576	2.7036	20.5%	2.8791	2.5220	14.2%
Ukrainian Hryvnia	11.3638	10.6212	7.0%	10.8397	10.4501	3.7%
Namibian Dollar	14.5660	11.1727	30.4%	12.8713	10.5725	21.7%
Cape Verdean Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian Rouble	45.3246	40.3295	12.4%	42.4441	40.2354	5.5%
Tunisian Dinar	2.2701	2.0492	10.8%	2.1578	2.0088	7.4%
South Africa Rand	14.5660	11.1727	30.4%	12.8713	10.5725	21.7%
Columbian Peso	2.661.6600	2.331.3800	14.2%	2.489.0092	n.a.	-

7. INFORMATION BY SEGMENT

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

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

The sales and services rendered and the earnings of each of operating segment referred to above for the years ended on 31 December 2013 and 2012, were as follows:

Segment	Sales and services rendered						Net operating income	
	2013			2012			2013	2012
	Customers abroad	Inter-segmental	Total	Customers abroad	Inter-segmental	Total		
Construction (Note 32)	800,259	81,449	881,708	617,138	63,143	680,281	46,645	27,716
Concessions and services	74,216	19,296	93,512	59,268	18,262	77,530	(6,612)	3,262
Real estate	83,205	15,041	98,246	114,032	15,024	129,056	21,974	32,575
Hotel services	78,422	14,610	93,032	84,539	10,389	94,928	17,265	25,337
Distribution	210,535	8,758	219,293	175,163	7,604	182,767	15,967	26,746
Energy	114,717	2,259	116,976	129,216	2,733	131,949	1,731	1,544
Automobile	219,605	14,387	233,992	203,970	6,136	210,106	32,558	41,331
Not allocated to segments	-	2,606	2,606	-	-	-	(15,861)	(15,133)
Elimination	-	(158,406)	(158,406)	-	(123,291)	(123,291)	378	(135)
	1,580,959	-	1,580,959	1,383,326	-	1,383,326	114,045	143,243
Financial costs and losses (Note 15)							(156,072)	(144,593)
Financial income and gains (Note 15)							49,177	67,214
Earnings from investment activities (Note 15)							5,649	(2,682)
Earnings before tax							12,799	63,182

Inter-segmental transactions are carried out under market conditions and terms, equivalent to transactions made 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	
	2013	2012	2013	2012	2013	2012
Construction	65,583	64,008	34,709	36,036	21,181	(946)
Concessions and services	7,519	3,480	4,119	3,892	14,648	5,841
Real estate	16,831	4,399	6,171	2,643	194	(497)
Hotel services	4,914	8,810	7,928	10,498	-	700
Distribution	35,081	28,420	6,078	4,307	-	-
Energy	6,811	8,487	1,813	1,870	-	-
Automobile	6,706	2,308	2,036	1,499	-	7
Not allocated to segments	-	-	2	2	190	-
	143,445	119,912	62,856	60,747	36,213	5,105

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 31 December 2013 and 2012, are as follows:

	Assets								Liabilities	
	2013				2012				2013	2012
	Investments in associates (Note 23)	Financial assets available for sale (Note 25)	Other assets	Total	Investments in associates (Note 23)	Financial assets available for sale (Note 25)	Other assets	Total		
Construction	989	-	1,853,966	1,854,955	5,427	-	1,651,788	1,657,215	1,435,524	1,196,820
Concessions and services	842	25,208	232,336	258,386	837	19,031	228,447	248,315	176,292	157,604
Real estate	71	54,080	1,565,408	1,619,559	87	25,542	1,562,127	1,587,756	887,726	1,179,400
Hotel services	-	-	303,808	303,808	-	-	329,252	329,252	215,297	285,463
Distribution	-	-	221,756	221,756	-	-	154,397	154,397	184,806	118,529
Energy	24	-	76,064	76,088	24	-	79,698	79,722	49,271	52,289
Automobile	-	-	146,448	146,448	-	-	151,887	151,887	108,128	118,917
Not allocated to segments	33,972	5,325	971,611	1,010,908	44,334	4,024	337,019	385,377	211,041	50,818
Elimination	-	-	(2,708,312)	(2,708,312)	-	-	(1,826,435)	(1,826,435)	(845,217)	(718,222)
	35,898	84,613	2,663,085	2,783,596	50,709	48,597	2,668,180	2,767,486	2,422,868	2,441,618

The sales and services rendered, and information on non-monetary non-current assets by geographic segment are broken down as follows for the years ended on 31 December 2013 and 2012:

Geographic segment	Sales and services rendered		Non-monetary non-current assets	
	2013	2012	2013	2012
Portugal	297,866	356,778	608,334	630,462
Angola	748,176	703,139	369,578	337,040
Algeria	81,434	56,879	12,395	11,592
Brazil	98,504	88,703	52,643	41,644
Spain	28,253	22,745	12,946	12,236
Mozambique	62,817	37,998	24,911	23,088
Venezuela	253,648	108,842	33,343	31,044
Other	10,261	8,242	1,341	1,901
	1,580,959	1,383,326	1,115,491	1,089,007

8. OPERATING INCOME

Operating income for the years ended on 31 December 2013 and 2012 was as follows:

	2013	2012
(a) Own work capitalised essentially arises from the capitalisation of costs associated to the construction of properties.		
Sales and services rendered:		
Sales	1,316,222	1,126,316
Services rendered	264,737	257,010
	1,580,959	1,383,326
Other operating income:		
Own work capitalised (a)	7,559	6,679
Supplementary income	6,483	9,197
Disposal of assets (b)	5,695	6,674
Inventory gains	5,512	4,372
Reversal of impairment losses of accounts receivable (Note 28)	4,192	6,491
Reversal of impairment losses of inventories (Notes 9 and 10)	2,320	412
Correction of previous financial years	1,997	3,823
Tax refunds	1,853	1,891
Variation in the fair value of investment properties (Note 22)	438	2,936
Other operating income	12,919	14,300
	48,968	56,775
	1,629,927	1,440,101
(b) The reported gains were obtained through the divestment of tangible fixed assets to the value of 5,695 thousand euros (6,672 thousand euros as at 31 December 2012) (Note 21).		

9. COST OF SALES

During the years ended on 31 December 2013 and 2012, the cost of sales was as follows:

	Raw materials and consumables	Goods	Total
Gross assets:			
Balance as at 31.12.11	17,365	140,105	157,470
Currency conversion adjustments	(284)	(2,107)	(2,391)
Settlements	(1,470)	(7,399)	(8,869)
Purchases	104,257	442,599	546,856
Cost for the year	(92,131)	(427,344)	(519,475)
Balance as at 31.12.12	27,737	145,854	173,591
Currency conversion adjustments	(1,922)	(4,650)	(6,572)
Settlements	(200)	(11,619)	(11,819)
Purchases	156,724	442,971	599,695
Cost for the year	(163,961)	(419,401)	(583,362)
Balance as at 31 December 2013	18,378	153,155	171,533
Accumulated impairment losses in inventories:			
Balance as at 31.12.11	84	1,731	1,815
Currency conversion adjustments	(4)	(104)	(108)
Reinforcements (Note 14)	97	4,944	5,041
Reductions (Note 8)	(3)	(409)	(412)
Settlements	-	(176)	(176)
Balance as at 31.12.12	174	5,986	6,160
Currency conversion adjustments	151	(285)	(134)
Reinforcements (Note 14)	258	3,121	3,379
Reductions (Note 8)	(158)	(952)	(1,110)
Settlements	(149)	(77)	(226)
Balance as at 31 December 2013	276	7,793	8,069
Net value as at 31.12.12	27,563	139,868	167,431
Net value as at 31 December 2013	18,102	145,362	163,464

10. CHANGE IN PRODUCTION

The statement of change in production recorded for the years ended on 31 December 2013 and 2012 was as follows:

	Products and works in progress	Finished and intermediate products	Total
Gross assets:			
Balance as at 31.12.11	135,183	17,744	152,927
Currency conversion adjustments	(6,653)	-	(6,653)
Settlements	1,884	-	1,884
Change in production	337	(1,295)	(958)
Balance as at 31.12.12	130,751	16,449	147,200
Currency conversion adjustments	(9,191)	-	(9,191)
Settlements	(5,818)	-	(5,818)
Change in production	774	(6,535)	(5,761)
Balance as at 31 December 2013	116,516	9,914	126,430
Accumulated impairment losses in inventories:			
Balance as at 31.12.11	-	-	-
Currency conversion adjustments	(76)	-	(76)
Reinforcements (Note 14)	1,132	-	1,132
Balance as at 31.12.12	1,056	-	1,056
Currency conversion adjustments	(64)	-	(64)
Reinforcements (Note 14)	218	-	218
Reductions (Note 8)	(1,210)	-	(1,210)
Balance as at 31 December 2013	-	-	-
Net value as at 31.12.12	129,695	16,449	146,144
Net value as at 31 December 2013	116,516	9,914	126,430

As at 31 December 2013 and 2012, the products and work in progress refer entirely to real estate enterprises.

As at 31 December 2013 and 2012, the real estate enterprises were being developed by the following entities:

	2013	2012
TD VIA - Sociedade Imobiliária, S.A.	28,838	28,819
QUINTA DE CRAVEL - Imobiliária, S.A.	17,451	17,387
V8 - Gestão Imobiliária, S.A.	15,599	15,492
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	11,894	11,851
TDSP - Volta Redonda, Empreendimentos Imobiliários, SPE, Ltda.	10,163	8,941
TDSP - Gualaxos, Empreendimentos Imobiliários, SPE, Ltda.	8,118	9,498
TDSP - Galeano de Castro, Empreendimentos Imobiliários, SPE, Ltda.	7,296	8,601
TDSP - Bela Vista, Empreendimentos Imobiliários, SPE, Ltda.	2,696	4,682
IMOPREDOUÇOS - Sociedade Imobiliária, S.A.	2,494	1,953
TDSP - Gilberto Sabino, Empreendimentos Imobiliários, SPE, Ltda.	2,357	2,810
TDSP - Alta Vista III, Empreendimentos Imobiliários, SPE, Ltda.	1,780	2,060
TDSP - Don Klabin, Empreendimentos Imobiliários, SPE, Ltda.	1,438	3,252
TDSP 15, Empreendimentos Imobiliários, SPE, Ltda.	1,347	1
TDSP - Zanzibar, Empreendimentos Imobiliários, SPE, Ltda.	1,181	4,163
TDSP - Verum Mooça, Empreendimentos Imobiliários, SPE, Ltda.	540	3,414
TDSP - Alta Vista II, Empreendimentos Imobiliários, SPE, Ltda.	475	2,239
ANGOIMO - Empreendimentos e Construções, Lda.	351	366
TDSP - Maratona, Empreendimentos Imobiliários, SPE, Ltda.	329	465
TDSP - Participações, Ltda.	-	2,334
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	-	847
TDSP 11, Empreendimentos Imobiliários, SPE, Ltda.	-	22
Other	2,169	1,554
	116,516	130,751

As at 31 December 2013 and 2012, there were no inventories pledged as security for liabilities.

11. EXTERNAL SUPPLIES AND SERVICES

For the years ended on 31 December 2013 and 2012, external supplies and services were as follows:

	2013	2012
Outsourcing	198,225	167,108
Specialised work	61,204	51,803
Hire and rental charges	42,701	32,708
Transport of goods	31,687	19,828
Maintenance and repair	22,572	19,678
Fuel	11,393	10,317
Travel and accommodation	10,305	6,980
Transport of people	8,113	5,465
Fees	6,881	4,515
Advertising	5,872	5,829
Electricity	5,515	6,507
Surveillance and security	5,185	5,921
Other	55,519	51,846
	465,172	388,505

12. STAFF COSTS

The average number of employees during the years ended on 31 December 2013 and 2012, by operating segment, was as follows:

	2013	2012
Construction	6,388	6,055
Concessions and services	1,493	1,404
Real estate	107	83
Hotel services	1,568	1,531
Distribution	1,250	837
Energy	228	226
Automobile	899	717
Not allocated to segments	78	-
	12,011	10,853

The heading of "staff costs", for the years ended on 31 December 2013 and 2012, is broken down as follows:

(a) The costs related to retirement benefits correspond to contributions made to the pension insurance (Note 2.17).

	2013	2012
Normal remunerations	145,860	135,717
Other remunerations	80,619	66,601
Charges on remunerations	31,014	28,579
Insurance	4,492	3,783
Retirement benefits (a)	1,774	1,186
Other staff costs	11,884	9,032
	275,643	244,898

13. OPERATING LEASES

For the financial years ended on 31 December 2013 and 2012, 291 thousand euros and 428 thousand euros were recorded, respectively, relative to operating lease instalments, which were recognised under the heading "External supplies and services".

The instalments of operating leases held by the Group at 31 December 2013 and 2012 have the following maturities:

	2013	2012
2013	-	383
2014	140	106
2015	73	66
2016	44	40
2017	3	3
2018 and following	-	-
	260	598

14. OTHER OPERATING COSTS

For the years ended on 31 December 2013 and 2012, other operating costs were as follows:

	2013	2012
Taxes	37,544	30,159
Inventory losses	16,993	11,496
Impairment losses of debts receivable (Note 28)	7,208	5,921
Variation in the fair value of investment properties (Note 22)	6,537	8,327
Reversal of inventory impairment losses (Notes 9 and 10)	3,597	6,173
Losses incurred in the divestment of assets (a)	2,442	1,515
Bad debt	102	2,747
Other operating costs	12,452	10,832
	86,875	77,170

(a) The reported losses were incurred through the divestment of tangible fixed assets to the value of 2,442 thousand euros (1,289 thousand euros as at 31 December 2012) (Note 21).

15. FINANCIAL RESULTS

The financial results for the years ended 31 December 2013 and 2012 were as follows:

	2013	2012
Financial costs and losses:		
Interest paid	(89,547)	(78,305)
Unfavourable currency conversion differences	(41,667)	(37,686)
Other financial costs and losses	(24,858)	(28,602)
	(156,072)	(144,593)
Financial income and gains:		
Interest received	9,973	21,079
Favourable currency conversion differences	34,289	39,995
Cash discounts received	559	663
Other financial income and gains	4,356	5,477
	49,177	67,214
Earnings from investment activities:		
Earnings from associates (a)	(99)	7,892
Dividends (b)	1,555	2,458
Other investments (c)	2,994	2,239
Gains / losses in the measurement of assets available for sale (d)	1,199	(15,271)
	5,649	(2,682)
Financial results	(101,246)	(80,061)

(a) The earnings from associates relative to the year ended on 31 December 2013 include the effect of the application of the equity method to the investments in associates of (370) thousand euros (7,949 thousand euros as at 31 December 2012) (Note 23).

During the year ended on 31 December 2013, the Group sold 20% of the share capital of "VOTORANTIM Macau Investimentos, S.A." for the value of 11,668 thousand euros (Note 30), having recorded capital gains of 271 thousand euros.

During the year ended on 31 December 2012, there was a merger operation involving "ALVORADA PETRÓLEO, S.A." which gave rise to "ALVOPETRO, S.A.", which was henceforth also 43.2% held by the Group. Also during 2012, the Group sold "ALVOPETRO, S.A.", recording capital gains of 5,634 thousand euros.

Furthermore, the Group sold its preferred shares in "ALVORADA PETRÓLEO, S.A.", recording capital gains of 35 thousand euros, and also recorded an impairment loss relative the stake held in "ALVORADA PETRÓLEO, S.A.", with an impact on the financial results of 5,726 thousand euros.

b) As at 31 December 2013, the reported values correspond to dividends received from "Financial assets available for sale" of 533 thousand euros (533 thousand euros as at 31 December 2012) (Note 25) and the rest refers to "Other investments" (Note 26).

(c) The heading "Other investments" records gains and losses upon the divestment of Financial assets available for sale at fair value (Note 26).

(d) During the year ended on 31 December 2013, the Group sold 37,211,281 shares of "Banco Comercial Português, S.A." (Note 25) for the value of 3,990 thousand euros, having recorded capital gains of 1,199 thousand euros.

As at 31 December 2012, the reported values correspond to the recording of impairments of "Financial assets available for sale" of 26,596 thousand euros and the divestment of subscription rights of "Banco Comercial Português, S.A." of 11,325 thousand euros.

During the year ended on 31 December 2013, interest was capitalised in the acquisition cost of qualifying assets of the total value of 956 thousand euros (550 thousand euros as at 31 December 2012). For the purposes of the capitalisation of financial costs associated to the acquisition cost of the qualifying assets, an average rate of 7% was used as at 31 December 2013 (5.2% as at 31 December 2012).

16. INCOME TAX

"TD, S.A." and most of the companies in which it has a stake based in Portugal, are subject to Corporate Income Tax (IRC) at the rate of 25%. 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 and 7,500,000 euros, at the rates of 3% and 5%, 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.

For the calculation of the taxable profit, to which the aforesaid tax rates are applied, after deduction of the tax losses carried forward, non-acceptable amounts for tax purposes are added to and/or subtracted from the book value profit. 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.

"TD, S.A." and the companies in which it, directly or indirectly, holds a stake of at least 90% of their capital, provided that this confers the Company over 50% of the voting rights, with head office and effective management located in Portugal, are taxed under the special taxation scheme for groups of companies (RETGS). This scheme consists of the aggregation of the taxable assets and liabilities of all the companies included in the consolidation perimeter, as provided in article 63 of the Corporate Income Tax Code, with the application of the IRC rate to the overall amount obtained in this manner, after deduction of the tax losses carried forward. The value of tax calculated in this form is increased by the Municipal and State Surcharge, if applicable, calculated individually and at the rates referred to above, as well as by the autonomous taxation calculated for each company.

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 December 2013.

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 27).

The income taxes recognised for the years ended on 31 December 2013 and 2012 are as follows:

	2013	2012
Current tax:		
Income tax in Portugal	(12,193)	(15,369)
Income tax in other jurisdictions	(40,101)	(39,885)
Current tax	(52,294)	(55,254)
Deferred tax (Note 27):	104,241	18,129
	51,947	(37,125)

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to (6,836) thousand euros were recorded directly in equity for the year ended on 31 December 2013 (443 thousand euros as at 31 December 2012) (Note 27).

Law number 2/2014, of 16 January, which reformed the taxation of companies, and amended the Corporate Income Tax Code (IRC Code), namely with respect to the applicable IRC rate, which changed from 25% to 23%, and the creation of an additional bracket to the State Surcharge in which a rate of 7% is applied to the portion of the taxable profit of each company which is higher than 35,000 thousand euros, as well as regarding the form of taxation of capital gains and losses related to the onerous transfers of holdings.

Accordingly, when applicable, the Group corrected the recorded deferred tax assets, in particular:

- The deferred tax assets of "Financial assets available for sale", with a negative impact on net income of the value of 5,376 thousand euros, relative to the rate reduction to 23% (Note 27);
- The deferred tax assets of "Financial assets available for sale", with a positive impact on net income of the value of 70,863 thousand euros, relative to the alteration of the form of taxation of capital gains and losses related to the onerous transfers of holdings (Note 27);

17. EARNINGS PER SHARE

Earnings per share for the years ended on 31 December 2013 and 2012 were calculated taking into account the following amounts:

	2013	2012
Earnings for the effect of calculating net earnings per basic share (net income for the year)	63,974	24,003
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420,000	420,000
Earnings per basic share	0.15	0.06

Since, for the financial years ended on 31 December 2013 and 2012, there were no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

18. DIVIDENDS

The General Meeting of Shareholders, held on 25 May 2013, deliberated the distribution of dividends of the value of 6,300 thousand euros, corresponding to 0.015 euros per share, which was paid-up in June 2013, taking into consideration the separate financial statements of the Company as at 31 December 2012.

During the year ended on 31 December 2012 there was no deliberation or payment of dividends.

19. GOODWILL

During the years ended on 31 December 2013 and 2012, the movement which occurred in the values of goodwill calculated upon the acquisition of subsidiaries or jointly controlled companies, as well as in the respective impairment losses were as follows:

	2013	2012
Gross assets:		
Opening balance	37,164	35,723
Currency conversion adjustments	(9)	(4)
Acquisitions	-	1,445
Closing balance	37,155	37,164
Accumulated impairment losses	(7,449)	(7,449)
Net assets:	29,706	29,715

The values of the goodwill as at 31 December 2013 and 2012 refer to the following entities:

Participated company	Operating segment	2013	2012
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Construction	12,107	12,107
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Real estate	1,979	1,979
ACG - Distribuição e Comércio de Gás, S.A.	Energy	142	142
DIGAL - Distribuição e Comércio, S.A.	Energy	7,335	7,335
MULTIGAS - Sociedade Comercial e Distribuidora de Gás, S.A.	Energy	60	60
TANQUIGAS - Distribuição e Comércio de Gás, S.A.	Energy	71	71
Auto Competição Angola, Lda.	Automobile	206	215
C+PA - Cimento e Produtos Associados, S.A.	Other	7,806	7,806
		29,706	29,715

The goodwill relative to the associates is an integral part of the values of the corresponding investments and is disclosed in Note 23.

The values of goodwill are tested annually for impairment or whenever there are indications that they might be impaired.

The recoverable amount of the cash-generating units to which goodwill is allocated is determined based on the calculation of its use value, which uses cash flow forecasts

based on the latest financial forecasts approved by the respective Boards of Directors over a period of five years, discounted by the discount rates shown in the table below, which were calculated based on the weighted average cost of capital (WACC), adjusted for risks, specific to the market in which each unit is placed. Cash flows beyond this five-year period were forecast using the rates specified in the same table. These rates do not exceed the average long-term growth for the markets in which those cash-generating units are allocated.

The Boards of Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the book value of these cash-generating units to exceed its recoverable amount.

Thus, the main assumptions considered in determining the value in use of goodwill are as follows:

Participated company	2013			2012		
	Book value of the goodwill	Discount rate	Perpetuity growth rate	Book value of the goodwill	Discount rate	Perpetuity growth rate
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	12,107	10.9%	2.0%	12,107	8.3%	2.0%
C+PA. - Cimento e Produtos Associados, S.A.	7,806	17.0%	-	7,806	6.0%	2.0%
DIGAL - Distribuição e Comércio, S.A.	7,335	10.6%	1.5%	7,335	10.4%	2.0%
BONAPARTE - Imóveis Comerciais e Participações, S.A.	1,979	6.5%	2.0%	1,979	6.9%	2.0%
Auto Competição Angola, Lda.	206	16.9%	1.5%	215	15.0%	2.0%
ACG - Distribuição e Comércio de Gás, S.A.	142	10.9%	1.5%	142	12.0%	2.0%
TANQUIGAS - Distribuição e Comércio de Gás, S.A.	71	10.9%	1.5%	71	12.0%	2.0%
MULTIGAS - Sociedade Comercial e Distribuidora de Gás, S.A.	60	10.9%	1.5%	60	8.4%	2.0%
	29,706			29,715		

20. OTHER INTANGIBLE ASSETS

During the years ended on 31 December 2013 and 2012, the movement in other intangible assets and their respective accumulated amortisation and impairment losses was as follows:

	Industrial property	Other	Fixed assets in progress	Advances for intangible assets	Total
Gross assets:					
Balance as at 31.12.11	11,081	852	-	4,369	16,302
Currency conversion adjustments	(193)	(33)	(253)	(21)	(500)
Additions	3,115	75	6,203	-	9,393
Transfers and write-offs	5,162	(246)	9,221	(3,261)	10,876
Divestments	(71)	-	-	-	(71)
Balance as at 31.12.12	19,094	648	15,171	1,087	36,000
Currency conversion adjustments	(756)	(45)	(504)	(48)	(1,353)
Additions	1,618	-	4,925	-	6,543
Transfers and write-offs	309	(75)	(998)	-	(764)
Divestments	(11)	-	-	-	(11)
Balance as at 31 December 2013	20,254	528	18,594	1,039	40,415
Accumulated amortisation and impairment losses:					
Balance as at 31.12.11	2,991	649	-	-	3,640
Currency conversion adjustments	(46)	(12)	-	-	(58)
Transfers and write-offs	501	(246)	-	-	255
Reinforcements	894	14	-	-	908
Divestments	(26)	-	-	-	(26)
Balance as at 31.12.12	4,314	405	-	-	4,719
Currency conversion adjustments	(131)	(19)	-	-	(150)
Transfers and write-offs	221	(6)	-	-	215
Reinforcements	1,062	17	-	-	1,079
Divestments	(11)	-	-	-	(11)
Balance as at 31 December 2013	5,455	397	-	-	5,852
Net value:					
As at 31.12.12	14,780	243	15,171	1,087	31,281
As at 31 December 2013	14,799	131	18,594	1,039	34,563

21. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2013 and 2012, the movement in fixed tangible assets and their depreciation and accumulated impairment losses was as follows:

	Land and natural resources	Building and other constructions	Basic equipment	Transport equipment	Tools and utensils	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tangible fixed assets	Total
Gross assets:										
Balance as at 31.12.11	36,871	409,024	358,935	78,270	32,644	39,457	21,127	25,356	-	1,001,684
Currency conversion adjustments	(327)	(4,195)	(5,771)	(2,608)	(159)	(640)	(269)	(335)	-	(14,304)
Additions	126	5,436	43,443	9,671	6,390	2,786	3,107	35,091	183	106,233
Transfers and write-offs	(2,821)	(146)	(12,351)	(2,719)	(1,732)	(875)	(4,811)	(16,127)	-	(41,582)
Divestments	(23)	(767)	(5,783)	(3,067)	(146)	(568)	(431)	-	-	(10,785)
Balance as at 31.12.12	33,826	409,352	378,473	79,547	36,997	40,160	18,723	43,985	183	1,041,246
Perimeter alteration	(724)	(854)	(276)	(308)	(7)	(26)	-	-	-	(2,195)
Currency conversion adjustments	(800)	(11,321)	(17,323)	(5,387)	(1,121)	(1,655)	(569)	(3,280)	(63)	(41,519)
Additions	-	18,540	52,473	13,589	5,201	3,619	1,875	41,336	-	136,633
Transfers and write-offs	(586)	18,748	1,766	1,100	53	(586)	(9,799)	(16,089)	(120)	(5,513)
Divestments	(33)	(387)	(8,092)	(6,180)	(54)	(307)	(224)	(79)	-	(15,356)
Balance as at 31 December 2013	31,683	434,078	407,021	82,361	41,069	41,205	10,006	65,873	-	1,113,296
Accumulated depreciation and impairment losses:										
Balance as at 31.12.11	166	100,846	268,589	53,225	28,462	30,426	4,781	-	-	486,495
Currency conversion effect	-	(1,379)	(3,226)	(1,905)	(101)	(478)	(28)	-	-	(7,117)
Reinforcements	1	14,570	28,227	11,684	1,949	2,903	505	-	-	59,839
Transfers and write-offs	(1)	(420)	(13,072)	(2,458)	(1,305)	(905)	(82)	-	-	(18,243)
Divestments	-	(626)	(5,545)	(2,647)	(105)	(560)	(20)	-	-	(9,503)
Balance as at 31.12.12	166	112,991	274,973	57,899	28,900	31,386	5,156	-	-	511,471
Perimeter alteration	-	(375)	(88)	(118)	(5)	(22)	-	-	-	(608)
Currency conversion effect	-	(3,750)	(6,545)	(3,602)	(223)	(1,116)	(63)	-	-	(15,299)
Reinforcements	-	16,950	28,936	9,401	2,680	3,191	619	-	-	61,777
Transfers and write-offs	-	7,813	(8,682)	514	(207)	(729)	(49)	-	-	(1,340)
Divestments	-	(330)	(7,482)	(5,608)	(45)	(278)	(219)	-	-	(13,962)
Balance as at 31 December 2013	166	133,299	281,112	58,486	31,100	32,432	5,444	-	-	542,039
Net value:										
As at 31.12.12	33,660	296,361	103,500	21,648	8,097	8,774	13,567	43,985	183	529,775
As at 31 December 2013	31,517	300,779	125,909	23,875	9,969	8,773	4,562	65,873	-	571,257

The additions to tangible fixed assets during the year ended on 31 December 2013 refer mainly to investments in facilities and equipment.

As at 31 December 2013, the tangible assets in progress include 44,521 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.

22. INVESTMENT PROPERTIES

During the years ended on 31 December 2013 and 2012, the movement in investment properties was as follows:

	2013	2012
Opening balance	498,236	522,016
Currency conversion adjustments	(3,810)	(2,443)
Increases / (divestments)	(7,101)	(12,477)
Change in fair value (Notes 8 and 14)	(6,099)	(5,391)
Transfers with tangible fixed assets	(1,261)	(3,469)
Closing balance	479,965	498,236

The income gained from investment property arising from operating leasing contracts reached EUR 33,765 thousand for the financial year ended on 31 December 2013 (EUR 42,773 thousand as at 31 December 2012). For the financial year ended on 31 December 2013, direct operating costs related to investment properties reached EUR 6,521 thousand (EUR 6,411 thousand as at 31 December 2012).

The fair value of each operational investment property is periodically determined through assessments, in most cases made by specialised and independent entities and in accordance with the evaluation methodologies generally accepted for the real estate market, namely income methods, comparatively with market prices or replacement costs, depending on the specific situations of each property.

In the remaining cases, the determination of the market value is carried out internally, based on criteria similar to those considered by external valuers, taking into account the expected discounted cash flows.

The main assumptions and methods inherent to the valuations supporting the market value of the investment properties were as follows:

- Yield between 7% and 10%;
- Average of the comparative method and income multiples;
- Average of the comparative method and cost.

IAS 40 - Investment property ("IAS 40") does not require the determination fair value of investment properties on the basis of a valuation made by an independent valuator. However, approximately 84% of the fair value of the Group's investment properties is determined through independent valuers with significant and recognised professional qualification (registered at the CMVM) and with recent experience in the location and category of the valued investment property. These valuers have applied methods currently used in this market, based on the use of the income method, replacement cost method or market price comparisons, according to the specific situations of each property. Considering that the assets are leased, the income method was used, but also taking into account the other methods used to assess the reasonableness of the results achieved through this method. According to this method, the income of the current leasing contracts under the current conditions was used and, once the year of these contracts had ended, a yield adapted to each property was used. For the rest of the valuations carried out internally, yields adapted according to the indications given by independent professionals were used.

23. INVESTMENTS IN ASSOCIATES

The following associates were recorded by the equity method as at 31 December 2013:

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%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	21.32%
CONSORCIO MINERO LUSO VARGAS C.A. (CONLUVAR)	Av. La Armada, Edifício Centro Socialista Demivargas, Piso 4 1162 La Guaira - Catia La Mar	49.00%
Limited Liability Company Cement	Khutorskya Str., 70 Odessa	49.00%
IMOC - Empreendimentos Imobiliários, S.A.R.L.	Av. 24 de Julho, 135 Maputo	49.92%
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%
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%

The investments in associated companies showed the following movements in the years ended on 31 December 2013 and 2012:

(a) During the year ended on 31 December 2013, the Group sold 20% of the share capital of "VOTORANTIM Macau Investimentos, S.A." for the value of 11,668 thousand euros (Note 30), having recorded capital gains of 271 thousand euros (Note 15).

(b) During the year ended on 31 December 2012, there was a merger operation involving "ALVORADA PETRÓLEO, S.A." which gave rise to "ALVOPETRO, S.A.", which was henceforth also 43.2% held by the Group. Also during 2012, the Group sold "ALVOPETRO, S.A.", recording capital gains of 5,634 thousand euros.

Furthermore, the Group sold its preferred shares in "ALVORADA PETRÓLEO, S.A.", recording capital gains of 35 thousand euros, and also recorded an impairment loss relative the stake held in "ALVORADA PETRÓLEO, S.A.", with an impact on the financial results of 5,726 thousand euros.

	Holdings	Goodwill	Total
Balance as at 31 December 2011	39,180	19,084	58,264
Effects of the application of the equity method:			
- Effect on net income for the year (Note 15)	7,949	-	7,949
- Effect on equity	2,812	-	2,812
- Dividends received	(7,110)	-	(7,110)
Increases	6,009	-	6,009
Divestments (b)	(9,220)	(1,248)	(10,468)
Currency conversion effect	(770)	(792)	(1,562)
Other	156	(5,341)	(5,185)
Balance as at 31.12.12	39,006	11,703	50,709
Effects of the application of the equity method:			
- Effect on net income for the year (Note 15)	(370)	-	(370)
- Effect on equity	62	-	62
- Dividends received	-	-	-
Increases	477	-	477
Divestments (a)	(11,397)	-	(11,397)
Currency conversion adjustments	(844)	(10)	(854)
Other	(2,729)	-	(2,729)
Balance as at 31 December 2013	24,205	11,693	35,898

The investments in associates as at 31 December 2013 and 2012 are broken down as follows:

Associates	2013			2012		
	Holdings	Goodwill	Value of financial position	Holdings	Goodwill	Value of financial position
Limited Liability Company Cement	16,072	11,643	27,715	16,072	11,643	27,715
IMOC - Empreendimentos Imobiliários, S.A.R.L.	6,257	-	6,257	4,506	-	4,506
RPK Gulfstream, Ltd.	842	-	842	837	-	837
SCP AK10 - Empreendimentos e Participações SPE Ltda.	21	50	71	27	60	87
VOTORANTIM Macau Investimentos, S.A.	-	-	-	12,113	-	12,113
Alvorada Petróleos, S.A.	-	-	-	3,975	-	3,975
TEIX.CO, SPA	-	-	-	541	-	541
Other	1,013	-	1,013	935	-	935
	24,205	11,693	35,898	39,006	11,703	50,709

The holdings referred to above are stated using the equity method, which, for the years ended on 31 December 2013 and 2012, had the following impacts:

Associates	2013			
	Gains and losses in associates (Note 15)	Adjustments of holdings	Dividends	Total
Alvorada Petróleos, S.A.	(122)	-	-	(122)
Limited Liability Company Cement	(1,525)	259	-	(1,266)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,095	276	-	1,371
SCP AK10 - Empreendimentos e Participações SPE Ltda.	(2)	-	-	(2)
TEIX.CO, SPA	(678)	(9)	-	(687)
Other	862	(464)	-	398
	(370)	62	-	(308)

Associates	2012			
	Gains and losses in associates (Note 15)	Adjustments of holdings	Dividends	Total
Alvorada Petróleos, S.A.	8,002	(88)	(6,906)	1,008
Limited Liability Company Cement	(132)	71	-	(61)
VOTORANTIM Macau Investimentos, S.A.	(612)	3,276	-	2,664
IMOC - Empreendimentos Imobiliários, S.A.R.L.	561	(647)	-	(86)
SCP AK10 - Empreendimentos e Participações SPE Ltda.	(51)	-	(37)	(88)
TEIX.CO, SPA	(159)	(242)	-	(401)
Other	340	442	(167)	615
	7,949	2,812	(7,110)	3,651

The main financial information relative to the associates as at 31 December 2013 and 2012 is as follows:

	Total assets		Total liabilities		Total net assets		Share of the Group in net assets	
	2013	2012	2013	2012	2013	2012	2013	2012
(a) The Group has recorded provisions for holdings (Note 37) corresponding to its share in the equity of the aforesaid participated companies.								
Alvorada Petróleos, S.A. (a)	1,947	11,487	2,412	2,288	(465)	9,199	-	3,975
VOTORANTIM Macau Investimentos, S.A.	-	235,802	-	221,488	-	14,314	-	12,113
IMOC - Empreendimentos Imobiliários, S.A.R.L.	16,375	12,343	3,840	2,632	12,535	9,711	6,257	4,506
Limited Liability Company Cement (a) (b)	26,905	27,919	35,378	33,809	(8,473)	(5,890)	16,072	16,072
SCP AK10 - Empreendimentos e Participações SPE Ltda.	140	345	56	237	84	108	21	27
TEIX.CO SPA (a)	5,653	6,530	5,950	5,425	(297)	1,105	-	541
Other	14,318	15,993	12,769	14,502	1,549	1,491	1,855	1,772
	65,338	310,419	60,405	280,381	4,933	30,038	24,205	39,006

	Sales and services rendered		Net income for the year		Share of the Group in net income for the year			
	2013	2012	2013	2012	2013	2012		
(a) During the year ended on 31 December 2012, 610 thousand euros were recorded under earnings from associates relative to the earnings for 2011 which had previously been estimated.								
Alvorada Petróleos, S.A.			118	33,204	(282)	18,523	(122)	8,002
Limited Liability Company Cement			20,832	11,408	(3,112)	(268)	(1,525)	(132)
VOTORANTIM Macau Investimentos, S.A. (a)			-	-	-	(8)	-	(612)
IMOC - Empreendimentos Imobiliários, S.A.R.L.			77	-	2,194	1,208	1,095	561
SCP AK10 - Empreendimentos e Participações SPE Ltda.			-	-	(9)	(204)	(2)	(51)
Other			21,634	12,326	352	277	184	181
			42,661	56,938	(857)	19,528	(370)	7,949

24. JOINT VENTURES

As at 31 December 2013, the following participated entities were consolidated through the proportional method, since their management and control is exercised jointly with the other partners/shareholders:

Corporate name	Head office	Effective percentage holding
AVIAS - Grupo Ferroviário para a Alta Velocidade, ACE	Edifício 1, Lagoas Park Porto Salvo	14.10%
CAIS DE CRUZEIROS 2ª FASE, ACE	Rua da Tapada da Quinta de Cima Linhó - Sintra	15.00%
CONBATE, ACE	Edifício 2, Lagoas Park Porto Salvo	20.00%
DOURO LITORAL, ACE	Edifício 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%
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%
SOMAFEL/FERROVIAS, ACE	Av. Columbano Bordalo Pinheiro, 93 - 7º Lisbon	36.00%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park Porto Salvo	57.30%
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	Edifício 2, Lagoas Park Porto Salvo	60.00%
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. das Forças Armadas, 125 - 2º C Lisbon	50.00%

As a result of the consolidation of these participated companies through the proportional consolidation method, as at 31 December 2013 and 2012, the following amounts were included in the Group's consolidated financial statements:

	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	2013	2012	2013	2012	2013	2012	2013	2012
AVIAS, ACE	28	-	-	-	28	-	-	-
CAIS DOS CRUZEIROS - 2ª Fase, ACE	68	95	-	-	50	57	18	19
CONBATE, ACE	517	1,098	1	1	168	613	31	131
DOURO LITORAL, ACE	2,175	2,528	3	6	481	344	1,469	1,937
DOURO LITORAL OBRAS ESPECIAIS, ACE	335	542	17	22	306	114	80	80
FERROVIAL/TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	99	113	-	-	63	76	143	144
GMP - Grupo Marítimo Português, ACE	1,449	1,215	-	5	1,523	1,262	-	-
GMP - Grupo Marítimo Português MEK, ACE	839	674	-	-	889	780	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	78	80	-	-	78	80	-	-
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	-	1	-	-	-	1	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	113	105	-	-	113	105	-	-
NOVA ESTAÇÃO, ACE	1,032	1,181	2	4	1,036	1,221	-	-
SOMAFEL E OFM - Obras do Metro, ACE	-	30	-	-	-	30	-	-
SOMAFEL/FERROVIAS, ACE	13	35	-	-	-	15	-	-
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	64	56	-	-	64	56	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	156	230	-	-	156	230	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	251	321	-	-	248	187	-	-
	7,217	8,304	23	38	5,203	5,171	1,741	2,311

As a result of the consolidation of these participated companies through the proportional consolidation method, for the years ended on 31 December 2013 and 2012, the following amounts were included in the Group's consolidated financial statements:

	Income		Costs	
	2013	2012	2013	2012
AVIAS, ACE	28	-	28	-
CAIS DOS CRUZEIROS - 2ª Fase, ACE	2	26	2	8
CONBATE, ACE	90	11,015	125	10,660
DOURO LITORAL, ACE	747	5,840	771	5,850
DOURO LITORAL OBRAS ESPECIAIS, ACE	4	445	38	76
FERROVIAL/TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	17	10	18	19
GMP - Grupo Marítimo Português, ACE	3	229	111	291
GMP - Grupo Marítimo Português MEK, ACE	8	212	29	305
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	2	33	2	33
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	-	2	-	2
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	-	3	-	3
NOVA ESTAÇÃO, ACE	13	1	13	35
SOMAFEL/FERROVIAS, ACE	-	30	2	24
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	7	7	7	7
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	44	70	44	70
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	3	-	1	16
	968	17,923	1,191	17,399

Included in the information indicated in Note 42, the Group had provided bank guarantees, fidelity guarantee insurance and letters of comfort as an entrepreneur in these joint ventures to the total value of 18,274 thousand euros as at 31 December 2013 (19,343 thousand euros as at 31 December 2012).

25. FINANCIAL ASSETS AVAILABLE FOR SALE

During the years ended on 31 December 2013 and 2012, the movements which occurred in the valuation of the financial assets available for sale, stated at their respective fair value, were as follows:

	2013	2012
Opening balance	48,597	70,052
Divestments during the year	(2,791)	-
Increase / decrease in fair value (a)	38,807	(25,175)
Transfer of advance of financial investments	-	3,720
Closing balance	84,613	48,597

(a) For the year ended on 31 December 2013, the Group recorded an increase of Financial assets available for sale of the value of 38,807 thousand euros, minus 5,728 thousand euros of deferred tax (Nota 27), with a positive impact on equity of 33,079 thousand euros.

As at 31 December 2013 and 2012, the Group held 357,000,000 and 394,211,281 shares of Banco Comercial Português, S.A., respectively.

During the year ended on 31 December 2013, the Group sold 37,211,281 shares of "Banco Comercial Português, S.A." for the value of 3,990 thousand euros (Note 30), having recorded capital gains of 1,199 thousand euros (Note 15).

The financial assets available for sale, and their respective cost and market values, as at 31 December 2013 and 2012, are as follows:

	2013		2012	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	717,321	59,405	760,114	29,566
Banco Bilbao Vizcaya Argentaria, S.A.	35,958	25,208	35,958	19,031
	753,279	84,613	796,072	48,597

Furthermore, during the years ended on 31 December 2013 and 2012, dividends were received from these investments to the value of EUR 552 thousand and EUR 533 thousand, respectively, which were recognised in the income statement for the year ended on that date (Note 15).

26. OTHER INVESTMENTS

a) This heading essentially includes investments in equity instruments that do not have a market price listed in an active market and whose fair value cannot be measured reliably. These investments are measured at their acquisition cost minus any accumulated impairment losses.

Moreover, during the year ended on 31 December 2013 and 2012, dividends were received from these investments amounting to EUR 1,003 thousand and EUR 1,925 thousand, respectively, which were recognised in the income statement for the year ended on that date (Note 15).

	Non-current		Current	
	2013	2012	2013	2012
Financial assets available for sale at cost a)				
LUSOPONTE – Concessionária para a Travessia do Tejo, S.A.	5,606	5,456	-	-
COLT Resources Inc.	2,504	2,504	-	-
AEDL – Auto Estradas do Douro Litoral, S.A.	1,212	1,212	-	-
LONGAPAR – Sociedade Gestora de Participações Sociais, S.A.	1,006	1,006	-	-
AEBT – Vias do Baixo Tejo, S.A.	819	824	-	-
JÚPITER – Indústria Hoteleira, S.A.	784	784	-	-
VOTORANTIM Macau Investimentos, S.A.	715	-	-	-
LONGAVIA, S.A.	670	670	-	-
MTS – Metro Transporte do Sul, S.A.	570	570	-	-
MATADOURO DE MACAU, S.A.R.L.	317	317	-	-
EIA – Ensino, Investigação e Administração, S.A.	300	300	-	-
VSL Sistemas Portugal – Pré-Esforço, Equipamento e Montagens, S.A.	258	258	-	-
ILTA – Urbanizadora da Ilha de Tavira, S.A.	256	256	-	-
CPM – Companhia de Parques de Macau, S.A.R.L.	205	205	-	-
TEGAVEN – Teixeira Duarte Y Associados, C.A.	95	-	-	-
Other	220	184	-	-
	15,537	14,546	-	-
Financial assets available for sale at fair value				
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	18	8,162
Banco Comercial Português, S.A.	-	-	-	2,550
Banco Popular Espanhol, S.A.	-	-	-	176
Other	-	-	44	-
	-	-	62	10,888
	15,537	14,546	62	10,888

27. DEFERRED TAXES

All situations which could significantly affect future taxes are recorded by applying the rules on deferred taxes.

For the years ended on 31 December 2013 and 2012, the movements which occurred in deferred tax assets and liabilities, according to the temporary differences which generated them, are as follows:

	2013						Closing balance
	Opening balance	Constitution		Reversal		Currency conversion & adjust.	
		Net income (Note 16)	Equity (Note 16)	Net income (Note 16)	Equity (Note 16)		
Deferred tax assets:							
Inventory impairments	68	82	-	-	-	(22)	128
Bad debt impairments	20	35	-	(3)	-	-	52
Financial assets available for sale	84,238	70,863	-	(8,976)	(3,936)	(3,693)	138,496
Tax losses carried forward	22,557	27,426	-	(2,054)	(61)	(17,219)	30,649
Provision for losses in works	635	1,901	-	-	-	1,081	3,617
Other	4,394	10,210	-	(564)	(1,055)	2,587	15,572
	111,912	110,517	-	(11,597)	(5,052)	(17,266)	188,514
Deferred tax liabilities:							
Future taxable earnings	1,138	164	-	(850)	-	(114)	338
Financial assets available for sale	-	-	1,792	-	-	-	1,792
Investment properties	48,832	3	-	(3,756)	-	(905)	44,174
Revaluation of tangible fixed assets	6,017	-	-	(1,247)	(8)	248	5,010
Other	1,992	442	-	(77)	-	(978)	1,379
	57,979	609	1,792	(5,930)	(8)	(1,749)	52,693

	2012						Closing balance
	Opening balance	Constitution		Reversal		Currency conversion & adjust.	
		Net income (Note 16)	Equity (Note 16)	Net income (Note 16)	Equity (Note 16)		
Deferred tax assets:							
Inventory impairments	26	51	-	(9)	-	-	68
Bad debt impairments	71	-	-	(51)	-	-	20
Financial assets available for sale	81,485	2,753	-	-	-	-	84,238
Tax losses carried forward	17,486	15,624	-	(4,878)	(441)	(5,234)	22,557
Provision for losses in works	909	-	-	(274)	-	-	635
Other	7,023	1,968	884	(4,956)	-	(525)	4,394
	107,000	20,396	884	(10,168)	(441)	(5,759)	111,912
Deferred tax liabilities:							
Future taxable earnings	2,058	218	-	(969)	-	(169)	1,138
Investment properties	54,765	876	-	(6,403)	-	(406)	48,832
Revaluation of tangible fixed assets	6,239	-	-	(222)	-	-	6,017
Other	2,844	598	-	(1,999)	-	549	1,992
	65,906	1,692	-	(9,593)	-	(26)	57,979

According to the tax returns of the companies that recorded deferred tax assets due to tax losses as at 31 December 2013 and 2012, they were carried forward as follows:

	2013			2012		
	Tax loss	Deferred tax assets	Deadline for use	Tax loss	Deferred tax assets	Deadline for use
Generated in 2007	-	-	2013	563	155	2013
Generated in 2008	909	270	2014	1,650	483	2014
Generated in 2009	5,387	1,384	2015	5,320	1,376	2015
Generated in 2010	22,202	6,773	2014	24,034	7,400	2014
Generated in 2011	16,676	4,389	2015	21,646	5,913	2015
Generated in 2012	18,227	4,277	2017	31,661	7,230	2017
Generated in 2013	41,699	13,556	2018	-	-	-
	105,100	30,649		84,874	22,557	

Furthermore, as at 31 December 2013 and 2012, the tax losses and credits for which no deferred tax assets were recorded as a precaution, are broken down as follows:

	2013			2012		
	Tax loss	Tax credit	Deadline for use	Tax loss	Tax credit	Deadline for use
Generated in 2007	-	-	2013	3,211	803	2013
Generated in 2008	3,471	798	2014	3,544	886	2014
Generated in 2009	3,321	764	2015	3,369	842	2015
Generated in 2010	3,180	731	2014	2,978	745	2014
Generated in 2011	3,108	715	2015	3,153	788	2015
Generated in 2012	2,922	672	2017	2,922	730	2017
Generated in 2013	2,252	518	2018	-	-	-
	18,254	4,198		19,177	4,794	

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 their prospects of generating taxable earnings.

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

28. CUSTOMERS AND OTHER RECEIVABLES

As at 31 December 2013 and 2012, this heading was broken down as follows:

	Current		Non-current	
	2013	2012	2013	2012
Customers:				
Customers - current account	507,445	491,521	53,224	58,091
Customers - bills receivable	12	3,035	-	-
Customers - bad debt	32,020	28,092	-	-
	539,477	522,648	53,224	58,091
Impairment losses	(47,172)	(45,797)	-	-
	492,305	476,851	53,224	58,091
Other receivables:				
Employees	1,094	614	-	-
Other receivables	69,277	65,278	97	79
	70,371	65,892	97	79
Impairment losses	(1,064)	(1,797)	-	-
	69,307	64,095	97	79

During the years ended on 31 December 2013 and 2012, the movements which occurred in the impairment of the accounts receivable were as follows:

Accumulated impairment losses on customers and other receivables:	
Balance as at 31.12.11	59,603
Currency conversion adjustments	(737)
Reinforcements (Note 14)	5,921
Reversals (Note 8)	(6,491)
Settlements	(10,702)
Balance as at 31.12.12	47,594
Perimeter alteration	(869)
Currency conversion adjustments	(1,299)
Reinforcements (Note 14)	7,208
Reversals (Note 8)	(4,192)
Settlements	(206)
Balance as at 31 December 2013	48,236

The Group's exposure to credit risk (Note 43) is attributable to the accounts receivable from its operating activity. The balances shown in the statement of the financial position are net of impairment losses arising from bad debt which were estimated by the Group in accordance with its experience and based on its assessment of the economic situation and environment.

The Board of Directors believes that the book value of the accounts receivable corresponds to the best estimate of their fair value.

The Group has no significant concentration of credit risks, since it is diluted over a wide range of customers and other debtors.

29. 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 the associates, related and individual companies with significant voting power which have 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 parties as at 31 December 2013 and 2012 are detailed as follows:

	Balance receivable		Balance payable		Loans granted		Other debts	
	2013	2012	2013	2012	2013	2012	2013	2012
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	-	-	-	819	819	-	-
AEDL - Auto Estradas do Douro Litoral, S.A.	-	-	-	-	1,202	1,202	-	-
ALSOMA, GEIE	-	-	24	24	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	-	33	-	-	-	-
VOTORANTIM Macau Investimentos, S.A.	-	-	-	-	-	8,536	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	-	-	4	4	-	-
Minero Luso Vargas Consortium - CONLUVAR	4,783	1,968	779	-	-	-	6	(1,665)
OPSUT 2010 Consortium	1,560	2,184	-	454	-	-	-	-
EIA - Ensino de Investigação e Administração, S.A.	-	-	-	-	-	-	(324)	(324)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,554	2,213	-	3	-	-	(2,092)	(247)
RPK Gulfstream, Ltd.	-	-	-	-	2,200	2,473	-	-
Limited Liability Company Cement	-	147	-	-	16,072	16,072	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	-	-	-	150	-	-	-
Moreira e Cunha, Lda.	33	8	-	-	-	-	(80)	(2,132)
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
Promociones Inmobiliárias 3003, C.A.	55	55	-	-	-	-	(37)	(31)
STELGEST - Gestão Hoteleira, S.A.	19	23	-	-	-	-	(736)	(958)
TEGAVEN - Teixeira Duarte Y Asociados, C.A.	6,106	-	1,349	-	139	-	68,521	-
Teix.co SPA	1,381	1,435	720	755	-	-	(291)	(304)
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	-	1	-	-	-	-
	15,537	8,079	2,872	1,270	21,326	29,846	64,967	(5,661)

The main transactions carried out with related parties during the years ended on 31 December 2013 and 2012 were as follows:

	Sales and services rendered		Purchases and services received		Interest debited	
	2013	2012	2013	2012	2013	2012
AVIA PORTUGAL, S.A.	-	-	25	27	-	-
Minero Luso Vargas Consortium - CONLUVAR	3,467	1,793	15,422	-	-	-
OPSUT 2010 Consortium	1,536	3,456	2,973	6,287	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,687	55	79	83	-	-
Limited Liability Company Cement	-	104	-	-	1,768	1,324
Moreira e Cunha, Lda.	126	59	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	111	118	2	-	59	52
Teix.co SPA	-	-	-	218	-	-
TEGAVEN - Teixeira Duarte Y Asociados, C.A.	-	-	2,028	-	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	259	-	275	-	-
	6,927	5,844	20,529	6,890	1,827	1,376

The remunerations of the members of the governing bodies of TD, S.A. for the years ended on 31 December 2013 and 2012 were as follows:

	2013	2012
Executive directors:		
Short term benefits	1,445	1,078
Supervisory board:		
Short term benefits	72	66
Chartered accountant:		
Short term benefits	61	60
	1,578	1,204

The remunerations of the senior management staff of TD, S.A. for the years ended on 31 December 2013 and 2012 were as follows:

	2013	2012
Senior staff:		
Short term benefits	7,561	7,437
	7,561	7,437

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents

As at 31 December 2013 and 2012, the cash and cash equivalents were detailed as follows:

	2013	2012
Demand deposits	136,807	153,725
Term deposits	34,849	80,210
Other cash investments	2,704	2,234
Cash	15,552	9,894
	189,912	246,063

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

Cash flow from investment activities

The revenue from financial investments for the years ended on 31 December 2013 and 2012 refers to the divestment of equity interests in the following entities:

	2013	2012
(a) During the year ended on 31 December 2013, the Group sold 37,211,281 shares of "Banco Comercial Português, S.A." classified as Financial assets available for sale for the value of 3,990 thousand euros. The rest of the amount received refers to the divestment of shares classified as Financial assets available for sale at fair value - "Other investments" (Note 26).		
Banco Bilbao Vizcaya Argentaria, S.A.	34,836	13,704
Banco Comercial Português, S.A. (a)	12,163	13,379
VOTORANTIM Macau Investimentos, S.A.	11,668	-
ALVOPETRO, S.A.	-	11,362
Other	219	1,061
	58,886	39,506

The payments relative to financial investments during the years ended on 31 December 2013 and 2012 refer to the acquisition of equity interests in the following entities:

	2013	2012
Banco Bilbao Vizcaya Argentaria, S.A.	24,616	11,027
C + P.A. - Cimento e Produtos Associados, S.A.	23,259	-
Banco Comercial Português, S.A.	5,503	3,592
DIGAL - Distribuição e Comércio, S.A.	928	3,147
Limited Liability Company Cement	-	6,000
COLT Resources Inc.	-	2,504
Other	497	1,089
	54,803	27,539

The dividends received in the years ended on 31 December 2013 and 2012 were as follows:

	2013	2012
Banco Bilbao Vizcaya Argentaria, S.A.	772	861
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	392	562
Alvorada Petróleos, S.A.	-	6,906
SCP AK-10 Empreendimentos e Participações SPE, Ltda.	-	37
Other	391	1,182
	1,555	9,548

31. OTHER CURRENT AND NON-CURRENT ASSETS

As at 31 December 2013 and 2012, the other current and non-current assets are broken down as follows:

	Current		Non-current	
	2013	2012	2013	2012
State and other public bodies:				
Value Added Tax	32,826	24,720	-	-
Associates, participated companies and other shareholders:				
Associates	2,930	3,581	-	-
Participated companies	3,226	783	955	955
Other shareholders	296	3,755	-	47
	6,452	8,119	955	1,002
Accrued income:				
Interest receivable	1,639	671	-	-
Values to be invoiced (Note 32)	84,322	106,880	-	-
Other accrued income	37,654	46,032	-	-
	123,615	153,583	-	-
Deferred costs:				
Insurance paid in advance	4,914	10,555	-	-
Interest payable	53	20	-	-
Other deferred costs	22,514	34,247	606	714
	27,481	44,822	606	714
Other current assets:				
Advances to suppliers	56,807	50,113	-	-
	247,181	281,357	1,561	1,716

32. CONSTRUCTION CONTRACTS

For the years ended on 31 December 2013 and 2012, the income and costs recognised for construction contracts in progress are as follows:

	2013	2012
Net income:		
Issued invoices	827,411	646,315
Change in:		
- Deferred income - works (Note 40)	(4,594)	(43,775)
- Accrued income - works (Note 31)	(22,558)	14,598
	800,259	617,138
Net costs:		
Invoiced costs	750,552	591,147
Change in:		
- Provisions for guarantees (Note 37)	1,353	(569)
- Provisions for future losses (Note 37)	1,709	(1,156)
	753,614	589,422
Calculated earnings (Note 7):	46,645	27,716

Additionally, as at 31 December 2013 and 2012, the withholdings made by customers relative to construction contracts amounted to EUR 928 thousand and EUR 1,177 thousand, respectively.

33. SHARE CAPITAL

As at 31 December 2013 and 2012, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of 0.50 euro each.

On 19 October 2012, the share capital was reduced to 210,000,000 thousand euros, through the reduction of the nominal value of the shares, which were henceforth represented by 420,000,000 shares with the nominal value of 0.50 euros, aimed at covering accumulated losses of 181,783 thousand euros and reinforcing the free reserves to the value of 28,217 thousand euros.

As at 31 December 2013 and 2012, 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.

34. 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: As described in Note 2.16 g), the hedge operation reserve reflects the effective component (net of the tax effect) of the changes in the fair value of derivative financial instruments classified as cash flow hedges.

35. NON-CONTROLLING INTERESTS

The movements under this heading during the years ended on 31 December 2013 and 2012 were as follows:

	2013	2012
Opening balance	73,863	76,579
Perimeter alterations (Note 5)	(1,082)	-
Currency conversion adjustments	(1,595)	(781)
Dividends	(493)	(491)
Acquisition of non-controlling interests (a)	(29,737)	(1,303)
Other changes in the equity of the participated companies	(6,407)	(2,195)
Net income for the year attributable to non-controlling interests	772	2,054
Closing balance	35,321	73,863

(a) During 2013, the Group acquired the remaining 48% of the participated company "C+P.A. - Cimento e Produtos Associados, S.A." for the value of 23,259 thousand euros and 5% of the participated company "DIGAL - Distribuição e Comércio de Gás, S.A." for the value of 928 thousand euros (Note 30). The Group also acquired 5% of companies of the Energy sector, which had formerly been consolidated for 116 thousand euros

36. LOANS

As at 31 December 2013 and 2012, the loans received were as follows:

	2013	2012
Non-current liabilities:		
Bank loans a)	209,200	211,044
Commercial paper b)	471,780	190,016
	680,980	401,060
Current liabilities:		
Bank loans a)	569,278	362,145
Commercial paper b)	112,348	472,760
	681,626	834,905
	1,362,606	1,235,965

a) Bank loans

As at 31 December 2013, the domestic bank loans, bank overdrafts and pledged current accounts earned interest at the weighted annual average rate of 3.92% (4.18% as at 31 December 2012).

As at 31 December 2013, 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 16,320 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 20.10.08 of the present value of 1,814 thousand euros, which will fall due on 27.11.14.
- Loan taken out by the Group at Caixa Geral de Depósitos, S.A. on 30 December 2008, of the present value of 35,137 thousand euros, which will be repaid in 120 equal and successive monthly instalments, ending on 30 December 2023.
- Loan raised from Banco Fomento de Angola, contracted on 02.02.09 of the present value of 680 thousand euros, which will fall due on 04.01.14.
- Loan raised from Banco Fomento de Angola, contracted on 6 February 2009 of the present value of 680 thousand euros, which will fall due on 30.03.14.
- Loan raised from Banco Fomento de Angola, contracted on 6 February 2009 of the present value of 725 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 15,862 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 2,018 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 3,141 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 12,439 thousand euros, which will fall due on 05.12.19.
- Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the present value of 27,622 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 21,486 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 6,187 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 34,897 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 27,232 thousand dollars as at 31 December 2013.
- Under a Commercial Discount Line abroad (advance of credit letters), at Banco Espírito Santo, S.A. of the amount of 30,000 thousand euros, which is being used to the value of 12,780 thousand euros as at 31 December 2013.

As at 31 December 2013 and 2012, the bank loans also included the pledged accounts of the value of 453,408 thousand euros and 260,815 thousand euros, respectively.

b) Commercial paper

As at 31 December 2013, 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.
- Grouped programme for the placing and underwriting of commercial paper contracted on 14 February 2006 with Banco Comercial Português, of the total amount of 50,000 thousand euros, in which Teixeira Duarte - Engenharia e Construções, S.A. and its associate Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. take part, to the amounts of 5,000 thousand euros and 45,000 thousand euros, respectively. The participation of each company in each programme may vary each time it is used, with TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. being required to participate with at least 10% of the total value. Sixteen six-monthly and successive issues have been contracted for the total nominal value of the programme, earning interest on a six-monthly basis in arrears at a rate indexed to the six-month Euribor increased by 0.875% and determined according to the date of the auction, with the repayment of the last issue being on 14 February 2014.
- Programme for the placing and underwriting of commercial paper commercial paper, contracted with Banco Comercial Português, S.A. on 20 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 20 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 has a 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 programme has a duration of five years from the contract signing date. Interest is payable semi-annually in arrears and the intervention rate is indexed to one- to six-month Euribor by competitive auction of 7 to 180 days by direct placement plus 4.375% and determined in accordance with the date of each auction, with the repayment of the last issue taking place on 6 January 2016.
- Grouped programme for the placing and underwriting of commercial paper contracted on 30 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.

Due to the commitment of successive renewal during the financial year of the programme contracts, some existing issues as at 31 December 2013 and 2012 are classified as non-current liabilities.

As at 31 December 2013 and 2012, the repayment of the non-current bank loans is defined as follows:

	2013	2012
2014	-	114,007
2015	164,209	85,903
2016	82,051	53,896
2017	46,190	30,770
2018	323,461	45,354
2019 and following	65,069	71,130
	680,980	401,060

As at 31 December 2013 and 2012, the funding in foreign currency was expressed in the following currencies:

Currency	2013		2012	
	Currency	Euros	Currency	Euros
Venezuelan Bolivar	409,000	47,134	10,000	1,765
US Dollar	80,572	58,423	89,008	67,461
Namibian Dollar	-	-	199	18
Japanese Yen	-	-	76,000	669
Angolan Kwanza	12,754,485	94,764	14,062,387	110,862
South Africa Rand	1,117	77	-	-
Brazilian Real	40,487	12,428	78,826	29,156

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.

37. PROVISIONS

The movement in accumulated reserves during the years ended on 31 December 2013 and 2012 was as follows:

	Provisions for legal and tax risks	Other provisions related to the staff	Bonds to customers (Note 32)	Lawsuits	Losses in works (Note 32)	Other provisions for risks and charges	Total
Balance as at 31.12.11	-	7,170	21,872	195	3,922	3,072	36,231
Currency conversion adjustments	-	-	(23)	(21)	(113)	-	(157)
Reinforcements	-	7,788	135	441	1,522	3,773	13,659
Reductions	-	-	(2,078)	(6)	(3,360)	(247)	(5,691)
Uses	-	(6,283)	386	-	-	-	(5,897)
Transfers	-	-	1,011	-	795	(1,748)	58
Balance as at 31.12.12	-	8,675	21,303	609	2,766	4,850	38,203
Perimeter alteration (Note 5)	-	-	-	(223)	-	(653)	(876)
Currency conversion adjustments	-	-	(110)	(139)	(847)	-	(1,096)
Reinforcements	360	8,173	8,886	112	3,906	32,401	53,838
Reductions	-	-	(6,901)	(92)	(499)	(849)	(8,341)
Uses	-	(6,847)	(522)	-	-	39	(7,330)
Transfers	-	-	-	-	(851)	860	9
Balance as at 31 December 2013	360	10,001	22,656	267	4,475	36,648	74,407

The reinforcements and reductions were made against:

	2013			2012		
	Reinforcements	Reductions	Total	Reinforcements	Reductions	Total
Net income for the year:						
Provisions	43,707	(7,494)	36,213	4,750	(5,478)	(728)
Staff costs	8,260	(382)	7,878	8,391	-	8,391
Earnings from associates	1,662	(50)	1,612	310	(136)	174
Equity	209	(415)	(206)	208	(77)	131
	53,838	(8,341)	45,497	13,659	(5,691)	7,968

During the year ended on 31 December 2012, an impairment loss of 5,833 thousand euros was recorded, relative to the holding in KARIBIB Portland Cement.

38. SUPPLIERS AND OTHER PAYABLES

As at 31 December 2013 and 2012, these headings were broken down as follows:

	Current		Non-current	
	2013	2012	2013	2012
Other payables	84,162	19,097	9,833	15,110
Suppliers				
Suppliers - current account	167,773	187,825	-	-
Fixed asset suppliers	-	5	-	-
	167,773	187,830	-	-

39. FINANCIAL LEASES

As at 31 December 2013 and 2012, the total net value of the assets acquired under finance leases amounted to:

	2013	2012
Land and natural resources	2,558	2,693
Buildings and other constructions	194,045	206,673
Basic equipment	21,718	22,675
Transport equipment	3,853	2,706
Tools and utensils	18	29
Administrative equipment	191	234
Other tangible fixed assets	1,703	1,026
Industrial property	12	-
	224,098	236,036

As at 31 December 2013 and 2012, the present value of the minimum financial lease payments fell due as follows:

	2013	2012
2013	-	22,015
2014	21,634	20,929
2015	18,392	16,639
2016	16,465	14,154
2017	14,360	13,515
After 2017	134,845	134,343
	205,696	221,595

As at 31 December 2013, the Group had contracted a sale and leaseback operation involving the Lagoas Park undertaking, which is essentially recorded as an investment property (Note 22). The ownership of lots 7, 8, 9, 10, 11, 12, 15, 16 and 23 of this enterprise was transferred in order to secure this operation (Note 42).

The financial lease contracts earn interest at market rates and have a defined duration.

The financial commitments under lease contracts are secured by the reservation of ownership of the leased assets.

40. OTHER CURRENT AND NON-CURRENT LIABILITIES

As at 31 December 2013 and 2012, these headings were broken down as follows:

	Current		Non-current	
	2013	2012	2013	2012
State and other public bodies:				
Corporate Income Tax (IRC)	888	21,617	-	-
Income Tax Withholdings	3,462	4,791	-	-
Value Added Tax	26,103	23,696	-	-
Social Security Contributions	4,683	3,831	-	-
Other	5,547	5,557	-	-
	40,683	59,492	-	-
Associates, participated companies and other shareholders:				
Associates	128	-	-	-
Participated companies	1,195	1,498	-	-
Other shareholders	4,638	19	-	26
	5,961	1,517	-	26
Accrued costs:				
Insurance payable	112	89	-	-
Remunerations payable	22,386	20,151	-	-
Interest payable	2,373	3,861	-	-
Other costs payable	40,706	31,288	-	-
	65,577	55,389	-	-
Deferred income:				
Work invoiced and not executed (Note 32)	104,901	100,307	-	-
Other deferred income	16,699	10,603	2,731	1,093
	121,600	110,910	2,731	1,093
Other:				
Advances from customers	147,600	260,165	70,149	161,667
Advances on account of sales	371	573	26	26
Derivative financial instruments (Note 41)	-	-	11,000	14,981
	147,971	260,738	81,175	176,674
	381,792	488,046	83,906	177,793

41. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2013 and 2012, the Group had contracted a derivative financial instrument to minimise the risks of exposure to changes in interest rate, consisting of an interest rate swap contract.

These instruments are contracted by considering the risks affecting the assets and liabilities and after checking which instruments available on the market are the most appropriate to cover these risks.

These operations, the contracting of which is subject to prior approval by the Board of Directors, are permanently monitored, particularly through the analysis of various indicators relative to these instruments, mainly the trend of their market value and sensitivity of the forecast cash flows and of the actual market value to changes in key variables that condition the structures, for the purpose of evaluating their financial effects.

Derivative financial instruments are recorded in accordance with the provisions of "IAS 39" and measured at fair value, which is based on assessments made by financial institutions. The existing derivative financial instrument as at 31 December 2013 and 2012 was assessed by an independent company external to the Group through appropriate methodologies and techniques, commonly used by the experts for each type of instrument contracted by the Group.

These are qualified as hedge instruments or instruments held for trading, pursuant to the provisions in "IAS 39".

Derivative financial instruments qualified as hedges

As at 31 December 2013 and 2012, an interest rate swap had been contracted at a fixed rate, which will fall due on 1 July 2033, for the purpose of hedging against the risk of interest rate volatility of the loan contracted with Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A. indicated in Note 36.

The fair value of this instrument as at 31 December 2013 and 2012 reached 11,000 thousand euros and 14,981 thousand euros, respectively, unfavourable to the Group, which is recognised in the heading of Other non-current liabilities (Note 40).

In view of the provisions of IAS 39, this instrument was initially recorded as a trading derivative financial instrument since it does not meet all of the requirements for the application of hedge accounting. The changes in the fair value of this trading instruments were, up to this date, recorded directly in the income statements of the periods when they occurred.

As of 1 January 2010, these requirements were met and, therefore, the derivative was then recorded as a cash flow hedge. Hence, during the years ended on 31 December 2013 and 2012, the effective component of the change of the hedge instrument was recognised under the Hedge operation reserve, at the value of 2,706 thousand euros and (2,453) thousand euros, net of the tax effect, respectively.

The main information underlying the determination of the fair value of this instrument as at 31 December 2013 was as follows:

Days	Euribor	Dates	Updating Factor
2	0.35000%	03-01-2014	0.9999708
32	0.21600%	03-02-2014	0.9997849
90	0.28700%	03-04-2014	0.9992539
181	0.38900%	03-07-2014	0.9980189
365	0.55600%	05-01-2015	0.9943348
732	0.53705%	04-01-2016	0.9893028
1096	0.77700%	03-01-2017	0.9769665
1461	1.00100%	03-01-2018	0.9607178
1826	1.26100%	03-01-2019	0.9386854
2191	1.48450%	03-01-2020	0.9142510
2556	1.68600%	04-01-2021	0.8876091
2923	1.86100%	03-01-2022	0.8599865
3287	2.01900%	03-01-2023	0.8313175
3652	2.15800%	03-01-2024	0.8023908
4017	2.27200%	03-01-2025	0.7743598
4383	2.37600%	05-01-2026	0.7462043
4750	2.45490%	04-01-2027	0.7201476
5114	2.52480%	03-01-2028	0.6946892
5478	2.58700%	03-01-2029	0.6698397
5844	2.63100%	03-01-2030	0.6471970
6209	2.66400%	03-01-2031	0.6260932
6574	2.68950%	05-01-2032	0.6061221
6941	2.70750%	03-01-2033	0.5876636
7305	2.72000%	03-01-2034	0.5702493
7670	2.73050%	03-01-2035	0.5534778
8035	2.73700%	03-01-2036	0.5376981
8400	2.74300%	05-01-2037	0.5222790
8768	2.74600%	04-01-2038	0.5078497
9132	2.74750%	03-01-2039	0.4940447
9496	2.73900%	03-01-2040	0.4823971
9861	2.74500%	03-01-2041	0.4684055
10227	2.74350%	03-01-2042	0.4561807
10592	2.74000%	05-01-2043	0.4446241
10959	2.73300%	04-01-2044	0.4342089
11323	2.72950%	03-01-2045	0.4227032
11688	2.72870%	03-01-2046	0.4114609
12053	2.72840%	03-01-2047	0.4005156
12418	2.72850%	03-01-2048	0.3898598
12783	2.72890%	02-01-2049	0.4059683
13148	2.72940%	02-01-2050	0.4214843
13513	2.72990%	02-01-2051	0.4363695
13878	2.73030%	02-01-2052	0.4502636
14243	2.73070%	01-01-2053	0.4720546
14608	2.73800%	01-01-2054	0.4928078

42. 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. ("TDGPIL, 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 Closed 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 companies in which the Group has a stake under the form of additional paid-in capital.

Since "TDGPIL 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 "TDGPIL, 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 "TDGPIL, 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 "TDGPIL, S.A." had not been the object of any additional payment required by the controlling company, as at the closing date of December 2013.

Guarantees:

As at 31 December 2013 and 2012, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	2013	2012
Bank guarantees provided	344,472	447,093
Fidelity insurance	379,711	564,836

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 16,320 thousand euros, granted by RECOLTE, Servicios y Medioambiente, S.A.U., RECOLTE, Servicios y Medioambiente, S.A.U. pledged 2,734,325 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 35,137 thousand euros.

In order to secure a contract signed with Banco Caixa Totta Angola, of the present value of 15,862 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 27,622 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 12,439 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 3,141 thousand euros, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. mortgaged 16 fractions of the property located at Campo Grande, number 9 in Lisbon.

In order to secure the commercial paper contract signed 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., mortgaged the properties implanted respectively on lots 6, 18 and 19, located in Lagoas Park.

In order to secure the loan of the present value of 6,187 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 6,187 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+PA. - 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 EUR 30,079 thousand.
- In order to secure the commercial paper contract concluded with Caixa Geral de Depósitos, S.A. of the value of EUR 70,000 thousand, presently EUR 50,000 thousand, 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.
- 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 1,573 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 current value of EUR 47,276 thousand, 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 in 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 December 2013 and 2012, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached 475,758 thousand euros and 478,511 thousand euros, respectively.

As at 31 December de 2013 and 2012, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of 99,829 thousand euros and 118,876 thousand euros, respectively. According to the contractual conditions, the Group's liability is essentially restricted to the guaranteed acceptance of the invoices object of the factoring on the part of the customers.

Other:

As at 31 December 2013 and 2012, there were no inventories pledged as security for liabilities.

43. FINANCIAL RISK MANAGEMENT

General principles:

The Group is exposed to a number of financial risks arising from its activities, among which the following deserve special mention:

- interest rate risks arising from financial liabilities;
- exchange rate risk arising mainly from the existence of operations and assets located outside the Euro zone, namely in Angola, Algeria, Brazil, Macao, Morocco, Mozambique, Namibia, Russia and Venezuela;
- credit risk, particularly from amounts receivable from customers related to the Group's operating activities;
- liquidity risk, as regards the maintenance of cash balance stability.

The Group's Financial Department ensures the centralised management of the financing operations, applications of cash surplus, currency conversion transactions, as well as the counterpart risk of the Group. In addition to the above, it is responsible for identifying, measuring, proposing and implementing measures to manage/mitigate the financial risks to which the Group is exposed.

The main financial risks to which the Group is exposed and the main measures implemented to manage them are analysed in greater detail below.

Interest rate risk

The objective of the interest rate risk management policy is the minimisation of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

As at 31 December 2013, 86% of the financial liabilities had a variable interest rate (85% as at 31 December 2013) and 14% had a fixed interest rate (15% as at 31 December 2012).

Had the market interest rates been higher (lower) by 1% during the years ended on 31 December 2013 and 2012, the financial profit/(loss) of these years would have (decreased) increased by EUR (13,463) / 13,463 thousand and EUR (8,339) / 8,339 thousand, respectively.

Exchange rate risk

The Group's operating activities are exposed to variations in the euro exchange rate against other currencies.

Moreover, considering the different countries in which the Group operates, its exposure to exchange rate risk arises from the fact that its subsidiaries report their assets and liabilities in currencies other than the reporting currency, namely in Angola, Algeria, Brazil, Macao, Morocco, Mozambique, Namibia, Russia and Venezuela.

The exchange rate risk management policy followed by the Group is ultimately aimed at reducing the sensitivity of the Group's net income to currency fluctuations.

The monetary assets and liabilities denominated in foreign currency, converted into euros as at 31 December 2013 and 2012, were as follows:

Currency	Assets		Liabilities	
	2013	2012	2013	2012
Venezuelan Bolivar	-	1,153	44,890	39,566
Algerian Dinar	15,456	25,779	35,630	71,790
Moroccan Dirham	-	-	-	2,752
Tunisian Dinar	-	-	-	115
US Dollar	489,410	288,980	479,144	324,458
Australian Dollar	-	-	155	155
Canadian Dollar	-	-	104	-
Namibian Dollar	-	-	1,726	1,664
Japanese Yen	5,321	3,402	382	88
Pound Sterling	-	6	-	-
Mozambican Metical	1,914	28,751	9,960	27,608
Macaense Pataca	-	-	138	145
South African Rand	-	-	16	-
Brazilian Real	-	-	26,391	17,012
Russian Rouble	-	-	2,828	3,460
	512,101	348,071	601,364	488,813

Exchange rate risk management is based on the continuous measurement and monitoring of relevant financial and accounting exposures.

The possible impacts generated in the heading "Currency conversion adjustments" as at 31 December 2013 and 2012 and in the net income for the years ended on that date, if there was a 5% appreciation of the currencies referred to above, can be summarised as follows:

Currency	2013		2012	
	Net income	Equity	Net income	Equity
Venezuelan Bolivar	(2,245)	-	(1,921)	-
Algerian Dinar	(1,009)	-	(2,301)	-
Moroccan Dirham	-	-	(138)	-
Tunisian Dinar	-	-	(6)	-
US Dollar	513	-	(1,774)	-
Australian Dollar	(8)	-	(8)	-
Canadian Dollar	(5)	-	-	-
Namibian Dollar	(86)	-	(83)	-
Japanese Yen	247	-	166	-
Mozambican Metical	(402)	-	57	-
Macaense Pataca	(7)	-	(7)	-
South African Rand	(1)	-	-	-
Brazilian Real	(1,320)	-	(851)	-
Russian Rouble	(141)	-	(173)	-
	(4,464)	-	(7,037)	-

The Board of Directors considers that the sensitivity analysis presented above, based on the position on the stated dates, may not be representative of the exchange rate risk exposure to which the Group is subject throughout the year.

Credit risk

Credit risk is primarily related to the balances receivable from customers and other receivables related to the Group's operating activities. The deterioration of global economic conditions or adversities that affect the economies on a local, national or international scale may result in the inability of the Group's customers to meet their obligations, with possible negative effects on the Group.

This risk is monitored on a regular basis by each of the Group's businesses for the purpose of:

- limiting credit granted to customers, considering their profile and age of the account receivable;
- monitoring the evolution of the level of credit granted;
- analysing the recoverability of receivables on a regular basis;
- the impairment losses of the accounts receivable are calculated considering:
 - the analysis of the age of the accounts receivable;
 - the customer's risk profile;
 - the customers' financial situation.

As at 31 December 2013 and 2012, the Board of Directors believes that the estimated impairment losses of the accounts receivable are adequately disclosed in the financial statements.

As at 31 December 2013 and 2012, the accounts receivable from customers (Note 28) for which no impairment losses were recorded, because the Board of Directors considered that they are achievable, are as follows:

	2013	2012
Balances		
Not due	204,584	200,126
Up to 180 days	136,392	165,313
180 to 360 days	31,796	40,184
Over 360 days	172,757	129,319
	545,529	534,942

The credit quality of the accounts receivable which are not yet due included in the table above is monitored on a regular basis, based on the objectives described above.

Liquidity risk

This risk can occur if the sources of financing, such as the cash flows from operating activities, divestment, credit lines and from financing operations, do not meet the financing needs, such as the cash outflows for operating activities and financing, investments, remuneration of shareholders and debt repayment.

In order to mitigate this risk, the Group seeks to maintain a liquidity position and an average maturity of debt that allows it to repay its debt within reasonable periods of time.

Financial liabilities maturing within one year are replaced with medium and long term maturities as deemed appropriate.

The maturity of the financial liabilities as at 31 December 2013 and 2012 is as follows:

	2013				Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Loans	681,626	164,209	82,051	434,720	1,362,606
Suppliers	167,773	-	-	-	167,773
Financial leases	21,634	18,392	16,465	149,205	205,696
Other payables	84,162	1,498	1,436	6,899	93,995
Other liabilities	381,792	46,680	20,713	16,513	465,698
	1,336,987	230,779	120,665	607,337	2,295,768

	2012				Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Loans	834,905	114,007	85,903	201,150	1,235,965
Suppliers	187,825	-	-	-	187,825
Fixed asset suppliers	5	-	-	-	5
Financial leases	22,015	20,929	16,639	162,012	221,595
Other payables	19,097	2,997	1,644	10,469	34,207
Other liabilities	488,046	126,058	51,709	26	665,839
	1,551,893	263,991	155,895	373,657	2,345,436

As at 31 December 2013 and 2012, the amount of available cash and the unused amount of the commercial paper programme and credit lines reached EUR 391,340 thousand and EUR 365,779 thousand, respectively.

44. FINANCIAL ASSETS AND LIABILITIES UNDER IAS 39

The accounting policies established in IAS 39 for financial instruments were applied to the following items:

	2013					Total
	Loans and accounts receivable	Financial assets available for sale	Other financial liabilities and loans	Financial assets / liabilities at fair value against profit or loss	Derivative hedge instruments	
Assets:						
Cash and cash equivalents	189,912	-	-	-	-	189,912
Customers	545,529	-	-	-	-	545,529
Financial assets available for sale	-	84,613	-	-	-	84,613
Other investments	-	15,537	-	62	-	15,599
Other receivables	69,404	-	-	-	-	69,404
Other assets	187,829	-	-	-	-	187,829
Total financial assets	992,674	100,150	-	62	-	1,092,886
Liabilities:						
Loans	-	-	1,362,606	-	-	1,362,606
Suppliers	-	-	167,773	-	-	167,773
Other payables	-	-	93,995	-	-	93,995
Other liabilities	-	-	289,684	-	11,000	300,684
Financial leases	-	-	205,696	-	-	205,696
Total financial liabilities	-	-	2,119,754	-	11,000	2,130,754

2012						
	Loans and accounts receivable	Financial assets available for sale	Other financial liabilities and loans	Financial assets / liabilities at fair value against profit or loss	Derivative hedge instruments	Total
Assets:						
Cash and cash equivalents	246,063	-	-	-	-	246,063
Customers	534,942	-	-	-	-	534,942
Financial assets available for sale	-	48,597	-	-	-	48,597
Other investments	-	14,546	-	10,888	-	25,434
Other receivables	64,174	-	-	-	-	64,174
Other assets	212,817	-	-	-	-	212,817
Total financial assets	1,057,996	63,143	-	10,888	-	1,132,027
Liabilities:						
Loans	-	-	1,235,965	-	-	1,235,965
Suppliers	-	-	187,830	-	-	187,830
Other payables	-	-	34,207	-	-	34,207
Other liabilities	-	-	479,363	-	14,981	494,344
Financial leases	-	-	221,595	-	-	221,595
Total financial liabilities	-	-	2,158,960	-	14,981	2,173,941

45. 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 December 2013, 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	84,613	-	-
Financial assets at fair value through profit or loss	Shares	62	-	-
Investment properties	Buildings and land	-	479,965	-
Liabilities:				
Financial liabilities at fair value	Hedge derivatives	11,000	-	-

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.

Regarding loans, as demonstrated in Note 36, most 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 corresponding market value.

46. FEES AND SERVICE OF THE AUDITORS

During the years ended on 31 December 2013 and 2012, the fees for services provided by the Group's auditors were as follows:

	2013	2012
Legal accounts review services	448	445
Other reliability assurance services	48	17
Tax advisory services	14	73
Other services	-	3
	510	538

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended on 31 December 2013 were approved by the Board of Directors on 24 April 2014, although they are still subject to approval, under the commercial legislation in force in Portugal, by the General Meeting of Shareholders, which is scheduled for 31 May 2014.

48. SUBSEQUENT EVENTS

TEIXEIRA DUARTE, S.A. pursued its activity in the different sectors and markets in which it operates. From the closing of the financial year up to date, the following facts occurred:

Contract for the Construction of a New Motorway in Venezuela, for the value of USD 4,787 million:

Following the meetings held with the Ministries of Finance and Land Transport under the IX Joint Follow-up Commission between Portugal and Venezuela, the President of the Bolivarian Republic of Venezuela authorised, in January 2014, the Ministry of Popular Power for Land Transport to contract the engineering, procurement and construction (EPC) of the "Nueva Autopista Alternativa Caracas-La Guaira" project with the company "Teixeira Duarte - Engenharia e Construções, S.A.", 100% held by TD,SA.

This authorisation was given following the Memorandum of Understanding signed on 18 June 2013 with the aforesaid subsidiary under the "Supplementary Agreement to the Framework Agreement for Cooperation between the Republic of Venezuela and the Portuguese Republic, on matters of economic and energy cooperation".

This represents yet another important step in the award of a contract for a motorway covering a total length of 19km with three lanes in each direction, which will connect Caracas to La Guaira (Maiquetia Airport Zone), involving the execution of 4km in viaducts and 9km in tunnels, with a forecast implementation period of 54 months and estimated price of USD 4,787 million.

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 its 100% held subsidiary "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.

The aforesaid "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).

Reports, Opinions and Certifications of the Supervisory Bodies **2013**



Report and Opinion of the Supervisory Board

Dear Shareholders,

In accordance with subparagraph g) of article 420 of the Commercial Companies Code, we present our audit report, our opinion on the individual and consolidated annual report of TEIXEIRA DUARTE, S.A. relative to the year ended on 31 December 2013, as well as on the proposals submitted by the Board of Directors. This document also includes the statement of responsibility referred to in subparagraph c) of number 1 of article 245 of the Securities Market Code.

Under our duties and competence we have followed the activity developed by the Group, namely through the regular participation of the chairman of the Supervisory Board in the monthly meetings of the Board of Directors and other meetings and contacts with the Management, staff and other senior members of the Group, as well as with the Chartered Accountants. The Supervisory Board also held periodic meetings, where the following was undertaken:

- supervision of the Company's management and verification of compliance with the law and memorandum of association;
- follow-up of the management of the Group's companies;
- analysis of the documents presenting the accounts, accounting policies and valuation criteria adopted by the Company, in order to ensure that they lead to a correct valuation of its financial position and net income.

Under the competence legally entrusted to us, we have found that:

- the management report provides a clear overview of the key aspects of the business evolution, performance and financial position of the Company and Group;
- the individual and consolidated financial statements and respective notes present a true and fair view of the financial situation of the Company and TEIXEIRA DUARTE Group, respectively.

Under these terms, in view of the information provided to us by the Board of Directors and by the Company's Services, as well as the conclusions presented in the Legal Certification of Accounts and Audit Report issued by the auditor registered at the CMVM, we are of the opinion that:

- a) the Management Report should be approved;
- b) the individual and consolidated financial statements relative to 2013 should be approved;
- c) the proposed appropriation of net income submitted by the Board of Directors should be approved.

Pursuant to subparagraph c) of number 1 of article 245 of the Securities Market Code, the members of the Supervisory Board state that, to the best of their knowledge, the annual accounts and other documents presenting the accounts were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial situation and net income of TEIXEIRA DUARTE, S.A. and the companies included in the consolidation perimeter. They further state that the management report faithfully reflects the business evolution, performance and position of TEIXEIRA DUARTE, S.A. and the companies included in the consolidation perimeter, presenting a description of the main risks and uncertainties of the business.

Lisbon, 29 April 2014

António Gonçalves Monteiro - Chairman

Mateus Moreira - Member

Miguel Carmo Pereira Coutinho - Member

STATUTORY AUDIT CERTIFICATION AND REPORT OF STATUTORY AUDITORS (Individual accounts)

INTRODUCTION

- Under the terms of the applicable legislation, we present the Statutory Audit Certification and Report of Statutory Auditors on the financial information contained in the Management report and in the financial statements attached herewith for the year ended on 31 December 2013, of TEIXEIRA DUARTE, S.A., which include: the Balance Sheet as at 31 December 2013 (showing a total of EUR 597,886 thousand and total equity of EUR 418,038 thousand, including a net income of EUR 64,029 thousand), the Income Statement by nature, the Statement of the changes in equity and the Cash flow statement for the year ended on that date and the corresponding Notes.

RESPONSIBILITIES

- The Board of Directors is responsible for:
 - the preparation of the financial statements, presenting the true and appropriate financial position of the Company, the net income of its operations, the change in its equity and cash flow;
 - the historical financial information, prepared in accordance with the generally accepted accounting principles and which are complete, true, current, clear, objective and licit, as required by the Securities Market Code;
 - the adoption of appropriate accounting policies and criteria;
 - the maintenance of an appropriate internal control system; and
 - information on any relevant fact which has influenced its activity, financial position or net income.
- It is our responsibility to verify the financial information contained in the documents presenting the accounts referred to above, namely as to whether it is complete, true, current, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

SCOPE

- Our examination was conducted in accordance with the Auditing Standards issued by the "Ordem dos Revisores Oficiais de Contas" (Chartered Accountants Association), which require that the examination be planned and implemented for the purpose of obtaining a reasonable degree of certainty as to whether the financial statements are free of materially relevant distortions. For such, this examination included:
 - verification, based on samples, of the documents supporting the amounts and disclosures presented in the financial statements and assessment of the estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation;

- appraisal as to whether the adopted accounting policies and their disclosure are appropriate, in view of the circumstances;
 - verification of the applicability of the principle of continuity;
 - appraisal as to whether the presentation of the financial statements is appropriate, in overall terms; and
 - appraisal as to whether the financial information is complete, true, current, clear, objective and licit.
5. Our examination also covered verification of the concordance of the financial information contained in the management report with the rest of the documents presenting the accounts as well as the verification established in numbers 4 and 5 of article 451 of the Commercial Companies Code.
6. We believe that our examination provides a reasonable basis upon which to express our opinion.

OPINION

7. In our opinion, the abovementioned financial statements present, in a true and appropriate manner, in all materially relevant aspects, the financial position of TEIXEIRA DUARTE, S.A. as at 31 December 2013, the net income of its operations, the change in its equity and cash flow for the year ended on that date, in conformity with the accounting principles generally accepted in Portugal, and the information contained therein is complete, true, current, clear, objective and licit.

REPORTING ON OTHER LEGAL REQUIREMENTS

8. We are also of the opinion that the information presented in the management report is concordant with the financial statements for the year and that the corporate governance report includes the elements required under the terms of article 245-A of the Securities Market Code.

Linda-a-Pastora, 28 April 2014

MARIQUITO, CORREIA & ASSOCIADOS - SROC
Represented by:

António Francisco Escarameia Mariquito - ROC

STATUTORY AUDIT CERTIFICATION AND REPORT OF STATUTORY AUDITORS ON CONSOLIDATED ACCOUNTS

INTRODUCTION

- Under the terms of the applicable legislation, we present the Statutory Audit Certification And Report of Statutory Auditors on the consolidated financial information contained in the Management report and in the financial statements attached herewith for the year ended on 31 December 2013, of TEIXEIRA DUARTE, S.A., which include: the Consolidated statement of financial position as at 31 December 2013 (showing a total of EUR 2,783,596 thousand and total equity of EUR 360,728 thousand, including a consolidated net income attributable to shareholders of EUR 63,974 thousand), the Consolidated income statement, the Consolidated comprehensive income statement, the Consolidated statement of changes in equity and the Consolidated cash flow statement for the year ended on that date and the corresponding Notes.

RESPONSIBILITIES

- The Board of Directors is responsible for:
 - the preparation of the financial statements, presenting the true and appropriate financial position of the group of companies included in the consolidation, the consolidated net income and comprehensive income of its operations, the consolidated change in its equity and consolidated cash flow;
 - the historical financial information, prepared in accordance with the International Financial Reporting Standards as adopted in the European Union and which are complete, true, current, clear, objective and licit, as required by the Securities Market Code (“Código dos Valores Mobiliários”);
 - the adoption of appropriate accounting policies and criteria;
 - the maintenance of an appropriate internal control system; and
 - information on any relevant fact which has influenced the activity of the group of companies included in the consolidation, their financial position or net income.
- It is our responsibility to verify the financial information contained in the documents presenting the accounts referred to above, namely as to whether it is complete, true, current, clear, objective and licit, as required by the Securities Market Code (“Código dos Valores Mobiliários”), and to issue a professional and independent report based on our examination.

SCOPE

- Our examination was conducted in accordance with the Auditing Standards issued by the Chartered Accountants Association (“Ordem dos Revisores Oficiais de Contas”), which require that the examination be planned and implemented for the purpose of obtaining a reasonable degree of certainty as to whether the consolidated financial statements are free of materially relevant distortions. For such, this examination included:

- verification as to whether the financial statements of the companies included in the consolidation have been examined appropriately and, for significant cases where they have not been, verification, based on sampling, of the documents supporting the amounts and disclosures presented therein and assessment of the estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation;
 - verification of the consolidation operations and application of the equity method;
 - appraisal as to whether the adopted accounting policies and their disclosure are appropriate, in view of the circumstances;
 - verification of the applicability of the principle of continuity;
 - appraisal as to whether the presentation of the financial statements is appropriate, in overall terms; and
 - appraisal as to whether the consolidated financial information is complete, true, current, clear, objective and licit.
5. Our examination also covered verification of the concordance of the financial information contained in the management report with the rest of the documents presenting the accounts as well as the verification established in numbers 4 and 5 of article 451 of the Commercial Companies Code (“Código das Sociedades Comerciais”).
6. We believe that our examination provides a reasonable basis upon which to express our opinion.

OPINION

7. In our opinion, the abovementioned consolidated financial statements present, in a true and appropriate manner, in all materially relevant aspects, the consolidated financial position of TEIXEIRA DUARTE, S.A. as at 31 December 2013, the consolidated net income and comprehensive income of its operations, the consolidated change in its equity and consolidated cash flow for the year ended on that date, in conformity with the International Financial Reporting Standards as adopted in the European Union, and the information contained therein is complete, true, current, clear, objective and licit.

REPORTING ON OTHER LEGAL REQUIREMENTS

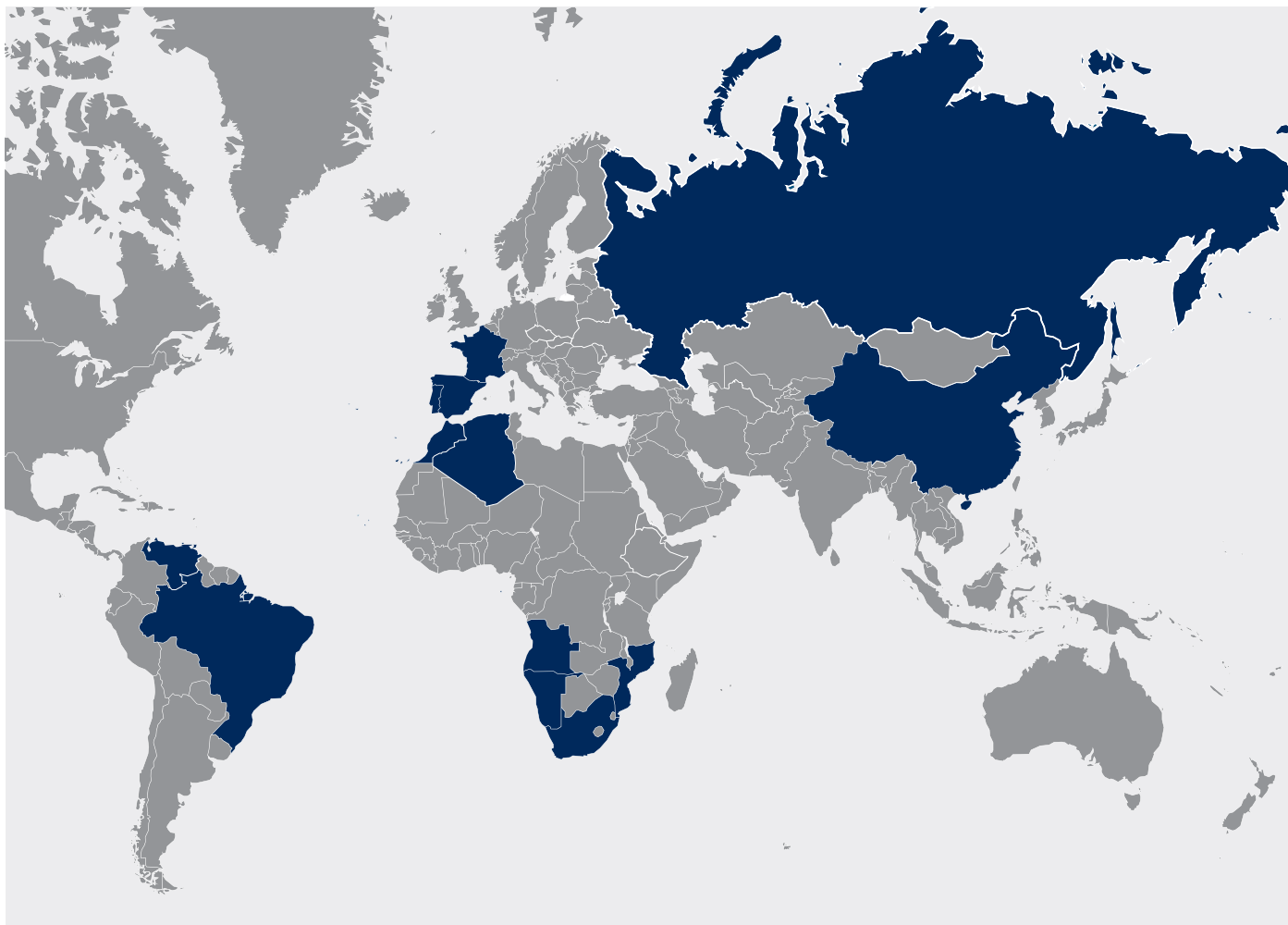
8. We are also of the opinion that the information presented in the management report is concordant with the financial statements for the year and that the corporate governance report includes the elements required under the terms of article 245-A of the Securities Market Code (“Código dos Valores Mobiliários”).

Linda-a-Pastora, 28 April 2014

MARIQUITO, CORREIA & ASSOCIADOS - SROC
Represented by:

António Francisco Escarameia Mariquito - ROC

GRAPHICS: JORGE FERNANDES, LDA.
LEGAL DEPOSIT NUMBER 77678/95
LISBON, 2014



Head office

Lagoas Park, Edifício 2
2740-265 Porto Salvo - PORTUGAL
Tel: (+351) 217 912 300
Fax: (+351) 217 941 120

Teixeira Duarte Operating Centre

Av. da Indústria, 540
2870-635 Alto do Estanqueiro-Jardia - PORTUGAL
Tel: (+351) 219 948 000 | 210 096 800
Fax: (+351) 219 554 536 | 210 096 888

Offices

• Azores

Rua de São Gonçalo, 203-2º Esq.
9500-343 Ponta Delgada
Tel: (+351) 296 288 095
Fax: (+351) 296 288 098

• Coimbra

Av. Fernão de Magalhães, 584-2º E
3000-174 Coimbra
Tel: (+351) 239 855 320
Fax: (+351) 239 855 329

• Madeira

Rua das Pretas, 4 - 2º Dto.
9000-049 Funchal
Tel: (+351) 291 206 930
Fax: (+351) 291 225 331

• Vila Nova de Gaia

Edifício Tower Plaza
Rotunda Engº Edgar Cardoso, nº 23-Piso 8
4400-676 Vila Nova de Gaia
Tel: (+351) 226 166 180
Fax: (+351) 226 104 297

• South Africa

GLOBAL NET DISTRIBUTORS (PTY) LTD.
2nd Floor, West Tower - Nelson Mandela Square
Maude Street - Sandton
2196 - Johannesburg
PO Box 785553, Sandton, 2146
Tel: (+27) 11 881 5963
Fax: (+27) 11 881 5611

• Angola

Alameda Manuel Van Dunen 316 / 320 - A
Caixa Postal 2857 - Luanda
Tel: (+244) 222 641 500 / 222 641 501
Fax: (+244) 222 641 560

• Algeria

Parc Miremont - Rue A, Nº 136 Bouzareah
16000 Algiers
Tel: (+213) 219 362 83
Fax: (+213) 219 365 66

• Brazil

Rua Iguatemi, 448 - 14º Andar, Conj. 1401
CEP 01451 - 010 - Itaim Bibi
Sao Paulo
Tel: (+55) 112 144 57 00
Fax: (+55) 112 144 57 04

EMPA, S/A

Rua Major Lopes, 800
Bairro de S. Pedro
CEP 30330-050
Belo Horizonte - MG
Tel: (+55) 313 311 4788
Fax: (+55) 313 221 4256

• Cape Verde

Caixa Postal 98
1310 Porto Novo-Santo Antão
Tel: (+238) 222 2943

• China (Macau)

Rua de Xangai, nº 175
Edifício Assoc. Com. de Macau, 10º A/E
Macau
Tel: (+853) 28 780 288
Fax: (+853) 28 780 188

• Spain

Avenida Alberto Alcocer, nº 24 - 7º C
28036 Madrid
Tel: (+34) 915 550 903
Fax: (+34) 915 972 834

• France

11, Bis, Passage Dartois Bidot
94100 Saint-Maur des Fosses

• Morocco

Espace Porte d'Anfa, 2^{ème} Étage,
Batiment B, 218+C19
Angle Boulevard Moulay Rachid
et Rue El Mansour
20050 Casablanca
Tel: (+212) 223 62 890
Fax: (+212) 223 62 647

• Mozambique

Avenida Julyus Nyerere, 130 - R/C
Maputo
Tel: (+258) 214 914 01
Fax: (+258) 214 914 00

• Namibia

KARIBIB Portland Cement, PTYC
12th Floor, Sanlam Center
145 - 157 Independence Avenue
PO Box 2558 - Windhoek
Tel: (+264) 612 202 85
Fax: (+264) 612 204 28

• Russia

MMK "Cement"
183003 Murmansk
Tri Rutchia Street
Tel: (+7) 815 248 8240
Fax: (+7) 815 248 8509

• Venezuela

Tegaven - Teixeira Duarte y Asociados, CA
Av. Venezuela del Rosal, con Calle Mohedano,
Torre JWM, frente al BOD, piso 5, El Rosal
1060 Caracas
Tel: (+58) 212 951 2012
Fax: (+58) 212 953 7409

