

# Report and Accounts

1<sup>st</sup> Semester **2014**

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# Teixeira Duarte, S.A.

## LISTED COMPANY

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

Share Capital: € 210,000,000

Single Legal Person and Registration number 509234526 at Cascais Commercial Register (Oeiras)

## KEY INDICATORS

	1 <sup>st</sup> Sem. 2010	1 <sup>st</sup> Sem. 2011	1 <sup>st</sup> Sem. 2012	1 <sup>st</sup> Sem. 2013	1 <sup>st</sup> Sem. 2014	Variation 2014/2013 %
Average number of workers	12,901	11,797	10,535	11,679	13,173	12.8%
Turnover	667	611	588	735	759	3.3%
Operating Income	694	628	608	753	766	1.8%
EBITDA	72	77	86	103	111	7.6%
EBITDA / Turnover Margin	10.8%	12.5%	14.6%	14.1%	14.7%	4.2%
EBIT	35	46	58	73	104	41.1%
Tangible fixed assets + Investment properties	1,033	1,039	1,041	1,043	1,096	5.1%
Investments in associates and joint ventures + Financial assets available for sale + Other investments	329	229	139	116	147	26.3%
Net debt	1,105	1,148	929	1,209	1,294	7.0%
Total Equity	596	465	321	308	430	39.7%
Net Income Attributable to Shareholders	52	(58)	(4)	9	43	375.7%

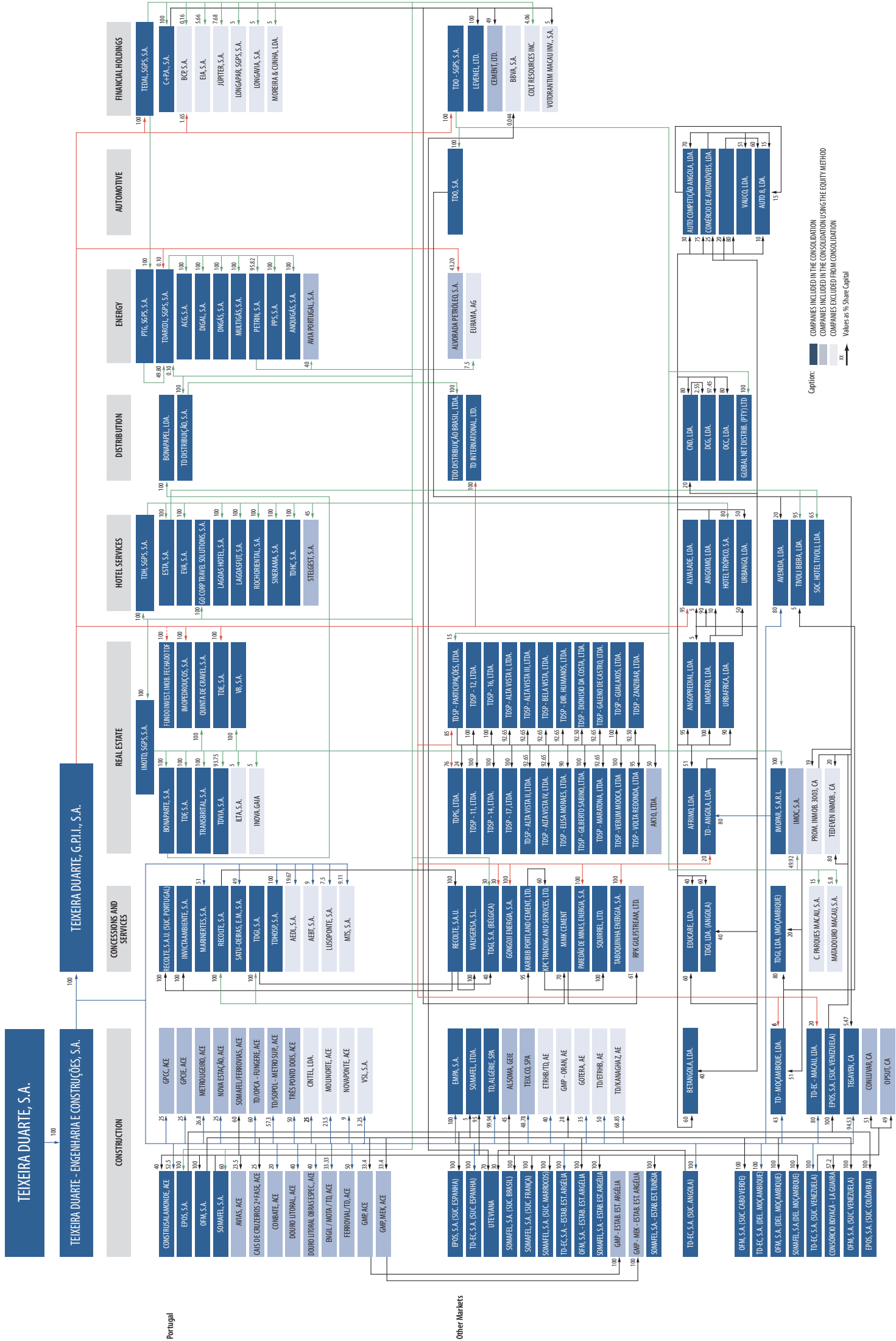
### Notes:

The book values are expressed in million Euro.

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

Total Equity includes non-controlling interests.

# TEIXEIRA DUARTE GROUP - 1<sup>st</sup> Semester 2014



Caption:

- COMPANIES INCLUDED IN THE CONSOLIDATION
- COMPANIES INCLUDED IN THE CONSOLIDATION USING THE EQUITY METHOD
- COMPANIES EXCLUDED FROM CONSOLIDATION

Values as % Share Capital



# Interim Management Report





## **I - INTRODUCTION**

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

In compliance with and under the regulations on the presentation of periodic information, it is hereby clarified that the elements disclosed herein refer only to the consolidated aspect and that the consolidated financial statements as at 30 June 2014 were prepared using accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, effective for periods beginning on 1 January 2014 and in conformity with IAS 34 - Interim Financial Reporting.

On this issue, it should be noted that, pursuant to the applicable standards, the Group adopted "IFRS 11 - Joint Arrangements" for the first time, under the terms and with the scope further detailed in Notes 1 and 3 of the Notes to the Financial Statements. This fact implied that, for purposes of comparability, the indicators of the Consolidated Statements as at 30 June and 31 December 2013 presented herein were restated based on this new standard.

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

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

- **Net Income Attributable to Shareholders** was positive by EUR 42.5 million;
- **Turnover** stood at EUR 758.8 million;
- **Foreign Market** represents 84.6% of Turnover;
- **EBITDA** reached EUR 111.2 million;
- **EBITDA / Turnover Margin** stood at 14.7%;
- **Net Debt** of EUR 1,294 million;
- **Net Assets of the Group** of EUR 2,888 million;
- **Financial Autonomy** of 14.9%;
- **Order Book of the Teixeira Duarte Group** for the construction sector stood at EUR 2,235 million.

## II - OVERALL APPRAISAL OF THE ACTIVITY

### Income Statement for the periods ended on 30 June 2014 and 2013 "Restated"

	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"	Var (%)
Operating income	766,109	752,889	1.8%	405,720	398,978	1.7%
Operating costs	(654,936)	(649,549)	0.8%	(365,184)	(349,503)	4.5%
<b>EBITDA</b>	<b>111,173</b>	<b>103,340</b>	<b>7.6%</b>	<b>40,536</b>	<b>49,475</b>	<b>(18.1%)</b>
Amortisation and depreciation	(34,132)	(29,036)	17.6%	(18,173)	(14,760)	23.1%
Provisions and impairment losses	26,612	(863)	-	27,545	431	6291.0%
<b>EBIT</b>	<b>103,653</b>	<b>73,441</b>	<b>41.1%</b>	<b>49,908</b>	<b>35,146</b>	<b>42.0%</b>
<b>Financial results</b>	<b>(55,002)</b>	<b>(53,994)</b>	<b>1.9%</b>	<b>(29,292)</b>	<b>(29,470)</b>	<b>(0.6%)</b>
<b>Earnings before tax</b>	<b>48,651</b>	<b>19,447</b>	<b>150.2%</b>	<b>20,616</b>	<b>5,676</b>	<b>263.2%</b>
Income tax	(7,509)	(10,743)	(30.1%)	6,770	(3,762)	-
<b>Net income</b>	<b>41,142</b>	<b>8,704</b>	<b>372.7%</b>	<b>27,386</b>	<b>1,914</b>	<b>1330.8%</b>
<b>Attributable to:</b>						
<b>Shareholders</b>	<b>42,509</b>	<b>8,937</b>	<b>375.7%</b>	<b>26,561</b>	<b>1,764</b>	<b>1405.7%</b>
Non-controlling interests	(1,367)	(233)	486.7%	825	150	450.0%

(Values in thousand EUR)

The Net Income Attributable to Shareholders was positive by EUR 42,509 thousand.

It is important to highlight that, in addition to the improved performance of the Group's companies compared with the same semester of the previous year, other factors also influenced the net income for the periods ended 30 June 2014 and 2013:

	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"	Var (%)
Currency conversion differences (a)	(1,279)	(12,886)	(90.1%)	(1,021)	(7,191)	(85.8%)
Impairment loss in the affiliated company "Colt Resources".	(1,250)	-	-	(1,250)	-	-
Capital gain on acquisition of "TEGAVEN - Teixeira Duarte y Asociados, C.A."	29,331	-	-	29,331	-	-
	<b>26,802</b>	<b>(12,886)</b>	-	<b>27,060</b>	<b>(7,191)</b>	-

(Values in thousand EUR)

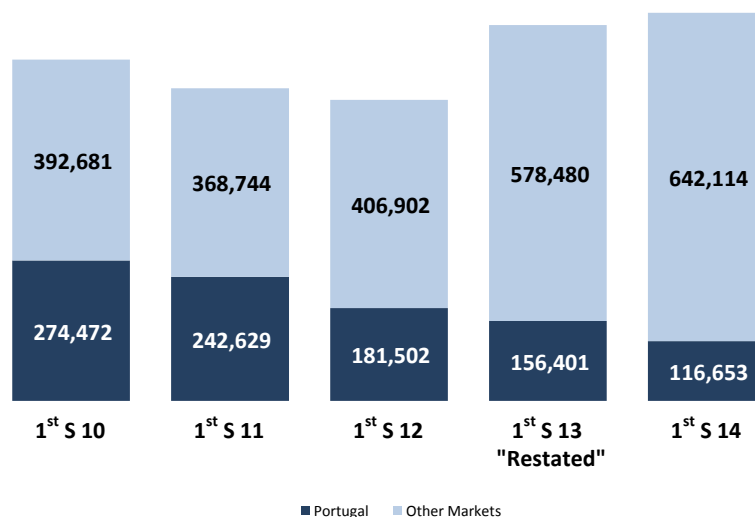
(a) - Includes the impact of the foreign exchange differences appropriated by the equity method of the participated company "Limited Liability Company Cement" which came to negative EUR 5,637 thousand in the semester ended 30 June 2014 and negative EUR 703 thousand in the second semester of 2014.



**Turnover** recorded an overall increase of 3.3% relative to the same period of 2013, having reached EUR 758,767 thousand.

Portugal registered a decline of 25.4% and other markets, which already represented 78.7% of this indicator in June 2013, increased by a total of 11%, to account for 84.6% of the total Turnover of the Teixeira Duarte Group.

Evolution of Turnover by Market



(Values in thousand EUR)

The tables below present the Turnover by country and activity sector, reflecting the significant exposure of the Group to different economic contexts.

Turnover by Country

Country	1 <sup>st</sup> S 14		1 <sup>st</sup> S 13 "Restated"		Var	2 <sup>nd</sup> Q 14		2 <sup>nd</sup> Q 13 "Restated"		Var
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Portugal	116,653	15.4%	156,401	21.3%	(25.4%)	60,858	15.1%	83,094	21.2%	(26.8%)
Angola	333,208	43.9%	371,277	50.5%	(10.3%)	173,115	43.0%	189,759	48.3%	(8.8%)
Algeria	29,105	3.8%	26,547	3.6%	9.6%	11,818	2.9%	13,063	3.3%	(9.5%)
Brazil	75,702	10.0%	35,301	4.8%	114.4%	42,630	10.6%	16,968	4.3%	151.2%
Spain	14,942	2.0%	12,135	1.7%	23.1%	7,910	2.0%	5,685	1.4%	39.1%
Mozambique	29,095	3.8%	28,599	3.9%	1.7%	18,617	4.6%	16,411	4.2%	13.4%
Venezuela	157,767	20.8%	101,159	13.8%	56.0%	86,045	21.4%	66,600	17.0%	29.2%
Other	2,295	0.3%	3,462	0.5%	(33.7%)	1,255	0.3%	991	0.3%	26.6%
	<b>758,767</b>	<b>100.0%</b>	<b>734,881</b>	<b>100.0%</b>	<b>3.3%</b>	<b>402,248</b>	<b>100.0%</b>	<b>392,571</b>	<b>100.0%</b>	<b>2.5%</b>

(Values in thousand EUR)

An analysis of turnover is presented below, taking into account its evolution by activity sector, with emphasis on the fact that the adoption of “IFRS 11 - Joint Arrangements” explained above only influenced the first semester of 2013 in the Construction, Concessions and Services, and Real Estate sectors:

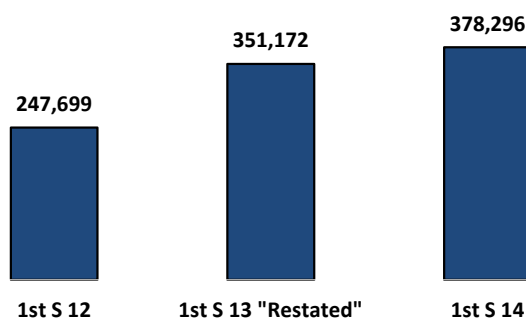
#### Turnover by Activity

Activity Sector	1st S 14	Contribution	1st S 13 "Restated"	Contribution	Var	2nd Q 14	Contribution	2nd Q 13 "Restated"	Contribution	Var
Construction	378,296	49.9%	351,172	47.8%	7.7%	202,866	50.4%	190,391	48.5%	6.6%
Concessions and Services	41,285	5.4%	34,803	4.7%	18.6%	23,383	5.8%	18,609	4.7%	25.7%
Real estate	47,167	6.2%	39,512	5.4%	19.4%	24,823	6.2%	17,868	4.6%	38.9%
Hotel services	32,298	4.3%	38,912	5.3%	(17.0%)	17,060	4.2%	20,659	5.3%	(17.4%)
Distribution	98,053	12.9%	98,114	13.4%	(0.1%)	51,112	12.7%	48,548	12.4%	5.3%
Energy	35,022	4.6%	59,477	8.1%	(41.1%)	18,570	4.6%	30,665	7.8%	(39.4%)
Automotive	126,646	16.7%	112,891	15.4%	12.2%	64,434	16.0%	65,831	16.8%	(2.1%)
	<b>758,767</b>	<b>100.0%</b>	<b>734,881</b>	<b>100.0%</b>	<b>3.3%</b>	<b>402,248</b>	<b>100.0%</b>	<b>392,571</b>	<b>100.0%</b>	<b>2.5%</b>

(Values in thousand EUR)

Some brief notes relative to each one of these sectors are set out below:

#### Turnover of Construction



Construction Turnover grew by 7.7% in comparison to the same period of 2013, with the increased activity in Algeria, Brazil, Mozambique and Venezuela having offset the declines recorded in Portugal and Angola.

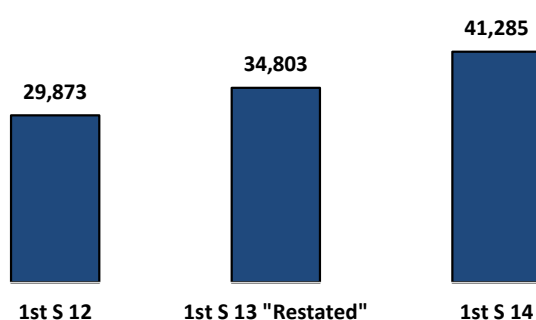
The values in Portugal fell by 31.4%, due to the widespread retraction, and in Angola by 41% primarily as a result of the fact that one of the major works underway in this country during the first semester of 2013 is currently at a stage of completion.

Brazil and Venezuela showed very significant growth, with the first having increased from EUR 18,426 thousand to EUR 52,906 thousand and, the second, from EUR 101,159 thousand to EUR 157,767 thousand.

The growth registered in Argelia of 9.6% and in Mozambique of 2.3% are also noteworthy.

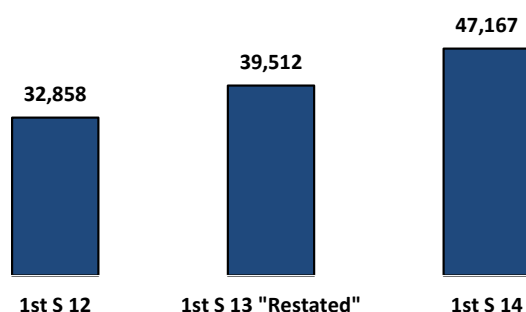
Consequently, as at 30 June 2014, the external market represented 89.1% of the Construction turnover.

### Turnover of Concessions and Services



In Concessions and Services, Turnover grew by 18.6% in relation to the first semester of 2013, with good performance in all the markets in which the Group operates, especially in Portugal, where the attraction of new customers, essentially by the participated company TDGI, S.A., enabled an increase of 27.9% relative to June 2013.

### Turnover of Real Estate

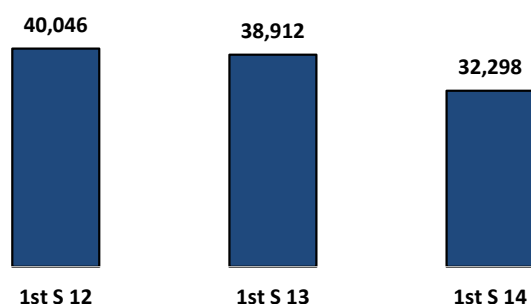


Real Estate business, as a whole, grew by 19.4% in relation to June 2013.

In Portugal a growth of 3,7% was recorded relative to the first semester of 2013.

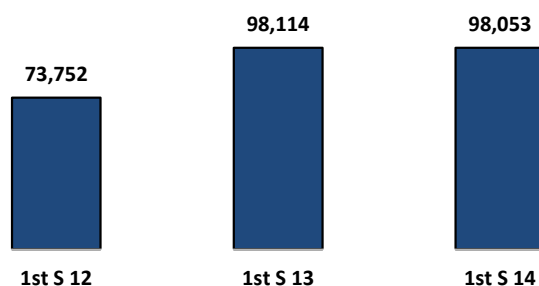
A significant growth of 54.4% and 32.2% was recorded in Angola and Brasil respectively, in comparison to the same period of 2013. Excluding currency devaluation, growth would have been 61.4% and 54.7% respectively.

### Turnover of Hotel Services



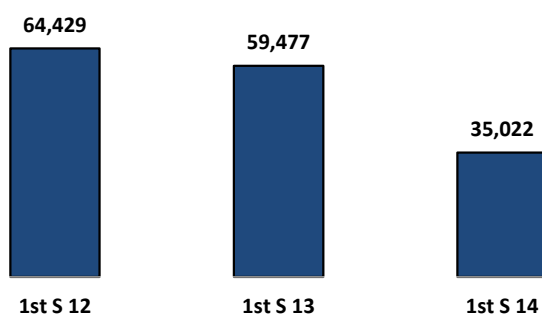
The Turnover of Hotel Services fell by 17% relative to the first semester of 2013, essentially penalised by the variations which occurred in Angola, where the impact of the closure for remodelling works of “Hotel Trópico”, in Luanda, was such that the improvement recorded in the other two hotels of the Group in the city was insufficient to offset it.

In Portugal a growth of 29,2% was recorded relative to June 2013 and Mozambique achieved a similar amount of the same period of 2013.

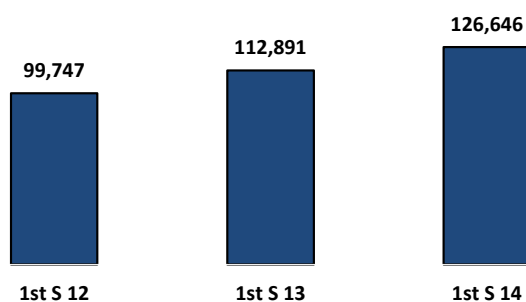
**Turnover of Distribution**

Distribution recorded similar amounts to those of the first semester of the 2013.

Not considering exchange rate effect, the activity recorded a growth of 6.1% in comparison to the same period of 2013.

**Turnover of Energy**

In Energy, the Group's Turnover fell by 41.1% in comparison to the same period of 2013, essentially as a result of the strong reduction of sales in large outlets.

**Turnover of the Automotive Sector**

The Automotive sector increased its Turnover by 12.2% in relation to the semester ended on 30 June 2013.

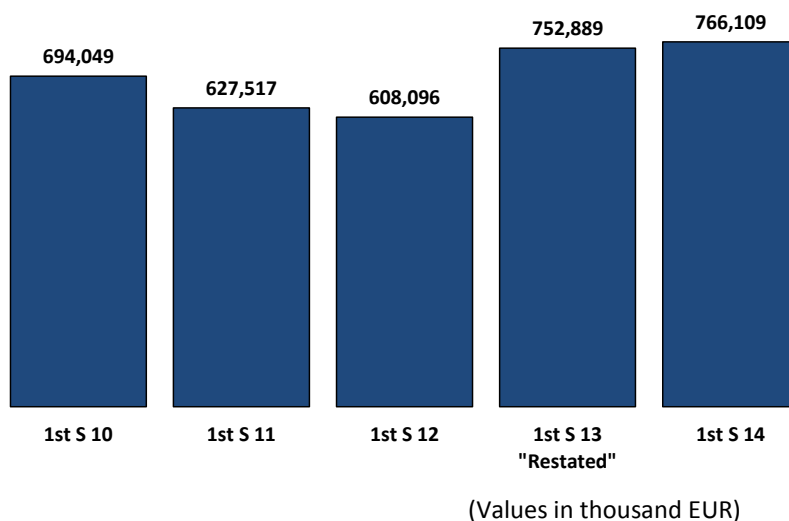
Not considering exchange rate effect, the activity grew by 17.3% in comparison to the same period of 2013.

(Values in thousand EUR)



**Operating income** increased by 1.8% relative to the same period of the previous year, reaching the value of EUR 766,109 thousand.

### Evolution of Operating Income



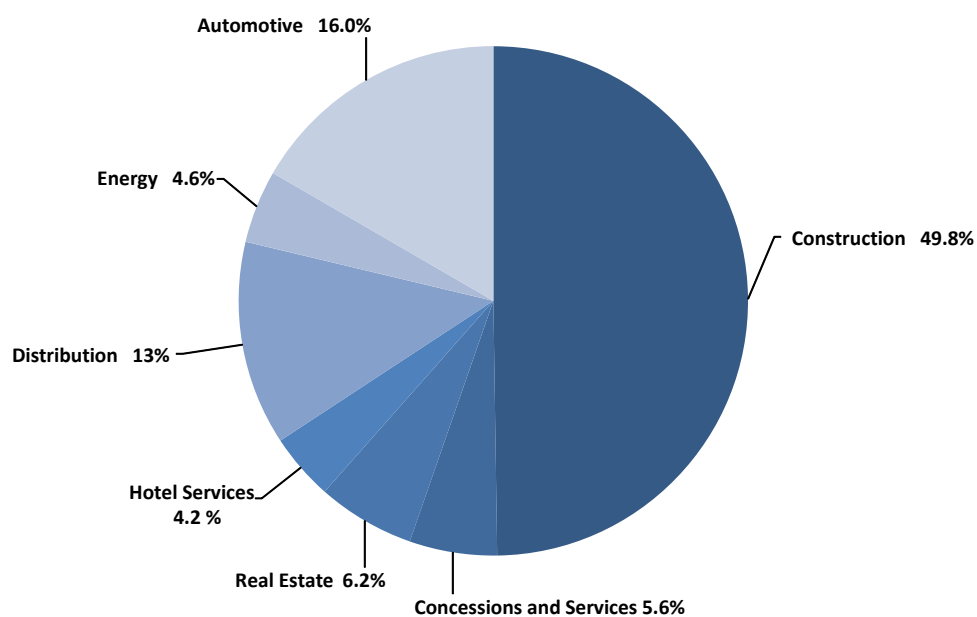
The table below confirms the good performance not only of the Concessions and Services, Real Estate and Automotive sectors, but also in Construction which, in spite of Portugal having declined by 33.1%, in general, increased by 6.7% relative to the first six months of 2013.

### Operating Income by activity and geographic market:

Activity Sector	Internal Market			External Market			Total		
	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)
Construction	42,456	63,455	(33.1%)	338,754	293,968	15.2%	381,210	357,423	6.7%
Concessions and Services	13,025	10,105	28.9%	29,579	25,819	14.6%	42,604	35,924	18.6%
Real estate	19,816	19,205	3.2%	27,709	22,089	25.4%	47,525	41,294	15.1%
Hotel services	7,424	5,820	27.6%	25,028	33,464	(25.2%)	32,452	39,284	(17.4%)
Distribution	544	2,093	(74.0%)	98,838	99,866	(1.0%)	99,382	101,959	(2.5%)
Energy	35,437	62,918	(43.7%)	41	11	272.7%	35,478	62,929	(43.6%)
Automotive	-	-	-	127,458	114,076	11.7%	127,458	114,076	11.7%
<b>Total</b>	<b>118,702</b>	<b>163,596</b>	<b>(27.4%)</b>	<b>647,407</b>	<b>589,293</b>	<b>9.9%</b>	<b>766,109</b>	<b>752,889</b>	<b>1.8%</b>

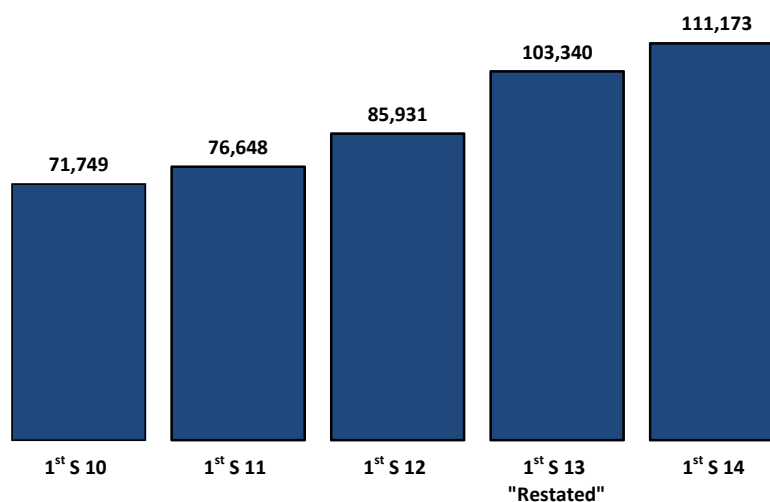
(Values in thousand EUR)

In view of the evolution referred to above, the contribution of each activity sector to the total value of the operating income achieved as at 30 June 2014 was as follows:



**EBITDA** increased by 7.6% relative to June 2013, to stand at EUR 111,173 thousand.

#### Evolution of EBITDA



(Values in thousand EUR)

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

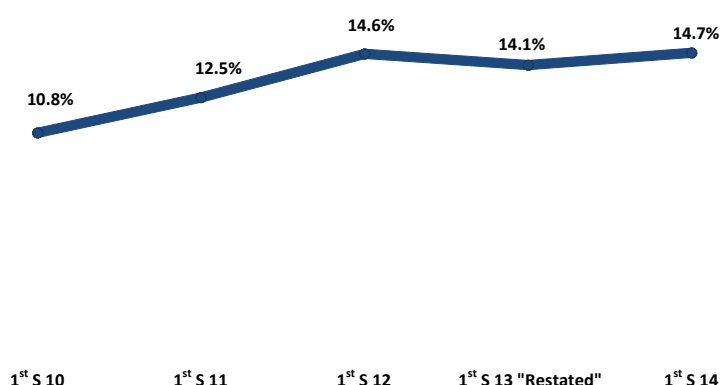
#### Evolution of EBITDA by Activity Sector

Activity Sector	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"	Var (%)
Construction	51,591	39,599	30.3%	5,376	18,577	(71.1%)
Concessions and Services	6,468	8,644	(25.2%)	4,962	3,941	25.9%
Real estate	20,876	11,520	81.2%	9,739	6,051	60.9%
Hotel services	8,251	13,782	(40.1%)	5,042	6,615	(23.8%)
Distribution	4,194	13,109	(68.0%)	4,884	5,967	(18.1%)
Energy	1,563	2,147	(27.2%)	928	1,340	(30.7%)
Automotive	25,438	22,218	14.5%	12,823	11,049	16.1%
Not allocated to segments	(7,181)	(7,701)	(6.8%)	(3,225)	(4,065)	(20.7%)
Elimination	(27)	22	(222.7%)	7	-	-
	<b>111,173</b>	<b>103,340</b>	<b>7.6%</b>	<b>40,536</b>	<b>49,475</b>	<b>(18.1%)</b>

(Values in thousand EUR)

The EBITDA / Turnover Margin increased by 4.2% year-on-year, from 14.1% as at June 2013 to 14.7% as at June 2014.

#### Evolution of the EBITDA / Turnover Margin



The financial results were negative by EUR 55,002 thousand for the semester ended on 30 June 2014.

	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)	2 <sup>nd</sup> T 14	2 <sup>nd</sup> T 13 "Restated"	Var (%)
<b>Financial costs and losses:</b>	<b>(84,850)</b>	<b>(83,805)</b>	<b>1.2%</b>	<b>(31,672)</b>	<b>(41,237)</b>	<b>(23.2%)</b>
Interest paid	(47,185)	(39,889)	18.3%	(24,438)	(21,002)	16.4%
Unfavourable currency conversion differences	(24,638)	(30,669)	(19.7%)	10	(13,203)	-
Other financial costs and losses	(13,027)	(13,247)	(1.7%)	(7,244)	(7,032)	3.0%
<b>Financial income and gains:</b>	<b>36,272</b>	<b>28,791</b>	<b>26.0%</b>	<b>3,286</b>	<b>11,873</b>	<b>(72.3%)</b>
Interest received	5,893	8,672	(32.0%)	2,987	4,528	(34.0%)
Favourable currency conversion differences	28,996	17,783	63.1%	(328)	6,012	-
Cash discounts received	190	301	(36.9%)	108	172	(37.2%)
Other financial income and gains	1,193	2,035	(41.4%)	519	1,161	(55.3%)
<b>Earnings from investment activities:</b>	<b>(6,424)</b>	<b>1,020</b>	<b>-</b>	<b>(906)</b>	<b>(106)</b>	<b>754.7%</b>
Earnings from associates and joint ventures	(6,956)	(929)	648.8%	(1,056)	(603)	75.1%
Dividends	565	1,158	(51.2%)	428	12	3466.7%
Other investments	(1,329)	316	-	(1,574)	10	-
Gains / losses in the measurement of assets available for sale	1,296	475	172.8%	1,296	475	172.8%
<b>Financial results</b>	<b>(55,002)</b>	<b>(53,994)</b>	<b>1.9%</b>	<b>(29,292)</b>	<b>(29,470)</b>	<b>(0.6%)</b>

(Values in thousand EUR)

This indicator worsened by 1.9% relative to the first semester of the previous year, with emphasis on the following variations:

- Increase of EUR 7,296 thousand in interest paid;
- Variation of earnings from associates and joint ventures, which in June 2013 had been negative by EUR 929 thousand and which, in June 2014, were negative by EUR 6,956 thousand, mainly due to the negative impact of the foreign exchange differences of the participated company "Limited Liability Company Cement" of the value of EUR 5,637 thousand.
- Impairment loss of EUR 1,656 thousand from the holding in "Colt Resources";
- Variation of the effect of exchange rate differences, which had been negative by EUR 12,886 thousand as at 30 June 2013 and were positive by EUR 4,358 thousand in the first six months of 2014, excluding the exchange rate differences appropriated by the equity method.

**Income Tax** for the period ended on 30 June 2014 reached the value of EUR 7,509 thousand, while at the end of the same period of the previous year it had stood at EUR 10,743 thousand.

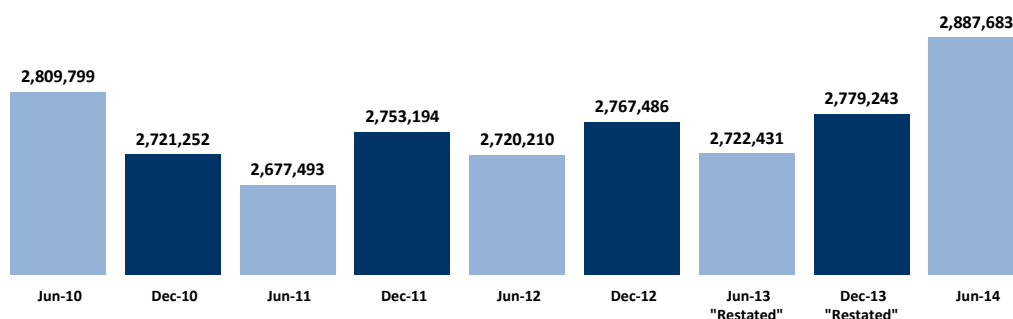
	1 <sup>st</sup> S 14	1 <sup>st</sup> S 13 "Restated"	Var (%)	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"	Var (%)
Current tax	(22,897)	(24,004)	(4.6%)	(269)	(8,374)	(96.8%)
Deferred tax	15,388	13,261	16.0%	7,039	4,612	52.6%
	<b>(7,509)</b>	<b>(10,743)</b>	<b>(30.1%)</b>	<b>6,770</b>	<b>(3,762)</b>	<b>-</b>

(Values in thousand EUR)



**Total Net Assets** grew by 3.9% in relation to 31 December 2013 ("Restated"), having reached EUR 2,887,683 thousand.

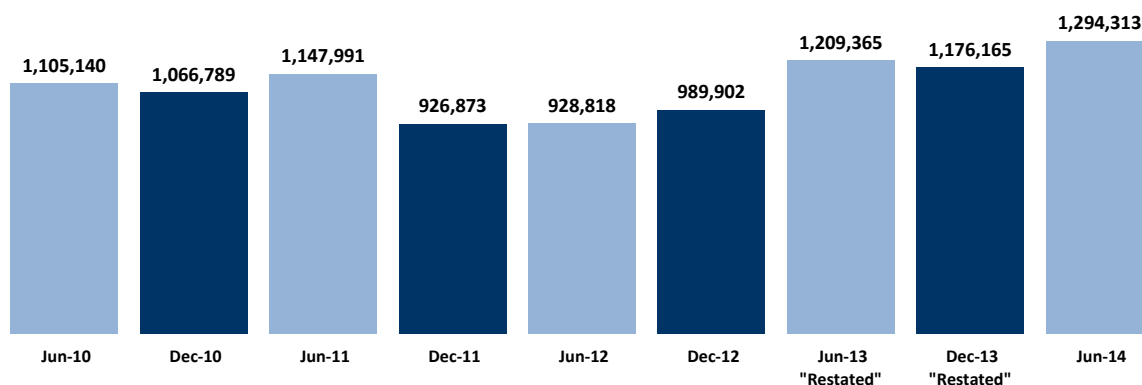
#### Evolution of Net Assets



(Values in thousand EUR)

**Net Debt** reached EUR 1,294,313 thousand as at 30 June 2014, reflecting an increase of 10% in relation to the end of the previous year.

#### Evolution of Net Debt



(Values in thousand EUR)

In the analysis of the evolution of this indicator, it is important to take into consideration the investments made in facilities and equipment, which in the period reached EUR 70.7 million, as well as the increase in net customers of the value of EUR 42.8 million.

In this respect, we should note that in the first two weeks of August 2014, the Group received, as planned, credits relative to the work "Prolongación de la Avenida Boyacá (cota mil) hasta el distribuidor Macayapa y Viaducto Tacagua" of the value of VEF 1,624 million, equivalent in our accounts to EUR 110.3 million.

**The Equity Attributable to Shareholders** increased by EUR 71,580 thousand, from EUR 325,407 thousand to EUR 396,987 thousand, corresponding to a growth of 22% in relation to 31 December 2013.

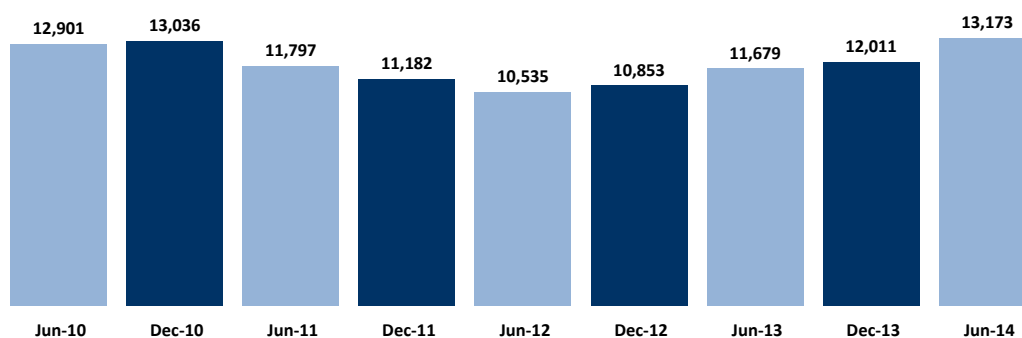
**Total Equity** grew by 19.3% to stand at EUR 430,173 thousand, influenced essentially by the following factors:

- Positive net income of EUR 41,142 thousand;
- Positive currency conversion effect of EUR 25,104 thousand, recorded as a result of the appreciation of the Currencies with which the Group operates in relation to the Euro;
- Positive variation in the fair value of the financial assets available for sale, net of deferred tax, of the value of EUR 7,578 thousand;
- Negative hedge operation effect of EUR 2,433 thousand, as a result of the variation of the fair value of the financial instrument (interest rate swap) contracted in 2008 under the Concession of the Management of the Cascais Hospital Building;
- Distribution of dividends of EUR 6,300 thousand.

**Financial Autonomy** improved from 13% as at 31 December 2013 to 14.9% as at 30 June 2014.

The **Average Number of Workers** at the end of the semester ended on 30 June 2014 was 13,173, reflecting an increase of 9.7% compared with 31 December 2013.

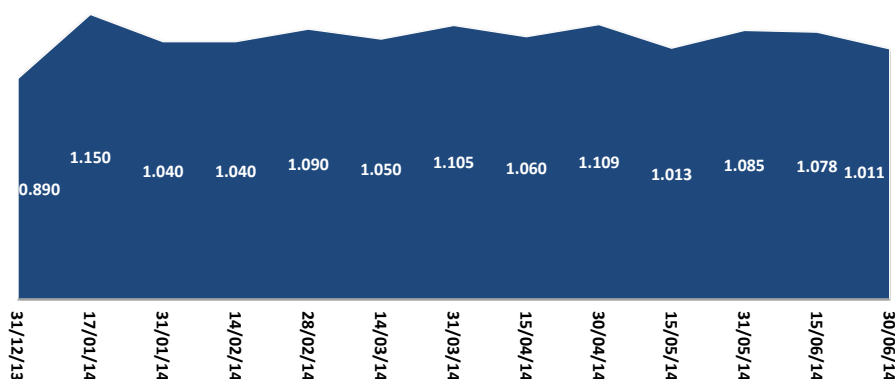
**Evolution of the Average Number of Employees**



**“Teixeira Duarte, S.A.” shares** appreciated from EUR 0.89 as at 31 December 2013 to EUR 1.011 as at 30 June 2014.

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

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



During this period, 41,498,344 shares were traded on the stock market, with a total turnover of EUR 45,560,866.

### **III. FACTS WHICH OCCURRED AFTER THE END OF THE 1<sup>ST</sup> SEMESTER 2014**

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

On 29 July 2014, the companies which are wholly-owned, directly and indirectly, by “Teixeira Duarte, S.A.”, “TEIXEIRA DUARTE - Engenharia e Construções, S.A.” and “E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.”, in consortium, were notified of the award by “EP - Estradas de Portugal, S. A.” of the contract work, under a design/construction scheme, of “IP4 (A4) - TÚNEL DO MARÃO”, whose price is EUR 88,099,873.47, and the deadline for conclusion of the work is 518 days.

#### **IV. OUTLOOK FOR 2014**

For 2014, growth of the company's activity is expected in various countries of importance in the Group's foreign market operations, namely in Venezuela.

The Teixeira Duarte Group's Order Book for the construction sector thus reached the impressive total value of EUR 2,235,452 thousand as at 30 June 2014, corresponding to an increase of 9.6% relative to 31 December 2013.

Therefore, and notwithstanding any new contracts that may arise, the Group has assured adequate business levels in construction in the foreign market which, in spite of the current unfavourable circumstances in the domestic market, has implied that, as a whole, Teixeira Duarte already has contracts to the total value of EUR 470,365 thousand for the second semester of 2014 and EUR 713,625 thousand for 2015, distributed as follows by the markets of operation of the Teixeira Duarte Group:

	Jul - Dec 2014	Contribution (%)	2015	Contribution (%)
Portugal	45,149	9.6%	26,992	3.8%
Angola	89,784	19.1%	187,761	26.3%
Algeria	85,110	18.1%	181,232	25.4%
Brazil	60,884	12.9%	81,153	11.4%
Mozambique	54,374	11.6%	108,140	15.2%
Venezuela	126,794	27.0%	124,870	17.5%
Other	8,270	1.8%	3,477	0.5%
	<b>470,365</b>	<b>100.0%</b>	<b>713,625</b>	<b>100.0%</b>

(Values in thousand EUR)

In view of the above and on this basis, Teixeira Duarte maintains the forecast of achieving consolidated operating income of EUR 1,600 million for 2014.



## V. NOTES TO THE INTERIM MANAGEMENT REPORT

### I. 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 the first semester of 2014, specifying the amount, date of the fact and consideration paid or received:

#### I - Number of shares owned by Members of the Governing Bodies as at 31 December 2013:

Name	Capacity		Number of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(a)	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 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	Statutory Auditor		-

(a) 1,170,550 shares owned by the company, controlled by the Group, PACIM - Sociedade Gestora de Participações Sociais, S.A..

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

### II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 30 June 2014:

It is disclosed, for all due purposes, that there were no transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 30 June 2014.

#### III - Number of shares held by Members of the Governing Bodies as at 30 June 2014:

Name	Capacity		Number of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(a)	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 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		-
José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General		-
José Pedro Poiares Cobra Ferreira	Secretary of the Board of the General		-
Mariquito, Correia & Associados, SROC	Statutory Auditor		-

TEIXEIRA DUARTE, S.A. presents, below and under the terms of no. 4 of article 448 of the Commercial Companies Code, the list of shareholders who, as at 30 June 2014 and according to the records of the Company and information received, own at least one tenth of the share capital.

Company	Nr. of shares as at 30.06.2014	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 30 JUNE 2014

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 30 June 2014, indicating the number of shares owned and corresponding percentage voting rights, calculated under the terms of article 20 of the Securities Market Code.

1. **TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM - with which it disagrees in relation to the matter presented in subparagraph d) below -, a qualifying holding in the share capital and voting rights of the company TEIXEIRA DUARTE, S.A. of 221,773,606 (two hundred and twenty-seven million eight hundred and twelve thousand and thirty-four) shares, corresponding to **52.80%** 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) 4,851,572 shares held by its participated company NGDI - Gestão e Investimento Imobiliário, S.A., corresponding to **1.16%** of the share capital and voting rights;
  - c) 9,552,400 shares owned by 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. **Miguel Calainho de Azevedo Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of 42,726,620 shares, corresponding to **10.173% of the share capital and voting rights**, as a result of:
  - a) 133,000 shares held directly by him, corresponding to 0.03% of the share capital and voting rights;
  - b) 42,593,620 shares held by the company controlled indirectly by him MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda., corresponding to 10.14% 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 owned by the Pensions Fund of the Banco Comercial Português Group corresponding to 9.9999% of the share capital and voting rights\*.

4. **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.

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



## STATEMENT OF CONFORMITY

(under the terms of subparagraph c) of no. 1 of article 246 of the Securities Market Code)

To the best of the signatories' knowledge, the information disclosed in the present report and respective financial statements was prepared in conformity with the applicable accounting standards, presenting a true and appropriate image of the assets and liabilities, financial situation and net income of TEIXEIRA DUARTE, S.A. and the companies included in its consolidation perimeter. Likewise, the interim management report faithfully discloses information on the important events which occurred in the first six months of 2014 and the impact on the respective financial statements, as well as a description of the main risks and uncertainties for the following six months.

Lagoas Park, 29 August 2014

The Board of Directors,

*Pedro Maria Calainho Teixeira Duarte*

*Manuel Maria Calainho de Azevedo Teixeira Duarte*

*Joel Vaz Viana de Lemos*

*Carlos Gomes Baptista*

*Diogo Bebiano Branco de Sá Viana Rebelo*

*Jorge Ricardo de Figueiredo Catarino*

# Consolidated Financial Statements - 1<sup>st</sup> Semester **2014**



**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 JUNE 2014, 31 DECEMBER 2013 AND 1 JANUARY 2013**  
**(Values expressed in thousands of Euro)**

	Notes	30/06/2014	31-12-2013 "Restated"	01-01-2013 "Restated"
<b>Non-current assets:</b>				
Goodwill		30,116	29,706	29,715
Intangible assets		24,057	34,563	31,281
Tangible fixed assets	13	621,229	571,234	529,738
Investment properties	14	475,078	479,965	498,236
Investments in associates and joint ventures	7 and 15	36,444	36,461	51,858
Financial assets available for sale	7 and 16	90,493	84,613	48,597
Other investments		18,305	15,537	14,546
Deferred tax assets	17	204,565	188,514	111,912
Customers		49,322	53,224	58,091
Other receivables		86	97	79
Other non-current assets		2,135	1,561	1,716
<b>Total non-current assets</b>		<b>1,551,830</b>	<b>1,495,475</b>	<b>1,375,769</b>
<b>Current assets:</b>				
Inventories		320,266	289,894	313,575
Customers		497,037	492,135	476,724
Other receivables		83,546	69,315	65,099
Cash and cash equivalents	19	185,026	186,441	241,961
Other investments		1,714	62	10,888
Other current assets		248,264	245,921	279,698
<b>Total current assets</b>		<b>1,335,853</b>	<b>1,283,768</b>	<b>1,387,945</b>
<b>TOTAL ASSETS</b>	<b>7</b>	<b>2,887,683</b>	<b>2,779,243</b>	<b>2,763,714</b>
<b>Equity:</b>				
Equity	20	210,000	210,000	210,000
Adjustment of holdings in associates and joint ventures		4,043	1,669	1,607
Currency conversion adjustments		(12,361)	(37,085)	(3,671)
Reserves and retained earnings		152,796	86,849	20,066
Consolidated net income		42,509	63,974	24,003
<b>Equity attributable to shareholders</b>		<b>396,987</b>	<b>325,407</b>	<b>252,005</b>
Non-controlling interests		33,186	35,321	73,863
<b>TOTAL EQUITY</b>		<b>430,173</b>	<b>360,728</b>	<b>325,868</b>
<b>Non-current liabilities:</b>				
Loans	22	694,264	680,980	401,060
Provisions		76,165	72,934	36,148
Financial leases		176,316	184,062	199,580
Deferred tax liabilities	17	53,264	52,693	57,979
Other payables		8,268	9,833	15,110
Other non-current liabilities		62,776	83,906	177,793
<b>Total non-current liabilities</b>		<b>1,071,053</b>	<b>1,084,408</b>	<b>887,670</b>
<b>Current liabilities:</b>				
Loans	22	785,075	681,626	834,905
Suppliers		184,392	167,002	186,737
Financial leases		20,834	21,634	22,015
Other payables		32,505	83,927	20,260
Other current liabilities		363,651	379,918	486,259
<b>Total current liabilities</b>		<b>1,386,457</b>	<b>1,334,107</b>	<b>1,550,176</b>
<b>TOTAL LIABILITIES</b>	<b>7</b>	<b>2,457,510</b>	<b>2,418,515</b>	<b>2,437,846</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>2,887,683</b>	<b>2,779,243</b>	<b>2,763,714</b>

The notes are an integral part of the consolidated statement of financial position as at 30 June 2014.

**CONSOLIDATED INCOME STATEMENT**  
**FOR THE PERIODS ENDED ON 30 JUNE 2014 AND 2013**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"
Operating income:					
Sales and services rendered	7 and 8	758.767	734.881	402.248	392.571
Other operating income	8	7.342	18.008	3.472	6.407
<b>Total operating income</b>	<b>8</b>	<b>766.109</b>	<b>752.889</b>	<b>405.720</b>	<b>398.978</b>
Operating costs:					
Cost of sales		(269.306)	(262.601)	(138.794)	(152.258)
Change in production		(1.134)	(2.443)	(497)	(1.349)
External supplies and services		(219.454)	(216.955)	(135.864)	(107.978)
Staff costs		(136.404)	(129.628)	(73.455)	(67.559)
Amortisation and depreciation	7	(34.132)	(29.036)	(18.173)	(14.760)
Provisions and impairment losses in depreciable and amortisable assets and Goodwill	7	26.612	(863)	27.545	431
Other operating costs		(28.638)	(37.922)	(16.574)	(20.359)
<b>Total operating costs</b>		<b>(662.456)</b>	<b>(679.448)</b>	<b>(355.812)</b>	<b>(363.832)</b>
<b>Net operating income</b>	<b>7</b>	<b>103.653</b>	<b>73.441</b>	<b>49.908</b>	<b>35.146</b>
Financial costs and losses	7 and 9	(84.850)	(83.805)	(31.672)	(41.237)
Financial income and gains	7 and 9	36.272	28.791	3.286	11.873
Earnings from investment activities:					
Earnings from associates and joint ventures	7 and 9	(6.956)	(929)	(1.056)	(603)
Other	7 and 9	532	1.949	150	497
<b>Financial results</b>		<b>(55.002)</b>	<b>(53.994)</b>	<b>(29.292)</b>	<b>(29.470)</b>
<b>Earnings before tax</b>	<b>7</b>	<b>48.651</b>	<b>19.447</b>	<b>20.616</b>	<b>5.676</b>
Income tax	10	(7.509)	(10.743)	6.770	(3.762)
<b>Consolidated net income for the period</b>		<b>41.142</b>	<b>8.704</b>	<b>27.386</b>	<b>1.914</b>
<b>Net income attributable to:</b>					
<b>Shareholders</b>	<b>11</b>	<b>42.509</b>	<b>8.937</b>	<b>26.561</b>	<b>1.764</b>
Non-controlling interests		(1.367)	(233)	825	150
<b>Earnings per share:</b>					
Basic (euros)	11	0,10	0,02	0,06	0,00
Diluted (euros)	11	0,10	0,02	0,06	0,00

The notes are an integral part of the consolidated income statement for the period ended on 30 June 2014.



**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIODS ENDED ON 30 JUNE 2014 AND 2013**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"
<b>Consolidated net income for the period</b>		<b>41,142</b>	<b>8,704</b>	<b>27,386</b>	<b>1,914</b>
<b>Income and costs that will not be subsequently reclassified to net income</b>					
Other changes in equity		1,980	(15,492)	5,028	(13,192)
		<b>1,980</b>	<b>(15,492)</b>	<b>5,028</b>	<b>(13,192)</b>
<b>Income and costs that may be subsequently reclassified to net income</b>					
Fair value of financial assets available for sale	16	7,578	6,060	(8,303)	(545)
Currency conversion adjustments		25,104	(13,290)	2,828	(32,882)
Adjustment of holdings in associates and joint ventures	15	2,374	348	(297)	424
Hedge financial instruments		(2,433)	1,982	(1,232)	1,423
		<b>32,623</b>	<b>(4,900)</b>	<b>(7,004)</b>	<b>(31,580)</b>
<b>Net income recognised directly in equity</b>		<b>34,603</b>	<b>(20,392)</b>	<b>(1,976)</b>	<b>(44,772)</b>
<b>Comprehensive income for the period</b>		<b>75,745</b>	<b>(11,688)</b>	<b>25,410</b>	<b>(42,858)</b>
<b>Comprehensive income attributable to:</b>					
Shareholders		<b>77,880</b>	<b>21,225</b>	<b>23,759</b>	<b>(10,977)</b>
Non-controlling interests		(2,135)	(32,913)	1,651	(31,881)

The notes are an integral part of the consolidated comprehensive income statement for the period ended on 30 June 2014.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SEMESTERS ENDED ON 30 JUNE 2014 AND 2013**  
**(Values expressed in thousands of Euro)**

	Notes	Equity	Adjustment of holdings in associates and joint ventures	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				
<b>Balance as at 1 January 2013 "Restated"</b>	<b>20</b>	<b>210,000</b>	<b>1,607</b>	<b>(3,671)</b>	<b>5,500</b>	<b>65,700</b>	<b>995</b>	<b>(11,011)</b>	<b>(41,118)</b>	<b>24,003</b>	<b>252,005</b>	<b>73,863</b>	<b>325,868</b>
<b>Comprehensive income for the period:</b>													
Consolidated net income for the period		-	-	-	-	-	-	-	-	8,937	8,937	(233)	8,704
Variation in currency conversion adjustments		-	-	(11,656)	-	-	-	-	-	-	(11,656)	(1,634)	(13,290)
Variation in fair value and disposal of financial assets available for sale	16	-	-	-	-	-	6,060	-	-	-	6,060	-	6,060
Effect of hedge operations		-	-	-	-	-	-	1,982	-	-	1,982	-	1,982
Effect of the application of the equity method	15	-	348	-	-	-	-	-	-	-	348	-	348
Other		-	-	-	-	-	-	-	15,554	-	15,554	(31,046)	(15,492)
<b>Transactions with shareholders in the period:</b>													
Appropriation of the consolidated net income for 2012:													
Transfer to retained earnings		-	-	-	4,500	9,678	-	-	3,525	(17,703)	-	-	-
Dividends distributed		-	-	-	-	-	-	-	-	(6,300)	(6,300)	-	(6,300)
<b>Balance as at 30 June 2013</b>		<b>210,000</b>	<b>1,955</b>	<b>(15,327)</b>	<b>10,000</b>	<b>75,378</b>	<b>7,055</b>	<b>(9,029)</b>	<b>(22,039)</b>	<b>8,937</b>	<b>266,930</b>	<b>40,950</b>	<b>307,880</b>

	Notes	Equity	Adjustment of holdings in associates and joint ventures	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				
<b>Balance as at 1 January 2014 "Restated"</b>	<b>20</b>	<b>210,000</b>	<b>1,669</b>	<b>(37,085)</b>	<b>10,000</b>	<b>75,378</b>	<b>34,074</b>	<b>(8,305)</b>	<b>(24,298)</b>	<b>63,974</b>	<b>325,407</b>	<b>35,321</b>	<b>360,728</b>
<b>Comprehensive income for the period:</b>													
Consolidated net income for the period		-	-	-	-	-	-	-	-	42,509	42,509	(1,367)	41,142
Variation in currency conversion adjustments		-	-	24,724	-	-	-	-	-	-	24,724	380	25,104
Variation in fair value and disposal of financial assets available for sale	16	-	-	-	-	-	7,578	-	-	-	7,578	-	7,578
Effect of hedge operations		-	-	-	-	-	-	(2,433)	-	-	(2,433)	-	(2,433)
Effect of the application of the equity method	15	-	2,374	-	-	-	-	-	-	-	2,374	-	2,374
Other		-	-	-	-	-	-	-	3,128	-	3,128	(1,148)	1,980
<b>Transactions with shareholders in the period:</b>													
Appropriation of the consolidated net income for 2013:													
Transfer to retained earnings		-	-	-	11,000	46,674	-	-	-	(57,674)	-	-	-
Dividends distributed		-	-	-	-	-	-	-	-	(6,300)	(6,300)	-	(6,300)
<b>Balance as at 30 June 2014</b>		<b>210,000</b>	<b>4,043</b>	<b>(12,361)</b>	<b>21,000</b>	<b>122,052</b>	<b>41,652</b>	<b>(10,738)</b>	<b>(21,170)</b>	<b>42,509</b>	<b>396,987</b>	<b>33,186</b>	<b>430,173</b>

The notes are an integral part of the consolidated statement of changes in equity for the year ended on 30 June 2014.

**CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE PERIODS ENDED ON 30 JUNE 2014 AND 2013**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"
<b>OPERATING ACTIVITIES:</b>					
Revenue from customers		687,916	614,278	346,282	351,634
Payments to suppliers		(480,171)	(528,399)	(269,113)	(280,185)
Payments to staff		(135,935)	(126,624)	(76,284)	(68,789)
<b>Cash flow generated by operations</b>		<b>71,810</b>	<b>(40,745)</b>	<b>885</b>	<b>2,660</b>
Income tax payment/revenue		(25,733)	(24,473)	(17,719)	(19,422)
Other revenue/payments relative to operating activity		(40,528)	(28,122)	(31,984)	(13,392)
<b>Cash flow from operating activities (1)</b>		<b>5,549</b>	<b>(93,340)</b>	<b>(48,818)</b>	<b>(30,154)</b>
<b>INVESTMENT ACTIVITIES:</b>					
<b>Revenue derived from:</b>					
Financial investments	19	18,421	27,238	7,767	18,554
Tangible fixed assets and investment properties		2,282	2,542	1,827	1,561
Interest and similar income		5,838	7,336	1,749	2,929
Dividends	19	565	1,324	428	178
		<b>27,106</b>	<b>38,440</b>	<b>11,771</b>	<b>23,222</b>
<b>Payments relative to:</b>					
Financial investments	19	(20,972)	(36,266)	(5,369)	(30,312)
Tangible fixed assets and investment properties		(69,433)	(55,349)	(28,098)	(37,930)
Intangible assets		(6,107)	(803)	(5,961)	(515)
		<b>(96,512)</b>	<b>(92,418)</b>	<b>(39,428)</b>	<b>(68,757)</b>
<b>Cash flow from investment activities (2)</b>		<b>(69,406)</b>	<b>(53,978)</b>	<b>(27,657)</b>	<b>(45,535)</b>
<b>FINANCING ACTIVITIES:</b>					
<b>Revenue derived from:</b>					
Loans raised		<b>862,646</b>	<b>1,677,239</b>	<b>390,262</b>	<b>832,304</b>
<b>Payments relative to:</b>					
Loans raised		(745,913)	(1,550,562)	(277,220)	(760,952)
Interest and similar costs		(47,079)	(39,215)	(20,095)	(20,690)
Dividends	12	(6,300)	(6,300)	(6,300)	(6,300)
		<b>(799,292)</b>	<b>(1,596,077)</b>	<b>(303,615)</b>	<b>(787,942)</b>
<b>Cash flow from financing activities (3)</b>		<b>63,354</b>	<b>81,162</b>	<b>86,647</b>	<b>44,362</b>
<b>Variation in cash and cash equivalents (4)=(1)+(2)+(3)</b>		<b>(503)</b>	<b>(66,156)</b>	<b>10,172</b>	<b>(31,327)</b>
<b>Effect of currency conversion differences</b>		<b>(1,326)</b>	<b>(22,528)</b>	<b>2,527</b>	<b>(5,427)</b>
<b>Cash and cash equivalents - perimeter change</b>		<b>414</b>	<b>-</b>	<b>414</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>19</b>	<b>186,441</b>	<b>241,961</b>	<b>171,913</b>	<b>190,031</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>19</b>	<b>185,026</b>	<b>153,277</b>	<b>185,026</b>	<b>153,277</b>

The notes are an integral part of the cash flow statement of the period ended on 30 June 2014.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 JUNE 2014**

### **1 - INTRODUCTION**

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

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

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

During the semester ended on 30 June 2014, the Group adopted, for the first time, IFRS 11 - Joint Arrangements, which classifies joint arrangements as joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity) and requires the use of the equity method in joint ventures, thus eliminating the method of proportional consolidation. This standard has replaced IAS 31 - Interests in Joint Ventures and SIC 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers. With the adoption of this new standard, the Group no longer proportionally consolidates its investments in joint ventures, namely the Enterprise Groups ("ACE"). The impacts of the adoption of this standard are detailed in Note 3.

Furthermore, following the new law issued in 2014 by Venezuela (Foreign Exchange Agreement no. 25), which establishes a new foreign exchange rate for certain currency sale transactions, applicable as of 24 January 2014, there was a significant devaluation of the Venezuelan bolivar in the semester under analysis (Note 6).

### **2 - BASIS OF PRESENTATION**

The consolidated financial statements as at 30 June 2014 were prepared using the accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, effective for periods beginning on 1 January 2014 and in conformity with IAS 34 - Interim Financial Reporting.

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

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



As a result of the adoption of IFRS 11, the following alterations were made to the previously reported Consolidated Statements of Financial Position as at 31 December 2013 and 1 January 2013, and to the previously reported Consolidated Income and Cash Flow Statements for the semester ended on 30 June 2013:

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

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

#### Reconciliation of Financial Position as at 30 June 2013:

	30-06-2013 "Restated"	Application of IFRS 11	30/06/2013
<b>Non-current assets:</b>			
Tangible fixed assets	550,777	(29)	550,806
Investments in associates and joint ventures	38,519	817	37,702
Other non-current assets	809,255	-	809,255
<b>Total non-current assets</b>	<b>1,398,551</b>	<b>788</b>	<b>1,397,763</b>
<b>Current assets:</b>			
Customers	518,170	(80)	518,250
Other receivables	64,823	1,349	63,474
Cash and cash equivalents	153,277	(4,012)	157,289
Other current assets	587,610	(959)	588,569
<b>Total current assets</b>	<b>1,323,880</b>	<b>(3,702)</b>	<b>1,327,582</b>
<b>TOTAL ASSETS</b>	<b>2,722,431</b>	<b>(2,914)</b>	<b>2,725,345</b>
<b>Equity:</b>			
Equity attributable to shareholders	266,930	-	266,930
Non-controlling interests	40,950	-	40,950
<b>TOTAL EQUITY</b>	<b>307,880</b>	<b>-</b>	<b>307,880</b>
<b>Non-current liabilities:</b>			
Provisions	31,509	(1,580)	33,089
Other non-current liabilities	818,970	-	818,970
<b>Total non-current liabilities</b>	<b>850,479</b>	<b>(1,580)</b>	<b>852,059</b>
<b>Current liabilities:</b>			
Suppliers	142,565	(475)	143,040
Other payables	23,949	1,128	22,821
Other current liabilities	1,397,558	(1,987)	1,399,545
<b>Total current liabilities</b>	<b>1,564,072</b>	<b>(1,334)</b>	<b>1,565,406</b>
<b>TOTAL LIABILITIES</b>	<b>2,414,551</b>	<b>(2,914)</b>	<b>2,417,465</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>2,722,431</b>	<b>(2,914)</b>	<b>2,725,345</b>

**Reconciliation of Financial Position as at 31 December 2013:**

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

**Reconciliation of the Consolidated Cash Flow Statement for the semester ended on 30 June 2013:**

	1 <sup>st</sup> Sem. 13 "Restated"	Application of IFRS 11	1 <sup>st</sup> Sem. 13
<b>OPERATING ACTIVITIES:</b>			
Revenue from customers	614,278	(92)	614,370
Payments to suppliers	(528,399)	1,027	(529,426)
Payments to staff	(126,624)	14	(126,638)
<b>Cash flow generated by operations</b>	<b>(40,745)</b>	<b>949</b>	<b>(41,694)</b>
Income tax payment/revenue	(24,473)	-	(24,473)
Other revenue/payments relative to operating activity	(28,122)	(792)	(27,330)
<b>Cash flow from operating activities (1)</b>	<b>(93,340)</b>	<b>157</b>	<b>(93,497)</b>
<b>INVESTMENT ACTIVITIES:</b>			
<b>Revenue derived from:</b>			
Financial investments	27,238	-	27,238
Tangible fixed assets and investment properties	2,542	-	2,542
Interest and similar income	7,336	(99)	7,435
Dividends	1,324	-	1,324
	<b>38,440</b>	<b>(99)</b>	<b>38,539</b>
<b>Payments relative to:</b>			
	<b>(92,418)</b>	-	<b>(92,418)</b>
<b>Cash flow from investment activities (2)</b>	<b>(53,978)</b>	<b>(99)</b>	<b>(53,879)</b>
<b>FINANCING ACTIVITIES:</b>			
<b>Revenue derived from:</b>			
Loans raised	<b>1,677,239</b>		<b>1,677,239</b>
<b>Payments relative to:</b>			
Loans raised	(1,550,562)	-	(1,550,562)
Interest and similar costs	(39,215)	32	(39,247)
Dividends	(6,300)	-	(6,300)
	<b>(1,596,077)</b>	<b>32</b>	<b>(1,596,109)</b>
<b>Cash flow from financing activities (3)</b>	<b>81,162</b>	<b>32</b>	<b>81,130</b>
<b>Variation in cash and cash equivalents (4)=(1)+(2)+(3)</b>	<b>(66,156)</b>	<b>90</b>	<b>(66,246)</b>
<b>Effect of currency conversion differences</b>	<b>(22,528)</b>	-	<b>(22,528)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>241,961</b>	<b>(4,102)</b>	<b>246,063</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>153,277</b>	<b>(4,012)</b>	<b>157,289</b>

**Reconciliation of the Consolidated Income Statement for the semester ended on 30 June 2013:**

	1 <sup>st</sup> Sem. 13 "Restated"	Application of IFRS 11	1 <sup>st</sup> Sem. 13
Operating income:			
Sales and services rendered	734,881	52	734,829
Other operating income	18,008	(98)	18,106
<b>Total operating income</b>	<b>752,889</b>	<b>(46)</b>	<b>752,935</b>
Operating costs:			
Cost of sales	(262,601)	-	(262,601)
Change in production	(2,443)	-	(2,443)
External supplies and services	(216,955)	354	(217,309)
Staff costs	(129,628)	14	(129,642)
Amortisation and depreciation	(29,036)	6	(29,042)
Provisions and impairment losses in depreciable and amortisable assets and Goodwill	(863)	(280)	(583)
Other operating costs	(37,922)	55	(37,977)
<b>Total operating costs</b>	<b>(679,448)</b>	<b>149</b>	<b>(679,597)</b>
<b>Net operating income</b>	<b>73,441</b>	<b>103</b>	<b>73,338</b>
Financial costs and losses	(83,805)	32	(83,837)
Financial income and gains	28,791	(100)	28,891
Earnings from investment activities:			
Earnings from associates and joint ventures	(929)	(35)	(894)
Other	1,949	-	1,949
<b>Financial results</b>	<b>(53,994)</b>	<b>(103)</b>	<b>(53,891)</b>
<b>Earnings before tax</b>	<b>19,447</b>	<b>-</b>	<b>19,447</b>
Income tax	(10,743)	-	(10,743)
<b>Consolidated net income for the semester</b>	<b>8,704</b>	<b>-</b>	<b>8,704</b>
<b>Net income attributable to:</b>			
<b>Shareholders</b>	<b>8,937</b>	<b>-</b>	<b>8,937</b>
Non-controlling interests	(233)	-	(233)
<b>Earnings per share:</b>			
Basic (Euro)	0.02	-	0.02
Diluted (Euro)	0.02	-	0.02

#### 4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 30 June 2014, TEIXEIRA DUARTE, S.A. and the following controlled companies were included in the consolidation, by the full method:

Corporate name	Head office	Effective percentage holding
<b>INTERNAL MARKET</b>		
<b>CONSTRUCTION</b>		
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
<b>CONCESSIONS AND SERVICES</b>		
INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.	Praça do Bom Sucesso, nº 61 - Escritórios 501 e 502 Porto	100.00%
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%
<b>REAL ESTATE</b>		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOTD - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	93.75%
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TRANSBRITAL - Transportes e Britas Pio Monteiro & Filhos, S.A.	Pedreira das Perdigueiras - Laveiras Paço de Arcos	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%

Corporate name	Head office	Effective percentage holding
<b>HOTEL SERVICES</b>		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
EVA - Sociedade Hoteleira, S.A.	Av. República, nº 1 Faro	100.00%
GO CORP TRAVEL SOLUTIONS - Agência de Viagens, S.A.	Rua da Comunidade Lusíada, nº 2, Letra C Faro	100.00%
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
ROCHORIENTAL - Sociedade Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDH - SGPS, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
<b>DISTRIBUTION</b>		
BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - DISTRIBUIÇÃO S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
<b>ENERGY</b>		
ACG - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
DIGAL - Distribuição e Comércio, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
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	50.00%
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	50.00%
TDARCOL - SGPS, S.A. (c)	Edifício 1, Lagoas Park Porto Salvo	50.00%
<b>AUTOMOTIVE</b>		
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%

Corporate name	Head office	Effective percentage holding
<b>OTHER</b>		
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%
<b><u>EXTERNAL MARKET</u></b>		
<b><u>SOUTH AFRICA</u></b>		
<b>DISTRIBUTION</b>		
Global Net Distributors (Pty) Ltd.	Po Box 15318 Farrarmere - Benon - Gauteng 1518 South Africa	100.00%
<b><u>ANGOLA</u></b>		
<b>CONSTRUCTION</b>		
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
<b>CONCESSIONS AND SERVICES</b>		
EDUCARE - Actividades Educativas e Culturais, Lda.	Rua Amílcar Cabral, 27 - R/C C Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
<b>REAL ESTATE</b>		
AFRIMO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	51.00%
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
IMOAFRO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
URBÁFRICA - Sociedade Imobiliária, Lda.	Rua Amílcar Cabral, 35 - 5º C Luanda	90.00%
<b>HOTEL SERVICES</b>		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Rua Comandante Gika - Bairro Maiango Luanda	100.00%
ANGOIMO - Empreendimentos e Construções, Lda.	Rua Amílcar Cabral, 35 - 5º C Luanda	100.00%
HOTEL TRÓPICO, S.A.	Rua da Missão, 103 Luanda	80.00%

Corporate name	Head office	Effective percentage holding
URBANGO - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
<b>DISTRIBUTION</b>		
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%
OCC - Operador Central de Comércio, Lda.	Alameda Manuel Van - Dúnem Luanda	80.00%
<b>AUTOMOTIVE</b>		
AUTO COMPETIÇÃO Angola, Lda.	Rua Eugénio de Castro, Instalações do Cine Atlântico - Luanda	100.00%
AUTO 8, Lda.	Via A-1, Lote CCB-5 - Pólo Automóvel Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Rua Frederich Engels, 9 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Rua Amilcar Cabral, nº 27 R/C, Letra C Luanda	100.00%
VAUCO - Automóveis e Equipamentos, Lda.	Rua Ho Chi Min (Largo 1º de Maio) Luanda	51.00%
<b><u>ALGERIA</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Algiers	99.94%
<b><u>BELGIUM</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
TDGI, S.A.	Avenue Louise 475 1050 Ixelles	100.00%
<b><u>BRAZIL</u></b>		
<b>CONSTRUCTION</b>		
EMPA - Serviços de Engenharia, S.A.	Rua Major Lopes, 800 Bairro São Pedro - Belo Horizonte	100.00%
SOMAFEL Brasil - Obras Ferroviárias e Marítimas, Ltda.	Rua Major Lopes, 800 - sala 306 Bairro São Pedro - Belo Horizonte	60.00%
<b>CONCESSIONS AND SERVICES</b>		
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%

Corporate name	Head office	Effective percentage holding
<b>REAL ESTATE</b>		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 Boa Viagem - Cidade de Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Maratona, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Alta Vista I, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Verum Mooca, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Gilberto Sabino, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista II, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Gualaxos, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista III, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Zanzibar, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.50%
TDSP - Dionísio da Costa, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	92.50%
TDSP - 11, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - 12, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Volta Redonda, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401 Itaim Bibi - São Paulo	95.00%
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	100.00%

**DISTRIBUTION**

TDD - Distribuição Brasil, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	100.00%
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**CYPRUS****OTHER**

LEVENEL, Limited	Irakli, Egkomi, 2413 Nicosia	100.00%
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Corporate name	Head office	Effective percentage holding
<b><u>SPAIN</u></b>		
<b>CONSTRUCTION</b>		
UTE DE VIANA	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<b>CONCESSIONS AND SERVICES</b>		
RECOLTE, Servicios Y Medioambiente, S.A.U.	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<b><u>GIBRALTAR</u></b>		
<b>CONSTRUCTION</b>		
Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100.00%
<b><u>MACAU</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Rua de Xangai, 175 Edifício Assoc. Comercial de Macau, 10 A Macau	100.00%
<b><u>MOZAMBIQUE</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. 24 de Julho, 141 Maputo	74.46%
<b>CONCESSIONS AND SERVICES</b>		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. 24 de Julho, 141 Maputo	69.55%
<b>REAL ESTATE</b>		
IMOPAR - Centro Comercial de Maputo, S.A.R.L.	Av. 24 de Julho, 135 Maputo	100.00%
<b>HOTEL SERVICES</b>		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. 24 de Julho, 135 Maputo	100.00%
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%

Corporate name	Head office	Effective percentage holding
<b><u>NAMIBIA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
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%
<b><u>RUSSIA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
MMK Cement, Limited Liability Company	Murmansk Russia	70.00%
<b><u>VENEZUELA</u></b>		
<b>CONSTRUCTION</b>		
Consorcio Boyacá - La Guaira	Av. San Juan Bosco Ota Coromoto no Aplica Urb. Altamira - Caracas Venezuela	57.20%
TEGAVEN - Teixeira Duarte y Asociados, C.A.	Av. Este, 6 - Edi. Centro Parque Carabobo, Piso 6, Of. 601 - Caracas Venezuela	95.57%

(a) The Group controls these subsidiaries through the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A.

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

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

## 5 - CHANGES IN THE CONSOLIDATION PERIMETER

During the semester ended on 30 June 2014, the entry of “TEGAVEN - Teixeira Duarte y Asociados, C.A.” into the perimeter of consolidation was noted, relative to the perimeter of consolidation as at 31 December 2013.

The impact of the entry of “TEGAVEN - Teixeira Duarte y Asociados, C.A.” was as follows:

Tangible fixed assets (Note 13)	908
Deferred tax assets (Note 17)	26
Other non-current assets	19
Customers and other receivables	40,172
Cash and cash equivalents	414
Other current assets	6,105
Other provisions	(204)
Other non-current liabilities	(10)
Suppliers and other payables	(568)
Other current liabilities	(7,623)
<b>Net Assets</b>	<b>39,239</b>
<b>Share in Net Assets (a)</b>	<b>36,653</b>
<b>Acquisition cost</b>	<b>7,322</b>
<b>Negative Goodwill (b)</b>	<b>(29,331)</b>

**(a)** Acquisition of 93.41% of the share capital of the participated company.

**(b)** Recorded in the income statement under The reversal of impairment losses is recognised in the income statement under "Provisions and impairment losses in depreciable and amortisable assets and goodwill".

## 6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency as at 30 June 2014 and 31 December 2013, as well as the earnings of operations developed in countries where the functional currency is different from the Euro, for the semesters ended on 30 June 2014 and 2013:

Currency	Closing rate			Average rate		
	30/06/2014	31/12/2013	Var	30/06/2014	30/06/2013	Var
US Dollar	1.3658	1.3791	(0.96%)	1.3718	1.3119	4.56%
Macaense Pataca	10.9034	11.0141	(1.01%)	10.9588	10.4843	4.53%
Mozambican Metical	41.6500	41.2400	0.99%	41.7200	39.3029	6.15%
Venezuelan Bolivar (a)	14.4775	8.6774	66.84%	14.7235	7.4917	96.53%
Angolan Kwanza	132.9860	134.5920	(1.19%)	133.4866	125.5944	6.28%
Algerian Dinar	108.0831	108.1034	(0.02%)	107.6660	103.3164	4.21%
Moroccan Dirham	11.2190	11.2621	(0.38%)	11.2249	11.1360	0.80%
Brazilian Real	3.0002	3.2576	(7.90%)	3.1481	2.6900	17.03%
Ukrainian Hryvnia	16.0482	11.3638	41.22%	14.3839	10.6586	34.95%
Namibian Dollar	14.4597	14.5660	(0.73%)	14.6480	12.1350	20.71%
Cape Verdean Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian Rouble	46.3779	45.3246	2.32%	47.8497	40.8468	17.14%
Tunisian Dinar	2.2997	2.2701	1.30%	2.2177	2.0928	5.97%
South Africa Rand	14.4597	14.5660	(0.73%)	14.6480	12.1350	20.71%
Columbian Peso	2,564.6300	2,661.6600	(3.65%)	2,678.6657	2,406.3000	11.32%

(a) As mentioned in the Introduction, following the new law issued in 2014 by Venezuela (Foreign Exchange Agreement no. 25), which establishes a new foreign exchange rate for certain currency sale transactions, applicable as of 24 January 2014, there was a significant devaluation of the Venezuelan bolivar during this semester. Specifically, this legislation is applicable for the settlement of currency sale transactions intended, namely, for the payment of "international investments" (a concept which includes the repatriation of start-up capital and remittance of interest and dividends). The settlement of currency for these transactions will be made at the exchange rate arising from the last allocation of currency made through the auction system (SICAD).

## 7 - SEGMENTAL INFORMATION

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

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

The sales and services rendered and the earnings of each of operating segment referred to above, for the semesters ended on 30 June 2014 and 2013 "Restated", were as follows:

Segment	Sales and services rendered						Net operating income	
	1 <sup>st</sup> Sem. 14			1 <sup>st</sup> Sem. 13 "Restated"			1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"
	Customers abroad	Inter-segmental	Total	Customers abroad	Inter-segmental	Total		
Construction	378,296	47,221	425,517	351,172	32,513	383,685	57,895	22,629
Concessions and services	41,285	11,011	52,296	34,803	8,730	43,533	4,853	6,610
Real estate	47,167	5,343	52,510	39,512	7,305	46,817	17,786	9,002
Hotel services	32,298	6,979	39,277	38,912	7,059	45,971	4,359	9,841
Distribution	98,053	2,579	100,632	98,114	4,116	102,230	988	10,514
Energy	35,022	1,108	36,130	59,477	1,327	60,804	720	1,239
Automotive	126,646	6,231	132,877	112,891	6,141	119,032	24,261	21,286
Not allocated to segments	-	-	-	-	-	-	(7,182)	(7,702)
Elimination	-	(80,472)	(80,472)	-	(67,191)	(67,191)	(27)	22
	<b>758,767</b>	<b>-</b>	<b>758,767</b>	<b>734,881</b>	<b>-</b>	<b>734,881</b>	<b>103,653</b>	<b>73,441</b>
Financial costs and losses (Note 9)							(84,850)	(83,805)
Financial income and gains (Note 9)							36,272	28,791
Earnings from investment activities (Note 9)							(6,424)	1,020
<b>Earnings before tax</b>							<b>48,651</b>	<b>19,447</b>

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

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

Other information:

Segment	Fixed capital expenditure		Amortisation and depreciation through profit or loss		Provisions and impairment losses (a)	
	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"
Construction	24,479	35,453	19,777	16,080	(26,081)	890
Concessions and services	1,743	2,386	2,096	2,029	(481)	5
Real estate	4,121	566	3,140	2,550	(50)	(32)
Hotel services	20,097	3,041	3,892	3,941	-	-
Distribution	17,274	13,519	3,206	2,595	-	-
Energy	668	4,610	843	908	-	-
Automotive	2,356	3,418	1,177	932	-	-
Not allocated to segments	-	-	1	1	-	-
	<b>70,738</b>	<b>62,993</b>	<b>34,132</b>	<b>29,036</b>	<b>(26,612)</b>	<b>863</b>

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

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 30 June 2014 and 31 December 2013 "Restated", are as follows:

Segment	Assets								Liabilities	
	30/06/2014				31-12-2013 "Restated"				30/06/2014	31-12-2013 "Restated"
	Investments in associates and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total	Investments in associates and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total		
Construction	1,006	-	1,934,683	<b>1,935,689</b>	1,552	-	1,849,050	<b>1,850,602</b>	1,399,739	1,431,171
Concessions and services	823	22,342	238,511	<b>261,676</b>	842	25,208	232,336	<b>258,386</b>	177,034	176,292
Real estate	536	62,043	1,603,508	<b>1,666,087</b>	71	54,080	1,565,408	<b>1,619,559</b>	881,893	887,726
Hotel services	-	-	321,641	<b>321,641</b>	-	-	303,808	<b>303,808</b>	234,816	215,297
Distribution	-	-	239,940	<b>239,940</b>	-	-	221,756	<b>221,756</b>	207,922	184,806
Energy	24	-	73,128	<b>73,152</b>	24	-	76,064	<b>76,088</b>	46,542	49,271
Automotive	-	-	183,097	<b>183,097</b>	-	-	146,448	<b>146,448</b>	136,073	108,128
Not allocated to segments	34,055	6,108	987,367	<b>1,027,530</b>	33,972	5,325	971,611	<b>1,010,908</b>	159,285	211,041
Elimination	-	-	(2,821,129)	<b>(2,821,129)</b>	-	-	(2,708,312)	<b>(2,708,312)</b>	(785,794)	(845,217)
	<b>36,444</b>	<b>90,493</b>	<b>2,760,746</b>	<b>2,887,683</b>	<b>36,461</b>	<b>84,613</b>	<b>2,658,169</b>	<b>2,779,243</b>	<b>2,457,510</b>	<b>2,418,515</b>

The sales, services rendered and information on non-current non-monetary assets by geographical segment are broken down as follows for the semesters ended on 30 June 2014 and 2013 and as at 30 June 2014 and 31 December 2013 "Restated", respectively:

Geographic segment	Sales and services rendered		Non-monetary non-current assets	
	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	30/06/2014	31-12-2013 "Restated"
Portugal	116,653	156,401	604,341	608,311
Angola	333,208	371,277	419,740	369,578
Algeria	29,105	26,547	11,372	12,395
Brazil	75,702	35,301	53,343	52,643
Spain	14,942	12,135	13,251	12,946
Mozambique	29,095	28,599	28,328	24,911
Venezuela	157,767	101,159	18,879	33,343
Other	2,295	3,462	1,226	1,341
	<b>758,767</b>	<b>734,881</b>	<b>1,150,480</b>	<b>1,115,468</b>

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

## 8 - OPERATING INCOME

For the periods ended on 30 June 2014 and 2013 "Restated", operating income was as follows:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"
<b>Sales and services rendered:</b>				
Sales	607,376	621,133	320,273	331,663
Services rendered	151,391	113,748	81,975	60,908
	<b>758,767</b>	<b>734,881</b>	<b>402,248</b>	<b>392,571</b>
<b>Other operating income:</b>				
Supplementary income	2,067	2,142	1,145	773
Reversal of impairment losses in accounts receivable	863	484	215	217
Divestment of assets (a)	784	2,242	636	1,525
Inventory gains	623	3,102	588	754
Own work capitalised (b)	294	4,210	163	1,196
Reversal of inventory impairment losses	239	1,762	175	378
Tax refunds	12	1,552	10	333
Variation in the fair value of investment properties	-	67	-	(193)
Other operating income	2,460	2,447	540	1,424
	<b>7,342</b>	<b>18,008</b>	<b>3,472</b>	<b>6,407</b>
	<b>766,109</b>	<b>752,889</b>	<b>405,720</b>	<b>398,978</b>

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

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

## 9 - FINANCIAL RESULTS

The financial results for the quarters ended on 30 June 2014 and 2013 "Restated" were as follows:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13 "Restated"
<b>Financial costs and losses:</b>				
Interest paid	(47,185)	(39,889)	(24,438)	(21,002)
Unfavourable currency conversion differences	(24,638)	(30,669)	10	(13,203)
Other financial costs and losses	(13,027)	(13,247)	(7,244)	(7,032)
	<b>(84,850)</b>	<b>(83,805)</b>	<b>(31,672)</b>	<b>(41,237)</b>
<b>Financial income and gains:</b>				
Interest received	5,893	8,672	2,987	4,528
Favourable currency conversion differences	28,996	17,783	(328)	6,012
Cash discounts received	190	301	108	172
Other financial income and gains	1,193	2,035	519	1,161
	<b>36,272</b>	<b>28,791</b>	<b>3,286</b>	<b>11,873</b>
<b>Earnings from investment activities:</b>				
Earnings from associates and joint ventures (a)	(6,956)	(929)	(1,056)	(603)
Dividends (b)	565	1,158	428	12
Other investments	(1,329)	316	(1,574)	10
Gains / losses in the measurement of assets available for sale (Note 17)	1,296	475	1,296	475
	<b>(6,424)</b>	<b>1,020</b>	<b>(906)</b>	<b>(106)</b>
<b>Financial results</b>	<b>(55,002)</b>	<b>(53,994)</b>	<b>(29,292)</b>	<b>(29,470)</b>

(a) The earnings from associates and joint ventures for the semesters ended on 30 June 2014 and 2013 "Restated" include the effect of the application of the equity method to these investments (6,956) and (1,200) (Note 15), respectively.

During the semester ended on 30 June 2013, the Group sold 20% of the share capital of "VOTORANTIM Macau Investimentos, S.A.", having recorded capital gains of EUR 271 thousand.

(b) As at 30 June 2014, the values presented correspond to dividends received from “Other Investments” (EUR 885 thousand as at 30 June 2013). As at 30 June 2013, EUR 273 thousand were also received from “Financial assets available for sale”.

During the semesters ended on 30 June 2014 and 2013, no interest was capitalised on the acquisition cost of qualifying assets.

## 10 - INCOME TAX

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

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

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

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

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

The Board of Directors believes that any corrections which might arise from any tax reviews/inspections to these tax returns will not significantly affect the consolidated financial statements reported as at 30 June 2014.

The Group records deferred taxes corresponding to the temporary differences between the book value of the assets and liabilities and the corresponding tax base, as laid down in IAS 12 - Income Tax (Note 17).

The income taxes recognised for the periods ended on 30 June 2014 and 2013 are as follows:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13
<b>Current tax:</b>				
Income tax in Portugal	(49)	(5,985)	11,209	(590)
Income tax in other jurisdictions	(22,848)	(18,019)	(11,478)	(7,784)
<b>Current tax</b>	<b>(22,897)</b>	<b>(24,004)</b>	<b>(269)</b>	<b>(8,374)</b>
<b>Deferred tax (Note 17):</b>	<b>15,388</b>	<b>13,261</b>	<b>7,039</b>	<b>4,612</b>
	<b>(7,509)</b>	<b>(10,743)</b>	<b>6,770</b>	<b>(3,762)</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR (1,445) thousand were recorded directly in equity as at 30 June 2014 (EUR (1,197) thousand as at 30 June 2013) (Note 17).



## 11 - EARNINGS PER SHARE

The earnings per share for the periods ended on 30 June 2014 and 2013 were calculated taking into account the following amounts:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13
Net income for the effect of calculating earnings per basic share (net income for the period)	42,509	8,937	26,561	1,764
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420,000	420,000	420,000	420,000
<b>Earnings per basic share</b>	<b>0.10</b>	<b>0.02</b>	<b>0.06</b>	<b>0.00</b>

Due to the fact that, for the semesters ended on 30 June 2014 and 2013, there are no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

## 12 - DIVIDENDS

The General Meeting of Shareholders, held on 31 May 2014, deliberated the distribution of dividends of the value of EUR 6,300 thousand, corresponding to EUR 0.015 per share, taking into consideration the separate financial statements of the Company as at 31 December 2013, with their payment having taken place in June 2014.

Dividends of EUR 6,300 thousand, relative to the financial year of 2012, were paid in the semester ended on 30 June 2013.

### 13 - TANGIBLE FIXED ASSETS

During the semesters ended on 30 June 2014 and 2013 "Restated", the movements which occurred in the tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses, were as follows:

	Land & resources	Buildings & other constructions	Administrative equipment	Administrative equipment	Tools & utensils	Administrative equipment	Other tangible fixed assets	Fixed assets in progress	Advances on account of tang. fixed assets	Total
<b>Gross assets:</b>										
Balance as at 1 January 2013	33,826	409,337	377,713	79,540	36,989	40,078	18,721	43,985	183	1,040,373
Currency conversion adjustments	(496)	397	(7,594)	(1,648)	(551)	(197)	108	(1,408)	(57)	(11,446)
Additions	-	2,029	20,784	5,838	2,115	1,345	858	26,076	-	59,045
Transfers and write-offs	(1,320)	2,057	1,709	964	336	70	(2,791)	79	(126)	978
Divestments	(33)	(270)	(2,226)	(1,339)	(36)	(183)	(107)	-	-	(4,194)
<b>Balance as at 30 June 2013</b>	<b>31,977</b>	<b>413,550</b>	<b>390,386</b>	<b>83,355</b>	<b>38,853</b>	<b>41,113</b>	<b>16,789</b>	<b>68,732</b>	<b>-</b>	<b>1,084,756</b>
Balance as at 1 January 2014	31,683	434,063	406,263	82,356	41,065	41,134	10,004	65,873	-	1,112,441
Perimeter alteration	434	514	166	185	4	22	-	-	-	1,325
Currency conversion adjustments	191	1,463	2,604	786	316	(111)	43	(1,896)	-	3,396
Additions	-	1,596	22,637	4,177	1,775	1,309	168	31,754	1,054	64,470
Transfers and write-offs	-	6,679	(623)	2,010	(225)	(468)	(1,366)	10,203	-	16,210
Divestments	-	(183)	(4,638)	(925)	(197)	(84)	(4)	-	-	(6,031)
<b>Balance as at 30 June 2014</b>	<b>32,308</b>	<b>444,132</b>	<b>426,409</b>	<b>88,589</b>	<b>42,738</b>	<b>41,802</b>	<b>8,845</b>	<b>105,934</b>	<b>1,054</b>	<b>1,191,811</b>
<b>Accumulated depreciation and impairment losses:</b>										
Balance as at 1 January 2013	166	112,976	274,235	57,894	28,893	31,316	5,155	-	-	510,635
Currency conversion adjustments	-	466	(1,082)	(574)	(28)	35	12	-	-	(1,171)
Reinforcements	-	7,128	13,350	5,063	1,260	1,462	284	-	-	28,547
Transfers and write-offs	-	(181)	429	(210)	(74)	(96)	(106)	-	-	(238)
Divestments	-	(251)	(2,056)	(1,313)	(35)	(134)	(5)	-	-	(3,794)
<b>Balance as at 30 June 2013</b>	<b>166</b>	<b>120,138</b>	<b>284,876</b>	<b>60,860</b>	<b>30,016</b>	<b>32,583</b>	<b>5,340</b>	<b>-</b>	<b>-</b>	<b>533,979</b>
Balance as at 1 January 2014	166	133,284	280,370	58,481	31,097	32,367	5,442	-	-	541,207
Perimeter alteration	-	232	71	96	3	15	-	-	-	417
Currency conversion effect	-	458	1,555	608	(149)	127	13	-	-	2,612
Reinforcements	-	8,677	17,024	4,456	1,465	1,569	327	-	-	33,518
Transfers and write-offs	-	(181)	(361)	(440)	(122)	(466)	(2)	-	-	(1,572)
Divestments	-	(145)	(4,519)	(749)	(102)	(81)	(4)	-	-	(5,600)
<b>Balance as at 30 June 2014</b>	<b>166</b>	<b>142,325</b>	<b>294,140</b>	<b>62,452</b>	<b>32,192</b>	<b>33,531</b>	<b>5,776</b>	<b>-</b>	<b>-</b>	<b>570,582</b>
<b>Net value:</b>										
As at 30 June 2013	31,811	293,412	105,510	22,495	8,837	8,530	11,449	68,732	-	550,777
As at 30 June 2014	32,142	301,807	132,269	26,137	10,546	8,271	3,069	105,934	1,054	621,229

The additions to tangible fixed assets carried out during the semester ended on 30 June 2014 essentially refer to investments in facilities and equipment.

As at 30 June 2014, the tangible assets in progress include EUR 78,522 thousand relative to buildings and other constructions in progress, in particular the following:

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

## 14 - INVESTMENT PROPERTIES

During the semesters ended on 30 June 2014 and 2013, the movement which occurred in investment properties was as follows:

	2014	2013
<b>Balance as at 1 January</b>	<b>479,965</b>	<b>498,236</b>
Currency conversion adjustments	16	632
Increases / divestments	(2,965)	(1,903)
Variation in fair value	(1,938)	(2,022)
Transfer of tangible fixed assets	-	(2,442)
<b>Balance as at 30 June</b>	<b>475,078</b>	<b>492,501</b>

The income gained from investment properties arising from operating lease contracts reached EUR 16.817 thousand for the semester ended on 30 June 2014 (EUR 14,776 thousand as at 30 June 2013). Direct operating costs related to investment properties, for the semester ended on 30 June 2014, reached EUR 1,674 thousand (EUR 1,994 thousand as at 30 June 2013).

## 15 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following associates and joint ventures were recorded through the equity method as at 30 June 2014:

Corporate name	Head office	Effective percentage holding
ALVORADA PETRÓLEO, S.A.	Rua Major Lopes, 800, 3º andar Belo Horizonte - Minas Gerais - Brazil	43.20%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret	27.00%
AVIAS - Grupo Ferroviário para a Alta Velocidade, ACE	Edifício 1, Lagoas Park Porto Salvo	14.10%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	21.32%
CAIS DE CRUZEIROS 2ª FASE, ACE	Rua da Tapada da Quinta de Cima Linhó - Sintra	15.00%
CONBATE, ACE	Edifício 2, Lagoas Park Porto Salvo	20.00%
CONSORCIO MINERO LUSO VARGAS C.A. (CONLUVAR)	Av. La Armada, Edifício Centro Socialista Demivargas, Piso 4 1162 La Guaira - Catia La Mar	49.00%
DOURO LITORAL, ACE	Edifício 8, Lagoas Park Porto Salvo	40.00%
D.L.O.E.A.C.E. - Douro Litoral Obras Especiais, ACE	Edifício 2, Lagoas Park Porto Salvo	40.00%
ENGIL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	Av. Fabril do Norte, 1601 Matosinhos	33.33%
FERROVIAL/TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	Edifício Central Park Rua Alexandre Herculano, Nº 3, 2º - Linda-a-Velha	50.00%
GMP - Grupo Marítimo Português, ACE	Edifício 1, Lagoas Park Porto Salvo	20.04%
GMP - Grupo Marítimo Português MEK, ACE	Edifício 1, Lagoas Park Porto Salvo	20.04%
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	Rua Senhora do Porto, 930 Porto	25.00%
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	Edifício Sagres Rua Professor Henrique de Barros, nº 4, 2 A - Prior Velho	25.00%
IMOC - Empreendimentos Imobiliários, S.A.R.L.	Av. 24 de Julho, 135 Maputo	49.92%
Limited Liability Company Cement	Khutorskya Str., 70 Odessa	49.00%
METROLIGEIRO - Construção de Infraestruturas, ACE	Estrada da Luz, 90 - 6º E Lisbon	26.80%
NOVA ESTAÇÃO, ACE	Av. Frei Miguel Contreiras, nº 54, 7º Lisbon	25.00%
RPK Gulfstream, Ltd.	Tri Ruchja str. 183003, Murmansk	42.70%
SCP AK10 - Empreendimentos e Participações SPE Ltda.	Avenida Alameda Santos, nº 960 - 19º, Edifício CYK, Cerqueira César, São Paulo	25.00%
SOMAFEL/FERROVIAS, ACE	Av. Columbano Bordalo Pinheiro, 93 - 7º Lisbon	36.00%
STELGEST - Gestão Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	45.00%
TEIX.CO, SPA	BP 62B Zone D'Active Dar El Beida Algiers	48.78%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park Porto Salvo	57.30%

Corporate name	Head office	Effective percentage holding
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%

The investments in associates showed the following movements during the semesters ended on 30 June 2014 and 2013 "Restated":

	Holdings	Goodwill	Total
<b>Balance as at 1 January 2013</b>	<b>40,155</b>	<b>11,703</b>	<b>51,858</b>
Effects of the application of the equity method:			
- Effect on net income for the period (Note 9)	(1,200)	-	(1,200)
- Effect on equity	348	-	348
Divestments (a)	(11,397)	-	(11,397)
Currency conversion adjustments	(251)	(4)	(255)
Other	(835)	-	(835)
<b>Balance as at 30 June 2013</b>	<b>26,820</b>	<b>11,699</b>	<b>38,519</b>
<b>Balance as at 1 January 2014</b>	<b>24,768</b>	<b>11,693</b>	<b>36,461</b>
Effects of the application of the equity method:			
- Effect on net income for the period (Note 9)	(6,956)	-	(6,956)
- Effect on equity	2,374	-	2,374
Increases	865	-	865
Currency conversion adjustments	(34)	-	(34)
Other	3,784	(50)	3,734
<b>Balance as at 30 June 2014</b>	<b>24,801</b>	<b>11,643</b>	<b>36,444</b>

The investments in associates and joint ventures as at 30 June 2014 and 31 December 2013 "Restated" are detailed as follows:

Associates	30/06/2014		31-12-2013 "Restated"		Value of financial position
	Holdings	Goodwill	Holdings	Goodwill	
Limited Liability Company Cement (a)	16,072	11,643	16,072	11,643	27,715
IMOC - Empreendimentos Imobiliários, S.A.R.L.	6,340	-	6,257	-	6,257
RPK Gulfstream, Ltd.	823	-	842	-	842
Alvorada Petróleos, S.A.	514	-	-	-	-
SCP AK-10 Empreendimentos e Participações SPE LTDA.	22	-	21	50	71
Other	1,030	-	1,576	-	1,576
	<b>24,801</b>	<b>11,643</b>	<b>24,768</b>	<b>11,693</b>	<b>36,461</b>

(a) Financing loan of EUR 16,072 thousand as at 30 June 2014 and 31 December 2013 "Restated".

The holdings referred to above are recorded through the equity method which, in the semesters ended on 30 June 2014 and 2013 "Restated", had the following impacts:

1 <sup>st</sup> Sem. 14			
Associates	Gains and losses in associates (Note 9)	Adjustments of holdings	Total
Alvorada Petróleos, S.A.	(13)	(339)	(352)
Limited Liability Company Cement	(5,745)	2,367	(3,378)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	21	61	82
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(1)	-	(1)
Other	(1,218)	285	(933)
	(6,956)	2,374	(4,582)

1 <sup>st</sup> Sem. 13 "Restated"			
Associates	Gains and losses in associates (Note 9)	Adjustments of holdings	Total
Alvorada Petróleos, S.A.	(94)	-	(94)
Limited Liability Company Cement	(122)	12	(110)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	295	317	612
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(2)	-	(2)
TEIX.CO, SPA	(357)	(2)	(359)
Other	(920)	21	(899)
	(1,200)	348	(852)

## 16 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the semesters ended on 30 June 2014 and 2013, the movements which occurred in the valuation of the financial assets available for sale, stated at their respective fair value, were as follows:

	2014	2013
<b>Fair value as at 1 January</b>	<b>84,613</b>	<b>48,597</b>
Disposals during the period	(4,227)	(1,171)
Increase in fair value	10,107	6,542
<b>Fair value as at 30 June</b>	<b>90,493</b>	<b>53,968</b>

As at 30 June 2014 and 31 December 2013, the Group held 357,000,000 shares of Banco Comercial Português, S.A., classified as financial assets available for sale.

The financial assets available for sale, and their respective cost and market values, as at 30 June 2014 and 31 December 2013, are as follows:

	30/06/2014		31/12/2013	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	717,321	68,151	717,321	59,405
Banco Bilbao Vizcaya Argentaria, S.A.	29,723	22,342	35,958	25,208
	<b>747,044</b>	<b>90,493</b>	<b>753,279</b>	<b>84,613</b>

## 17 - DEFERRED TAXES

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

During the semesters ended on 30 June 2014 and 2013, the movements which occurred in deferred tax assets and liabilities, in accordance with the temporary difference which generated them, were as follows:

	Deferred tax assets		Deferred tax liabilities	
	2014	2013	2014	2013
<b>Balance as at 1 January</b>	<b>188,514</b>	<b>111,912</b>	<b>52,693</b>	<b>57,979</b>
<b>Constitution / Reversal</b>				
Net income (Note 10)	15,653	12,473	265	(788)
Equity	(1,352)	(1,197)	93	-
<b>Currency conversion effect and adjustments</b>	<b>1,724</b>	<b>(2,047)</b>	<b>213</b>	<b>(110)</b>
<b>Perimeter alteration</b>	<b>26</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 30 June</b>	<b>204,565</b>	<b>121,141</b>	<b>53,264</b>	<b>57,081</b>

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

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

## 18 - RELATED PARTIES

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

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

The main balances with related entities as at 30 June 2014 and 31 December 2013 "Restated" are detailed as follows:

Entity	Balance receivable		Balance payable		Loans granted		Other debts	
	30/06/2014	31-12-2013 "Restated"	30/06/2014	31-12-2013 "Restated"	30/06/2014	31-12-2013 "Restated"	30/06/2014	31-12-2013 "Restated"
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	-	-	-	5,373	819	-	-
AEDL - Auto Estradas do Douro Litoral, S.A.	-	-	-	-	1,202	1,202	-	-
ALSOMA, GEIE	-	-	-	24	-	-	-	-
AVIAS, ACE	-	48	-	-	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	-	-	4	4	-	-
CONBATE, ACE	19	57	-	-	-	-	-	24
Minero Luso Vargas Consortium - CONLUVAR	3,477	4,783	1,349	779	-	-	3	6
OPSUT 2010 Consortium	1,767	1,560	26	-	-	-	-	-
DOURO LITORAL, ACE	19	50	-	61	-	-	-	(102)
DOURO LITORAL OBRAS ESPECIAIS, ACE	1	-	-	-	-	-	(269)	(269)
EIA - Ensino de Investigação e Administração, S.A.	9	-	-	-	-	-	(324)	(324)
GMP - Grupo Marítimo Português, ACE	83	58	10	10	-	-	-	-
GMP - Grupo Marítimo Português MEK, ACE	24	21	-	-	-	-	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	79	-	59	-	-	-	(48)
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	-	-	-	-	-	-	-	(1)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	6,883	1,554	3	-	-	-	(2,124)	(2,092)
Limited Liability Company Cement	147	-	-	-	16,072	16,072	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	-	-	-	150	150	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	11	14	-	1	-	-	-	(2)
Moreira e Cunha, Lda.	11	33	-	-	-	-	-	(80)
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	805	1,005	35	35	-	-	-	-
Promociones Inmobiliárias 3003, C.A.	-	55	-	-	-	-	(38)	(37)
RPK Gulfstream, Ltd.	-	-	-	-	2,150	2,200	-	-
SOMAFEL/FERROVIAS, ACE	3	1	-	-	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	-	19	-	-	-	-	(687)	(736)
TEDEVEN Imobiliária, C.A.	2	-	15	-	-	-	-	-
TEGAVEN - Teixeira Duarte Y Asociados, C.A.	-	6,106	-	1,349	-	139	-	68,521
TEIX.CO SPA	1,381	1,381	720	720	-	-	(291)	(291)
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	65	64	11	6	-	-	-	(2)
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	10	17	60	54	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	1	35	35	-	-	-	(134)
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	10	-	-	-	-	-
	14,763	16,952	2,274	3,133	25,691	21,326	(3,730)	64,433



The main transactions carried out in the semesters ended on 30 June 2014 and 2013 "Restated", with related entities were as follows:

	Sales and services rendered		Purchases and services received		Interest debited	
	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13 "Restated"
CONBATE, ACE	86	74	-	-	-	-
Minero Luso Vargas Consortium - CONLUVAR	657	1,745	5,411	4,849	-	-
OPSUT 2010 Consortium	768	1,077	570	1,843	-	-
DOURO LITORAL, ACE	40	40	-	3	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	2	-	-	-	-	-
GMP - Grupo Marítimo Português, ACE	25	4	-	-	-	-
GMP - Grupo Marítimo Português MEK, ACE	2	4	-	-	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	-	2	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	4,307	42	153	50	-	-
Limited Liability Company Cement	-	-	-	-	884	884
METROLIGEIRO - Construção de Infraestruturas, ACE	11	13	-	-	-	-
Moreira e Cunha, Lda.	28	27	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	-	50	3	-	-	30
SOMAFEL/FERROVIAS, ACE	2	2	-	-	-	-
TEIX.CO SPA	-	-	-	-	-	-
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	1	4	5	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	16	30	7	23	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	3	-	-	-
	5,945	3,112	6,154	6,768	884	914

The remunerations of the members of the governing bodies of TD,S.A. for the periods ended on 30 June 2014 and 2013 were as follows:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13
<b>Executive directors:</b>				
Short term benefits	949	928	735	751
<b>Supervisory board:</b>				
Short term benefits	28	33	11	16
<b>Chartered accountant:</b>				
Short term benefits	30	30	15	15
	1,007	991	761	782

The remunerations of the members of the senior management staff of TD,S.A. for the periods ended on 30 June 2014 and 2013 were as follows:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13
<b>Senior staff:</b>				
Short term benefits	4,321	4,402	2,748	2,591
	4,321	4,402	2,748	2,591

## 19 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### Cash and cash equivalents

As at 30 June 2014 and 31 December 2013 "Restated", this heading is broken down as follows:

	30/06/2014	31-12-2013 "Restated"
Demand deposits	131,790	134,088
Term deposits	39,168	34,104
Other cash investments	5,615	2,704
Cash	8,453	15,545
	<b>185,026</b>	<b>186,441</b>

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

### Cash flow from investment activities

The revenue derived from financial investments in the periods ended on 30 June 2014 and 2013, refer to the divestment of holdings in the following entities:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13
Banco Bilbao Vizcaya Argentaria, S.A.	18,421	8,972	7,767	3,330
Banco Comercial Português, S.A.	-	6,379	-	3,556
VOTORANTIM Macau Investimentos, S.A.	-	11,668	-	11,668
Other	-	219	-	-
	<b>18,421</b>	<b>27,238</b>	<b>7,767</b>	<b>18,554</b>

The payments relative to financial investments in the periods ended on 30 June 2014 and 2013, refer to the acquisition of holdings in the following entities:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13
Banco Bilbao Vizcaya Argentaria, S.A.	15,287	8,599	4,322	2,919
AEBT - Vias do Baixo Tejo, S.A.	4,554	-	-	-
DIGAL - Distribuição e Comércio, S.A.	930	921	930	921
C + P.A. - Cimento e Produtos Associados, S.A.	-	23,259	-	23,259
Banco Comercial Português, S.A.	-	3,091	-	3,091
Other	201	396	117	122
	<b>20,972</b>	<b>36,266</b>	<b>5,369</b>	<b>30,312</b>

The dividends received in the periods ended on 30 June 2014 and 2013, were as follows:

	1 <sup>st</sup> Sem. 14	1 <sup>st</sup> Sem. 13	2 <sup>nd</sup> Q 14	2 <sup>nd</sup> Q 13
CPM - Companhia de Parques de Macau, S.A.R.L.	205	213	68	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	375	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	392	-	-
Other	360	344	360	178
	<b>565</b>	<b>1,324</b>	<b>428</b>	<b>178</b>

## 20 - SHARE CAPITAL

As at 30 June 2014 and 2013, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of EUR 0.50 each.

As at 30 June 2014, TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A. directly held 197,950,000 shares representing the share capital of TEIXEIRA DUARTE, S.A., corresponding to 47.13% of its share capital.

## 21 - RESERVES AND RETAINED EARNINGS

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

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

Free reserves: The free reserves are available for distribution.

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

## 22 - LOANS

As at 30 June 2014 and 31 December 2013, the following loans had been raised:

	30/06/2014	31/12/2013
<b>Non-current liabilities:</b>		
Bank loans a)	197,023	209,200
Commercial paper b)	497,241	471,780
	<b>694,264</b>	<b>680,980</b>
<b>Current liabilities:</b>		
Bank loans a)	731,825	569,278
Commercial paper b)	53,250	112,348
	<b>785,075</b>	<b>681,626</b>
	<b>1,479,339</b>	<b>1,362,606</b>

### a) Bank loans

As at 30 June 2014, the domestic bank loans, bank overdrafts and pledged current accounts earned interest at the weighted annual average rate of 4.97% (3.71% as at 30 June 2013).

As at 30 June 2014, the most significant bank loans contracted by the Group essentially correspond to:

Loan raised from Banco Caixa Geral (Spain), contracted on 11 February 2008 of the present value of EUR 15,070 thousand, 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 EUR 46,607 thousand, which will be repaid in 39 equal and successive instalments, ending on 10 December 2033.

Loan raised from Banco BIC de Angola, contracted on 20 October 2008 of the present value of EUR 916 thousand, which will fall due on 27 November 2014.

Loan taken out by the Group at Caixa Geral de Depósitos, S.A. on 30 December 2008, of the present value of EUR 33,519 thousand, which will be repaid in 114 equal and successive monthly instalments, ending on 30 December 2023.

Loan raised from Banco Fomento de Angola, contracted on 6 February 2009 of the present value of EUR 137 thousand, 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 EUR 13,864 thousand, 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 EUR 2,193 thousand, which will fall due on 27 November 2015.

Loan raised from Banco Bradesco, S.A., contracted on 27 March 2012 of the present value of EUR 11,396 thousand, 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 EUR 1,657 thousand, 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 EUR 11,547 thousand, which will fall due on 5 December 2019.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the present value of EUR 25,639 thousand, which will fall due on 13 December 2019.

Loan raised from Banco Privado Atlântico, contracted on 12 October 2012 of the present value of EUR 18,958 thousand, 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 EUR 4,901 thousand. The current 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 on 13 December 2015.

Loan raised from Banco Angolano de Investimento, contracted on 20 February 2014, of the present value of EUR 14,161 thousand, which will fall due on 31 October 2020.

Loan raised from Banco Caixa Geral Totta Angola, contracted on 23 January 2014 of the value of EUR 14,356 thousand, which will fall due on 30 April 2021.

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

Under a credit line from Caixa Geral de Depósitos, S.A. of the amount of USD 35,000 thousand, for advances on revenue from invoices relative to exports, which is used to the value of EUR 7,908 thousand as at 30 June 2014.

Under a Commercial Discount Line abroad (advance of credit letters), at Banco Espírito Santo, S.A. of the amount of EUR 40,000 thousand, which is being used to the value of EUR 28,616 thousand as at 30 June 2014.

As at 30 June 2014 and 31 December 2013, the bank loans also include pledged current accounts of the value of EUR 528,444 and EUR 453,408 thousand, respectively.

## **b) Commercial paper**

As at 30 June 2014, the Group had negotiated the following commercial paper programmes:

- Grouped programme for the placing and underwriting of commercial paper contracted with Banco Espírito Santo de Investimento, S.A. and Banco Espírito Santo, S.A. on 16 December 2005, to the sum of EUR 100,000 thousand, currently EUR 46,000 thousand, 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 EUR 1,000 thousand on the first date and EUR 2,500 thousand thereafter, and settlement of the remaining value on the repayment date of the last issue of the programme.

Programme for the placing and underwriting of commercial paper commercial paper, contracted with Banco Comercial Português, S.A. on 20 August 2008, to the sum of EUR 20,000 thousand, 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, to the sum of EUR 25,000 thousand, 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 contract programme, for the placing and underwriting of commercial paper with Caixa Geral de Depósitos, S.A. on 7 July 2010, to the sum of EUR 70,000 thousand, 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 Engenharia e Construções, S.A.. The participation of each company in each programme may vary each time it is used. The programme was renewed on 12 May 2014 and 14 May 2019, for the amount of EUR 50,000 thousand. It involves annual repayments of EUR 10,000 thousand beginning on 15 May 2015. 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 4.25% until 14 May 2016 and 3.75% for the remainder of the programme 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, to the sum of EUR 34,000 thousand, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. participates. The programme had an initial use of three years, which was extended up to 28 January 2015 counted as of the contract signing date. The interest is earned in advance on each subscription date, with the intervention rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus 3% and determined in accordance with the date of each auction.

Grouped programme for the placing and underwriting of private commercial paper contracted on 14 January 2011 with Banco Comercial Português, S.A., with the total amount used being EUR 20,750 thousand, 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 sums of EUR 18,650 thousand and EUR 2,100 thousand, respectively. The participation of each company in the programme may vary each time the programme is used, with TEIXEIRA DUARTE - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. The duration of the programme is five years, starting from the contract signing date, the interest is earned on a six-monthly basis in arrears, with the reference rate being indexed to the one to six-month Euribor under competitive auction for periods of 7 to 180 days via direct placement, increased by 4.375% and determined according to the date of each auction, with the repayment of the last issue being made on 6 January 2016.

Grouped programme for the placing and underwriting of commercial paper contracted on 28 December 2011, with Banco Comercial Português, S.A., to the sum of EUR 43,000 thousand, currently EUR 33,500 thousand, 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 EUR 250 thousand, EUR 250 thousand and EUR 33,000 thousand, 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 EUR 250 thousand. 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 EUR 2,000 thousand and EUR 6,500 thousand. 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., to the sum of EUR 100,000 thousand, 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 EUR 90,000 thousand and EUR 10,000 thousand, 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 EUR 1,500 thousand, as of May 2016 of EUR 2,000 thousand, and the penultimate instalment being in May 2018 of EUR 2,500 thousand.

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., to the sum of EUR 201,750 thousand, 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 EUR 1,250 thousand, on December 2015 of EUR 8,000 thousand, and as of June 2016 of EUR 5,000 thousand.

Grouped contract programme, for the placing and underwriting of commercial paper with Banco Finantia, S.A. on 2 May 2014, to the sum of EUR 20,000 thousand, granted by Teixeira Duarte - Engenharia e Construções, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and, at the present date, the entire amount is being used by Teixeira Duarte - Engenharia e Construções, S.A., and the participation of each issuer may vary in each issue. The duration of the programme is 3 years and issues may have maturity periods of 7 to 365 days. Interest is payable in arrears at the rate that results from the direct placement or corresponding to the intervention rate that will be equal to the Euribor applicable to the issue period, increased by 4.7%.

As at 30 June 2014 and 31 December 2013, the repayment of non-current bank loans is defined as follows:

	30/06/2014	31/12/2013
2015	86,811	164,209
2016	97,606	82,051
2017	82,035	46,190
2018	339,676	323,461
2019 and following	88,136	65,069
	<b>694,264</b>	<b>680,980</b>

As at 30 June 2014 and 31 December 2013, the funding in foreign currency was expressed as follows:

Currency	30/06/2014		31/12/2013	
	Currency	Euros	Currency	Euros
Venezuelan Bolivar	1,549,443	107,024	409,000	47,134
US Dollar	32,625	23,887	80,572	58,423
Angolan Kwanza	18,925,656	142,313	12,754,485	94,764
South African Rand	1,216	84	1,117	77
Brazilian Real	63,082	21,026	40,487	12,428

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

## 23 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

### Contingent liabilities:

Following various inspections conducted by the Taxation and Customs Authority (AT) to the accounts of TEIXEIRA DUARTE - Gestão de Participações Investimentos Imobiliários, S.A. ("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 EUR 611 thousand included in the correction to the tax loss for 2008 (relative, according to the AT, to the undue application of no. 10 of article 22 of the EBF to the distribution of income by the TDF Real Estate Investment Fund), these corrections arise entirely from the non-acceptance, as a tax cost, of the financial costs incurred with the investment made in participated companies under the form of additional paid-in capital.

Since "TDGP II S.A." is subject to corporate income tax (IRC) in accordance with the special taxation scheme for groups of companies (RETGS) (article 69 and following of the IRC Code), the corrections to the tax losses of the financial years of 2008 and 2009 were the object of Statements of Payment of IRC and compensatory interest issued to the controlling company, TEIXEIRA DUARTE - Engenharia e Construções, S.A., which filed judicial reviews at the Administrative and Fiscal Court of Sintra.

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

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

It should be noted that the Statement of Payment of IRC and compensatory interest for the financial year of 2008 issued to "TD-EC, S.A.", as the controlling company, apart from the corrections described above relative to the participated company "TDGP II, 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 EUR 35,467 thousand, of which "TD-EC, S.A." objected to EUR 32,595 thousand, related to tax credit, the system of re-investment of tax gains and the undue application of no. 10 of article 22 of the EBF.

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

#### **Guarantees:**

As at 30 June 2014 and 31 December 2013 "Restated", the group of companies included in the consolidation had provided the following guarantees to third parties:

	30/06/2014	31-12-2013 "Restated"
Bank guarantees provided	341,856	326,831
Fidelity insurance	269,411	379,078

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

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



In order to secure the loan contract signed with Banco Caixa Geral, S.A., of the present value of EUR 15,070 thousand, granted by RECOLTE, Servicios y Medioambiente, S.A.U., RECOLTE, Servicios y Medioambiente, S.A.U. pledged 2,400,000 shares of Banco Bilbao Vizcaya Argentaria, S.A.

A mortgage was also constituted in favour of Caixa Geral de Depósitos, S.A. on lot 3, located 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 EUR 33,519 thousand.

In order to secure a contract signed with Banco Caixa Totta Angola, of the present value of EUR 13,864 thousand, URBANGO - Gestão Imobiliária, Lda. mortgaged a property owned by it, no. 256 - 1<sup>st</sup> section, located in Chicala.

In order to secure a contract signed with BIC, of the present value of EUR 25,639 thousand, ANGOIMO - Empreendimentos e Construções, Lda. mortgaged a property owned by it, no. 2554, located in Samba.

In order to secure a contract signed with BIC, of the present value of EUR 11,547 thousand, ANGOIMO - Empreendimentos e Construções, Lda. mortgaged a property owned by it, no. 2554, located in Samba.

In order to secure a loan contract signed with Banco BPI, S.A., of the present value of EUR 1,657 thousand, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. mortgaged 10 fractions of the property located at Campo Grande, no. 9 in Lisbon.

In order to secure the commercial paper contract signed on 28 December 2011 with Banco Comercial Português, S.A., of the present value of EUR 33,500 thousand, granted by TEIXEIRA DUARTE, S.A., TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., constituted a general mortgage on the properties implanted respectively on lots 6, 18 and 19, located in Lagoas Park, owned by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A..

In order to secure the loan of the present value of EUR 4,901 thousand, 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, nos. 497 and 511; Rua Professora Rita Lopes Ribeiro Fonseca, nos. 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, nos. 30, 38, 42, 48, 54, 62, 70 and 74, and Rua Professora Rita Lopes Ribeiro Fonseca, nos. 12 and 18, Locality of Candal, Parish of Vila Nova de Gaia, for the total value of EUR 5,419 thousand.

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. to the sum of EUR 46,000 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. 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 present value of EUR 201,750 thousand, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 12,500,000 shares of EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A., 200,000.000 shares of C+P.A. - Cimentos e Produtos Associados, S.A., and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. pledged 1,325,000 participation units of the TDF Closed Real Estate Investment Fund. TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. constituted a voluntary mortgage on an urban property it owns, destined for warehouses, workshops, materials laboratory and parking of equipment, located on Avenida da Indústria, Alto Estanqueiro - Jardim, Montijo, of the value of EUR 15,516 thousand. QUINTA DE CRAVEL - Imobiliária, S.A. also mortgaged the lots for construction nos. 8, 10, 11, 12, 13, 19, 26 and 31, located at Quinta de Cravel, Mafamude, Vila Nova de Gaia, for the total value of EUR 6,839 thousand. V8 - Gestão Imobiliária, S.A. mortgaged the lots for construction nos. 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 signed with Caixa Geral de Depósitos, S.A. to the sum of EUR 70,000 thousand, currently 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 4,675,000 participation units of the TDF Closed Real Estate Investment Fund. As at the date of the present report, the programme was being entirely used by TEIXEIRA DUARTE - Engenharia e Construções, S.A..

In order to secure the commercial paper contract signed with Banco Espírito Santo de Investimento, S.A. and Banco Espírito Santo, S.A., to the sum of EUR 34,000 thousand, 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 EUR 148 thousand, IMOTD - SGPS, S.A. pledged 24,000 shares of V8, S.A..

In order to secure the loan contract granted by TDHOSP - Gestão de Edifício Hospitalar, S.A. of the present value of EUR 46,607 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 of TDHOSP - Gestão de Edifício Hospitalar, S.A. Under the same loan contract, TEIXEIRA DUARTE - Engenharia e Construções, S.A., as shareholder, pledged the credit rights over TDHOSP - Gestão de Edifício Hospitalar, S.A..

#### **Financial commitments:**

As at 30 June 2014 and 2013, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 480,296 thousand and EUR 475,758 thousand, respectively.

As at 30 June 2014 and 31 December 2013, factoring contracts without right of recourse were in force, which were recorded as reduction of accounts receivable of the value of EUR 66,689 thousand and EUR 99,829 thousand, respectively. Pursuant to the contractual conditions, the Group's liability is essentially restricted to the guarantee of acceptance on the part of customers of the invoices which are the object of factoring.

#### **Other:**

As at 30 June 2014 and 31 December 2013, there were no inventories pledged to secure liabilities.

## 24 - MEASUREMENT AT FAIR VALUE

### Estimated fair value - assets and liabilities measured at fair value

The table below presents the Group's assets and liabilities measured at fair value as at 30 June 2014, according to the following hierarchical levels of fair value:

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

Category	Item	Level 1	Level 2	Level 3
<b>Assets:</b>				
Financial assets available for sale	Shares	90,493	-	-
Financial assets at fair value through profit or loss	Shares	1,714	-	-
Investment properties	Buildings and land	-	475,078	-
<b>Liabilities:</b>				
Financial liabilities at fair value	Hedge derivatives	14,222	-	-

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

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

## 25 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the semester ended on 30 June 2014 were approved by the Board of Directors on 29 August 2014.

## 26 - SUBSEQUENT EVENTS

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

On 29 July 2014, the companies which are wholly-owned, directly and indirectly, by "Teixeira Duarte, S.A.", "TEIXEIRA DUARTE - Engenharia e Construções, S.A." and "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.", in consortium, were notified of the award by "EP - Estradas de Portugal, S. A." of the contract work, under a design/construction scheme, of "IP4 (A4) - TÚNEL DO MARÃO", whose price is EUR 88,099,873.47, and the deadline for conclusion of the work is 518 days.