



Report and Accounts

3rd Quarter **2011**

INDEX

1. Company Identification
2. Summary of Indicators
3. Teixeira Duarte Group – 3rd Quarter 2011
4. Interim Management Report
 - I. Introduction
 - II. Overview of the Activity
 - III. Facts Subsequent to the Conclusion of the 3rd Quarter 2011
 - IV. Prospects for 2011
5. Consolidated Financial Statements
 - I. Consolidated Statements of Financial Position
 - II. Consolidated Income Statements for the Period
 - III. Consolidated Statements of Comprehensive Income
 - IV. Consolidated Statements of Changes in Equity
 - V. Consolidated Cash Flow Statements
 - VI. Notes to the Consolidated Financial Statements

TEIXEIRA DUARTE, S.A.

Public Company

Headquarters: Lagoas Park, Edifício 2 - 2740-265 Porto Salvo

Share Capital: € 420,000,000

Unique Legal Entity Number

Registered with the Commercial Registry Office of Cascais-Oeiras 509.234.526

SUMMARY OF INDICATORS

Teixeira Duarte Group	3rd Q. 2007	3rd Q. 2008	3rd Q. 2009	3rd Q. 2010	3rd Q. 2011	Variation % 2011/2010
Number of Employees	9,711	13,154	13,551	13,130	11,725	(10.7%)
Sales/Services Rendered	693	944	911	1,017	916	(10.0%)
Operating Revenue	717	1,001	976	1,050	948	(9.8%)
EBITDA	64	121	132	119	119	0.3%
EBITDA Margin / Turnover	9%	13%	15%	12%	13%	11.4%
EBIT	36	84	91	70	67	(4.3%)
Tangible Fixed Assets + Investment Properties	730	870	1,004	1,012	1,044	3.1%
Investment in associated companies + Available-for-sale assets + Other Investments	1,490	1,325	1,293	337	151	(55.1%)
Total Equity	787	477	472	563	385	(31.7%)
Net Income/(Loss) Attributable to Shareholders	52	(244)	58	56	(129)	-

Notes:

Accounting values are expressed in millions of Euros.

The amounts presented in the Variation % 2011/2010 column were calculated using unrounded up amounts.

Total Equity includes non-controlling interests.

TEIXEIRA DUARTE, S.A.



Interim Management Report



I – INTRODUCTION

Pursuant to and for the effects of the dispositions laid down in the laws and regulations applicable, TEIXEIRA DUARTE, S.A (“TD, S.A.”) presents the Interim Report for the first nine months of the 2011 economic period, of which the attached financial statements are an integral part.

In compliance with and under the periodic information disclosure norms, we clarify that the information herein presented is solely of a consolidated scope and that the financial statements and their accompanying notes were prepared applying International Accounting Standard 34 – Interim Financial Reporting, with the scope and detail required by Law.

Although the activity of the Teixeira Duarte Group is subject to regular monitoring by its Supervisory Bodies, and information was provided to these entities in respect of the preparation of this document, the information herein disclosed is not, under and pursuant to the provisions applicable, audited.

In addition to the Consolidated Financial Statements and the accompanying notes, this document also includes a brief overview of the evolution of the Group’s activity during the period under review, in respect of which we highlight the following facts:

- **Net Earnings Attributable to Shareholders** were negative in 129 million Euros;
- **Turnover** of 916 million Euros;
- **EBITDA** of 119 million Euros;
- **EBITDA Margin / Turnover** of 13%;
- **Net Debt** of 1,168 million Euros;
- **Group Net Assets** of 2,592 million Euros;
- **Financial Autonomy** of 14.8%;
- **Teixeira Duarte Group’s Order Book**, for the construction sector, of 1,987 million Euros.

II – OVERVIEW OF THE ACTIVITY

Income Statements for the periods and quarters ended 30 September 2011 and 2010

	3rd Q. 11	3rd Q. 10	Var. (%)	Jul-Sep 11	Jul-Sep 10	Var. (%)
Operating revenue	947,921	1,050,484	(9.76%)	320,404	356,438	(10.11%)
Operating costs	829,078	931,973	(11.04%)	278,209	309,527	(10.12%)
EBITDA	118,843	118,511	0.28%	42,195	46,911	(10.05%)
Amortization and depreciation	44,481	43,382	2.53%	15,438	16,046	(3.79%)
Provisions	7,433	5,223	42.31%	5,407	(4,329)	(224.90%)
EBIT	66,929	69,906	(4.26%)	21,350	35,194	(39.34%)
Financial results	(200,286)	(3,881)	-	(91,257)	(24,916)	-
Pre-tax earnings	(133,357)	66,025	-	(69,907)	10,278	-
Income tax	11,590	14,023	(17.35%)	5,307	9,562	(44.50%)
Net (loss)/income	(144,947)	52,00	-	(75,214)	716	-
Attributable to:						
Shareholders	(129,155)	56,064	-	(71,333)	5,906	-
Non-controlling interests	(15,792)	(4,062)	-	(3,881)	(5,190)	-

(Amounts in thousands of Euros)

The Consolidated Net Loss Attributable to Shareholders amounted to 129,155 thousand Euros.

This indicator was influenced by the recognition, at 30 September 2011, of impairment losses in the “Banco Comercial Português, S.A.” and the “Banco Bilbao Vizcaya Argentaria, S.A.” investments, which impacted net income in the amounts of 116,001 and 2,260 thousand Euros, respectively.

The disposal of 50% of the Group’s shareholding in the Spanish company “ARENOR, S.L.” and the impairment loss recognized on the remaining 50% had a negative impact of 11,464 thousand Euros on the Net Loss Attributable to Shareholders.

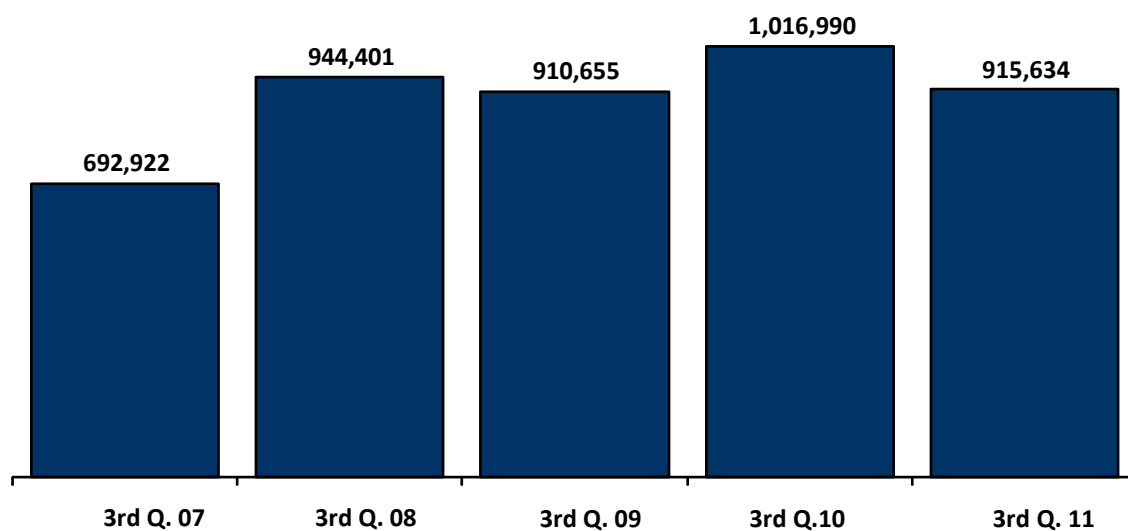
In the third quarter of 2011, the Group recorded an impairment loss on the assets of the subsidiary “Limited Liability Company CEMENT”, with an impact of 3,685 thousand Euros on the Net Loss Attributable to Shareholders, following the formalization of a contract to sell the said subsidiary, which execution awaits the necessary authorization from the Ukrainian Competition Authority.

The third quarter results were also penalized in 2,087 thousand Euros, by the devaluation, against the Euro, of the Currencies with which the Group operates in certain markets.

Regarding the Net Loss and its comparability with the results obtained in the homologous period of the previous year, we consider it important to recall that in the third quarter of 2010 this indicator had been influenced by the incorporation of the 71,183 thousand Euros capital profit resulting from the disposal of the shareholding in “CIMPOR – Cimentos de Portugal, S.G.P.S., S.A.”, as well as by the incorporation of the share of profits in that associated company up to the date of its disposal, in the amount of 9,237 thousand Euros.

Turnover decreased by 10% when compared to the homologous period in 2010, attaining the amount of 915,634 thousand Euros.

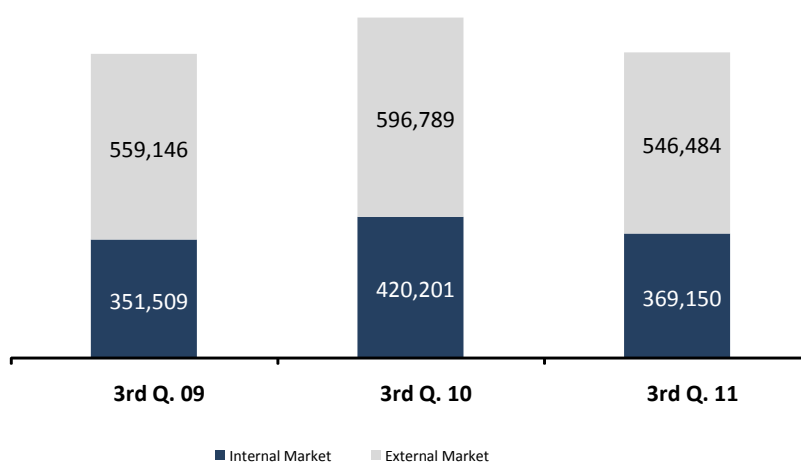
Evolution of Turnover



(Amounts in thousands of Euros)

Overall, the activity in Portugal decreased by 12.1% and in the external market by 8.4%, with the latter now representing 59.7% of the total Turnover of the Teixeira Duarte Group.

Evolution of Turnover by Market



(Amounts in thousands of Euros)

The schedules below present Turnover by countries and by activity sectors, demonstrating the Group's exposure to the different economic contexts.

Evolution of Turnover by Country

Countries	3rd Q. 11	3rd Q. 10	Var. (%)	Jul-Sep 11	Jul-Sep 10	Var. (%)
Portugal	369,150	420,201	(12.1%)	126,521	145,729	(13.2%)
Angola	344,940	337,413	2.2%	117,883	111,983	5.3%
Algeria	32,829	53,347	(38.5%)	7,541	23,457	(67.9%)
Brazil	103,738	130,199	(20.3%)	31,081	41,525	(25.2%)
Spain	20,086	18,859	6.5%	6,438	6,851	(6.0%)
Morocco	1,920	2,081	(7.7%)	557	346	61.0%
Mozambique	20,719	40,406	(48.7%)	5,332	13,450	(60.4%)
Ukraine	12,753	8,002	59.4%	5,674	3,491	62.5%
Venezuela	5,097	3,875	31.5%	1,159	1,751	(33.8%)
Other	4,402	2,607	68.9%	2,075	1,254	65.5%
Total	915,634	1,016,990	(10.0%)	304,261	349,837	(13.0%)

(Amounts in thousands of Euros)

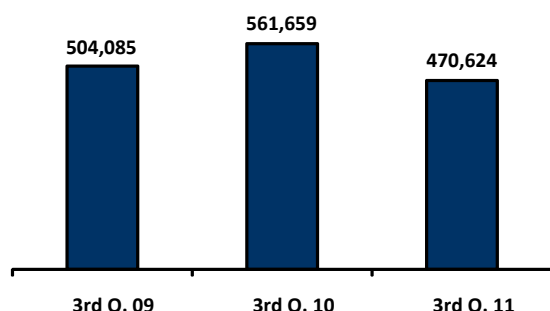
Evolution of Turnover by Activity

Sector of Activity	3rd Q. 11	3rd Q. 10	Var. (%)	Jul-Sep 11	Jul-Sep 10	Var. (%)
Construction	470,624	561,659	(16.2%)	150,794	205,176	(26.5%)
Cements, Concretes and Aggregates	12,885	10,516	22.5%	5,783	4,564	26.7%
Concessions and Services	40,370	36,772	9.8%	12,413	12,491	(0.6%)
Real Estate	59,485	93,914	(36.7%)	13,263	30,853	(57.0%)
Hotel Services	51,050	60,623	(15.8%)	22,260	18,937	17.5%
Distribution	94,715	77,931	21.5%	37,005	26,490	39.7%
Energy	94,285	96,211	(2.0%)	33,751	30,435	10.9%
Automobile	92,220	79,364	16.2%	28,992	20,891	38.8%
Total	915,634	1,016,990	(10.0%)	304,261	349,837	(13.0%)

(Amounts in thousands of Euros)

An analysis of this indicator's evolution by sector of activity is presented below:

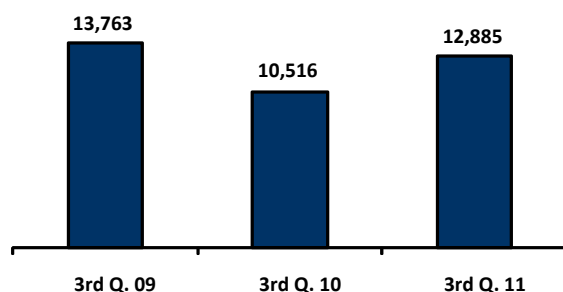
Construction Turnover



Construction Turnover decreased by 16.2% compared to September 2010, with a noticeably steeper decrease in the internal market, which represented 12% at the end of the period.

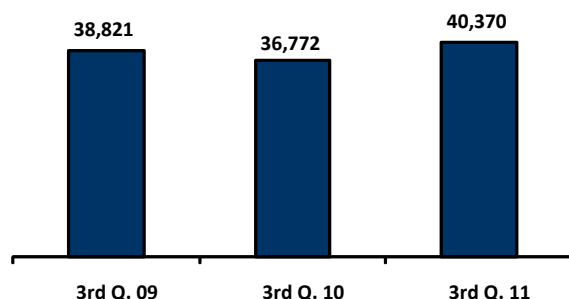
The Angolan market, despite the 8.2% drop in this indicator due to the devaluation of the Dollar, had, effectively, an activity decrease of 2.5%.

Cements, Concretes and Aggregates Turnover



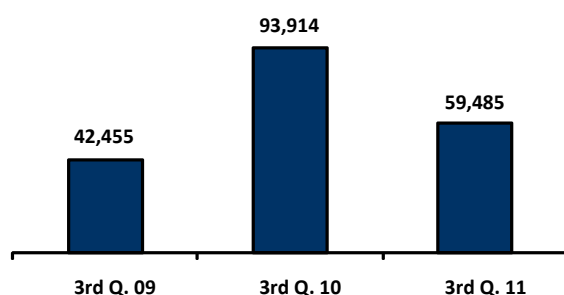
The Cements, Concretes and Aggregates Turnover increased by 22.5% versus the first nine months of 2010, as a result of the growth in Ukraine, from 8,002 thousand Euros in September 2010 to 12,753 thousand Euros in September 2011.

Concessions and Services Turnover

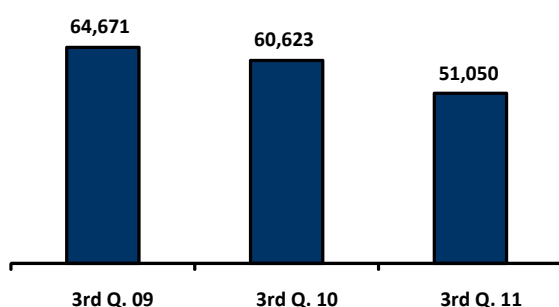


In Concessions and Services, Turnover grew 9.8% versus the homologous period, with a good performance in the principal markets the Group operates in.

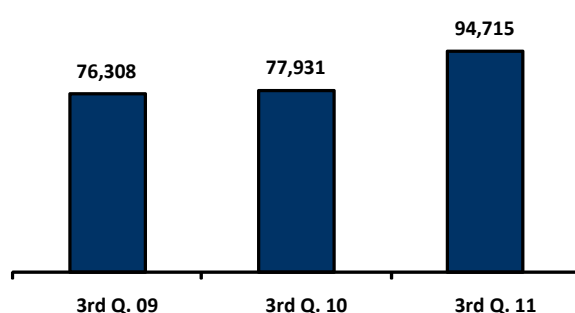
Real Estate Turnover



Real Estate decreased, in total, 36.7% versus the first nine months of 2010, primarily due to the drop in the Group's principal markets, Portugal and Brazil, which recorded, respectively, decreases of 44.2% and 29.9% versus September 2010.

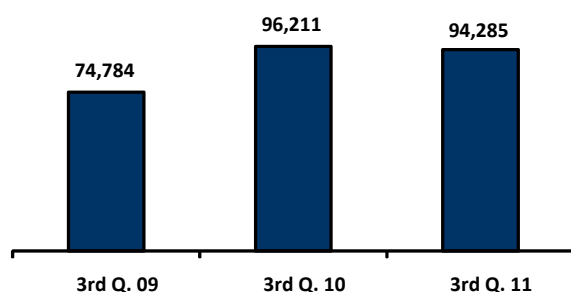
Hotel Services Turnover

The Hotel Services Turnover fell 15.8% versus the homologous period, fundamentally explained by the drop in occupancy rates at the Group's units in Angola.

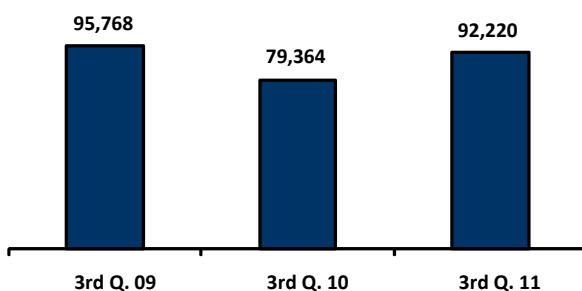
Distribution Turnover

Distribution grew 21.5% versus September 2010, revealing the success of the proactive measures taken with regard to the Stores and the expansion into other segments and products.

In the Angolan market, the devaluation of the Dollar led to the stabilization of this indicator at 21.3%; however, the effective growth of the level of activity was of 28.9%.

Energy Turnover

In Energy, Group Turnover decreased by 2% versus September 2010, primarily due to the activity reduction in the Solar Energy area, affected by the termination of the public programmes supporting the installation of equipment.

Automobile Turnover

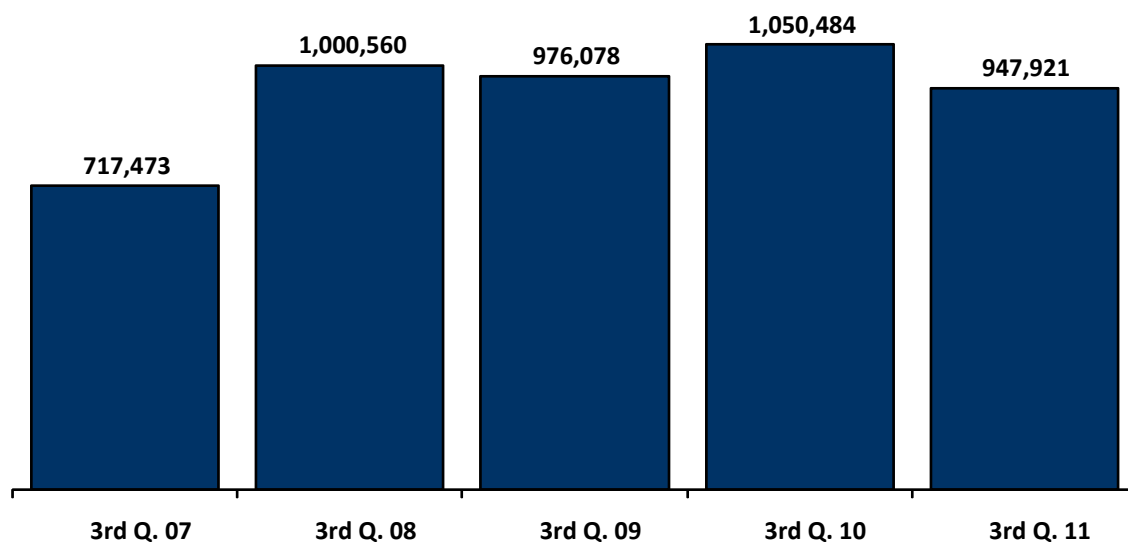
In Automobile, Turnover increased by 16.2% when compared to the third quarter of last year, despite the negative impact of the devaluation of the Dollar.

It is to be pointed out that the promotional actions carried out and the market's appetite for the range of cars sold resulted in a 23.5% activity increase.

(Amounts in thousands of Euros)

Consolidated operating revenue registered a decrease of 9.8% versus September 2010, attaining the amount of 947,921 thousand Euros.

Evolution of Operating Revenue



(Amounts in thousands of Euros)

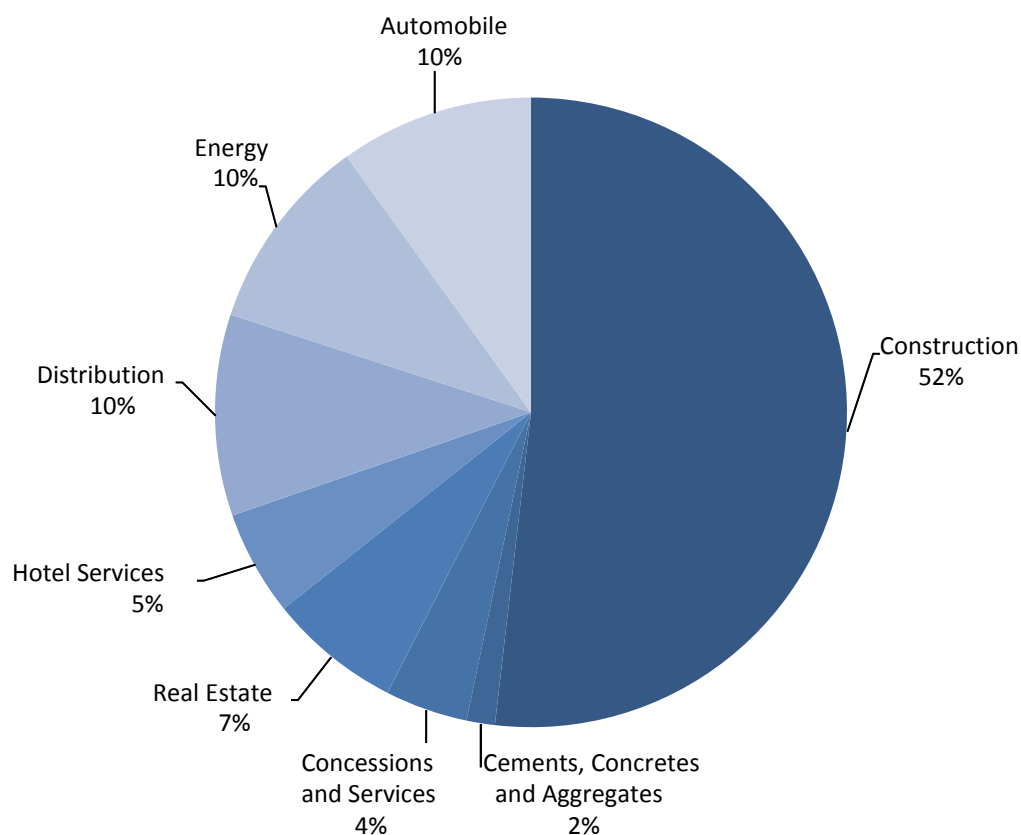
Despite the decrease recorded in this indicator, the performance of the Cements, Concretes and Aggregates, Distribution and Automobile sectors stands out.

Operating Revenue by activity and geographical markets:

Sector of Activity	Internal Market			External Market			Total		
	3rd Q. 11	3rd Q. 10	Var. (%)	3rd Q. 11	3rd Q. 10	Var. (%)	3rd Q. 11	3rd Q. 10	Var. (%)
Construction	230,838	258,515	(10.7%)	260,435	316,686	(17.8%)	491,273	575,201	(14.6%)
Cements, Concretes and Aggregates	-	-	-	13,726	10,858	26.4%	13,726	10,858	26.4%
Concessions and Services	15,360	15,213	1.0%	24,813	24,622	0.8%	40,173	39,835	0.8%
Real Estate	28,938	53,612	(46.0%)	35,292	48,411	(27.1%)	64,230	102,023	(37.0%)
Hotel Services	12,190	12,414	(1.8%)	39,021	50,947	(23.4%)	51,211	63,361	(19.2%)
Distribution	870	629	38.3%	97,096	82,000	18.4%	97,966	82,629	18.6%
Energy	95,312	96,922	(1.7%)	-	-	-	95,312	96,922	(1.7%)
Automobile	83	70	18.6%	93,944	79,585	18.0%	94,027	79,655	18.0%
Other	3	-	-	-	-	-	3	-	-
Total	383,594	437,375	(12.3%)	564,327	613,109	(8.0%)	947,921	1,050,484	(9.8%)

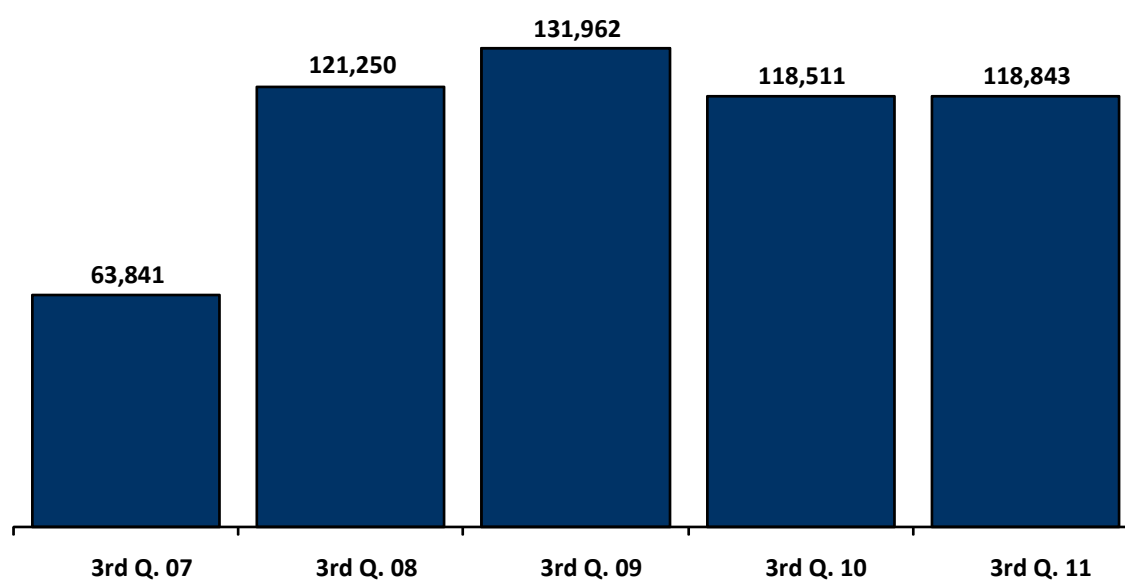
(Amounts in thousands of Euros)

The contributions of each of the activity sectors to total consolidated operating revenue, were as follows:



EBITDA attained amounts similar to those of the first nine months of last year and totalled 118,843 thousand Euros.

Evolution of EBITDA



(Amounts in thousands of Euros)

On analyzing this indicator by activity sector in the schedule below, the disparate performances from the business areas, in function of the specific characteristics of the activity and the respective markets operated in, become evident.

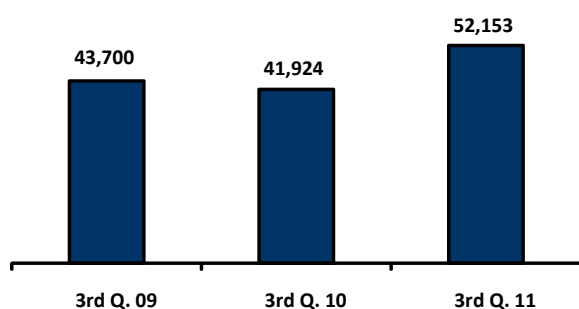
Evolution of EBITDA by Activity

Sector of Activity	3rd Q.11	3rd Q.10	Var. (%)	Jul-Sep 11	Jul-Sep 10	Var. (%)
Construction	52,153	41,924	24.4%	22,708	21,839	4.0%
Cements, Concretes and Aggregates	1,572	(1,264)	-	34	1,202	(97.2%)
Concession and Services	7,386	8,661	(14.7%)	(993)	2,211	-
Real Estate	26,466	42,631	(37.9%)	5,662	13,172	(57.0%)
Hotel Services	18,982	21,178	(10.4%)	9,557	5,399	77.0%
Distribution	8,429	6,429	31.1%	4,138	2,498	65.7%
Energy	4,689	6,877	(31.8%)	1,421	1,687	(15.8%)
Automobile	9,196	5,435	69.2%	2,268	902	151.4%
Not allocated to segments	(10,096)	(13,124)	-	(2,590)	(1,715)	-
Eliminations	66	(236)	-	(10)	(284)	-
Total	118,843	118,511	0.3%	42,195	46,911	(10.1%)

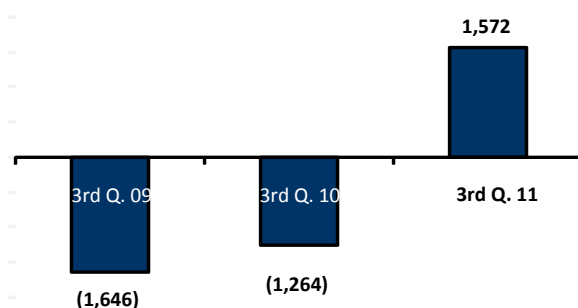
(Amounts in thousands of Euros)

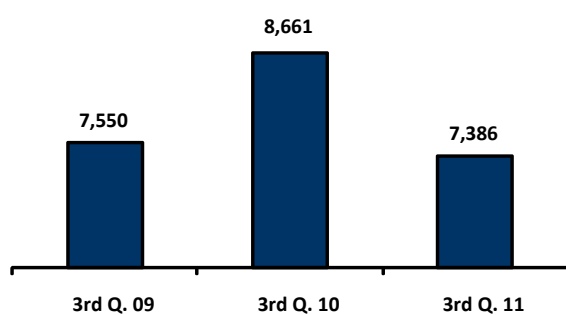
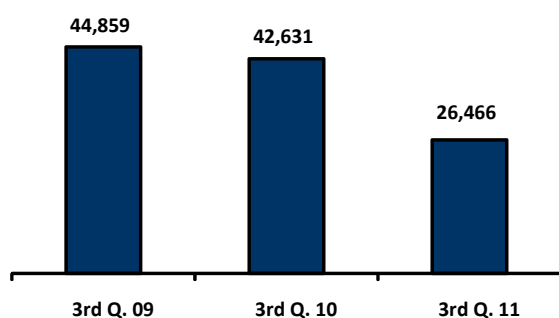
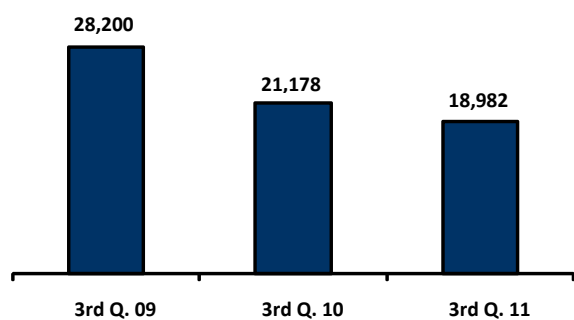
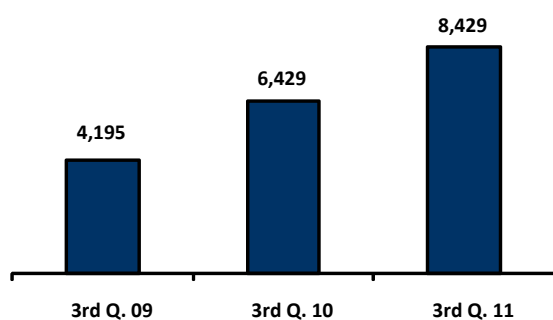
Given the evolution recorded since the third quarter of 2009, the improvement in Construction and Distribution is to be highlighted.

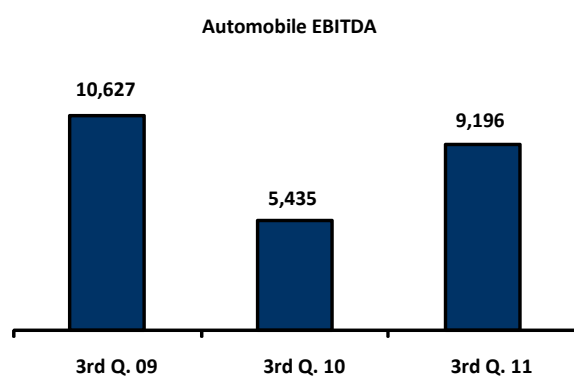
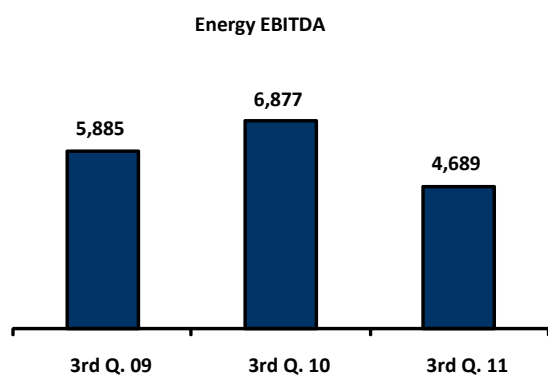
Construction EBITDA



Cements, Concretes and Aggregates EBITDA

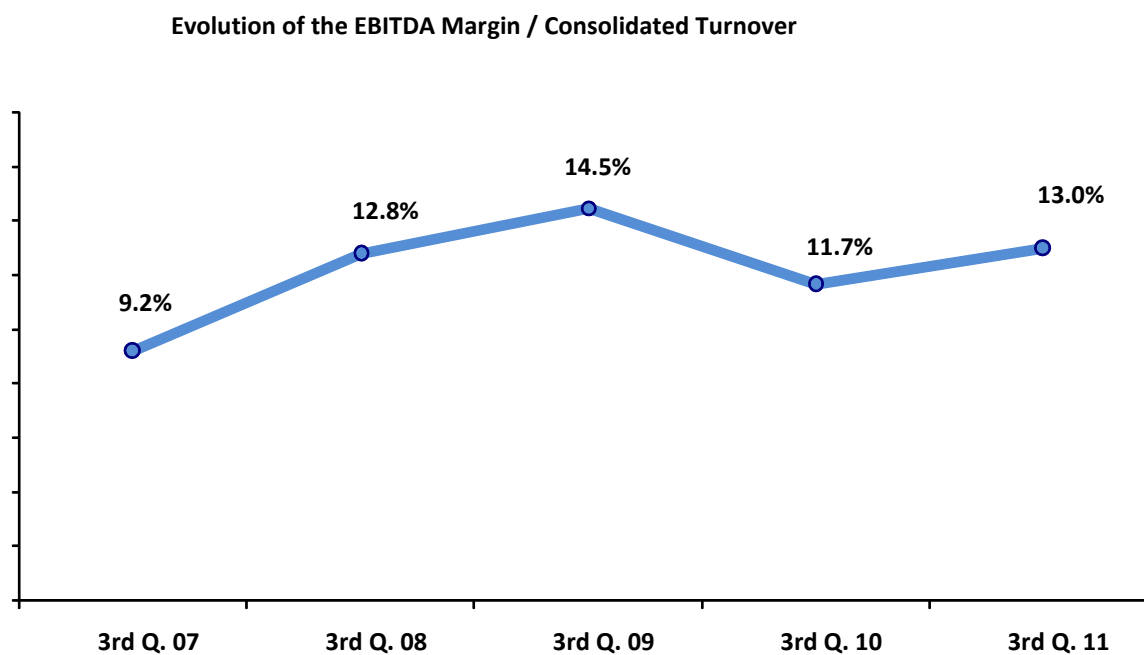


Concessions and Services EBITDA**Real Estate EBITDA****Hotel Services EBITDA****Distribution EBITDA**



(Amounts in thousands of Euros)

The **EBITDA Margin / Consolidated Turnover** recorded an increase of 11.4% versus September 2010, increasing from 11.7% to 13% in September 2011.



Financial results were negative in 200,286 thousand Euros for the period ended 30 September 2011 (negative in 3,881 thousand Euros by 30 September 2010).

	3rd Q. 11	3rd Q. 10	Var. (%)	Jul-Sep 11	Jul-Sep 10	Var. (%)
Financial costs and losses:	113,777	122,568	(7.2%)	9,261	9,486	(2.4%)
Interest borne	54,865	48,407	13.3%	20,460	16,552	23.6%
Unfavourable foreign exchange differences	44,081	6,704	(29.7%)	(17,023)	(10,349)	-
Other financial costs and losses	14,831	11,457	29.4%	5,824	3,283	77.4%
Financial revenue and profits:	68,424	86,792	(21.2%)	5,819	(24,222)	(124.0%)
Interest earned	21,928	10,800	103.0%	11,010	3,292	234.4%
Favourable foreign exchange differences	41,994	71,802	(41.5%)	(6,810)	(29,283)	-
Cash discounts obtained	632	581	8.8%	227	171	32.7%
Other financial revenue and profits	3,870	3,609	7.2%	1,392	1,598	(12.9%)
Results from investment activities:	(154,933)	31,895	-	(87,815)	8,792	-
Share of profits/(losses) in associated companies	(21,589)	78,833	-	126	1,033	(87.8%)
Dividends received	1,428	7,462	(80.9%)	356	263	35.4%
Other investments	234	704	(66.8%)	(2,165)	1,332	-
Profits / losses in assets available-for-sale	(135,006)	(55,104)	-	(86,132)	6,164	-
Financial results	(200,286)	(3,881)	-	(91,257)	(24,916)	-

(Amounts in thousands of Euros)

This indicator was influenced by:

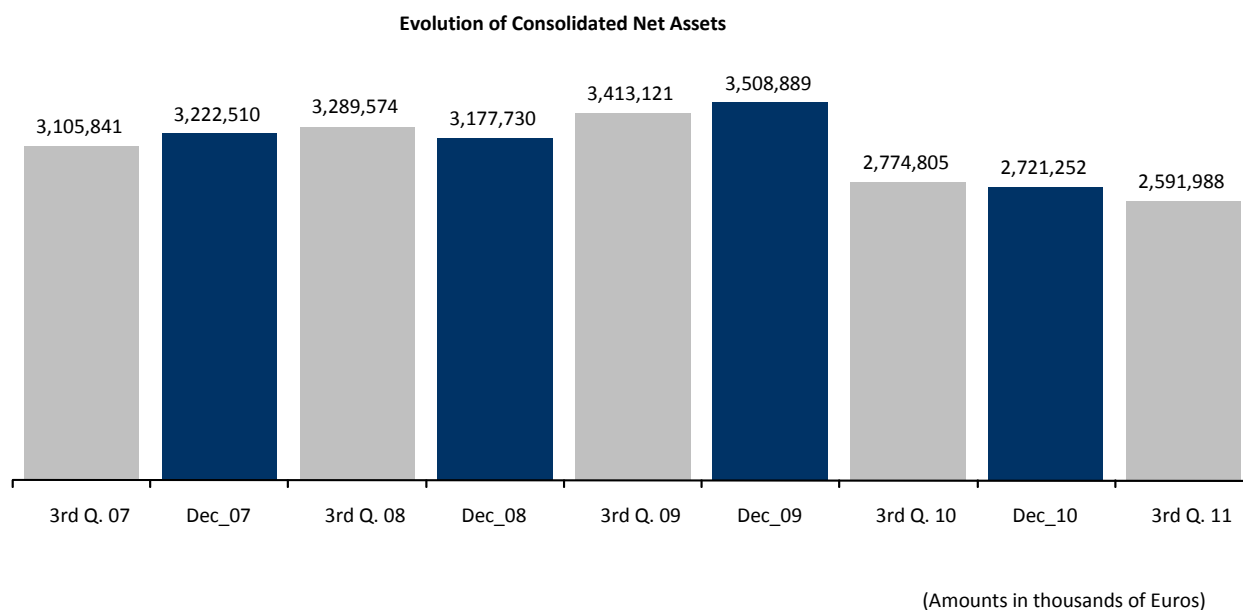
- Impairment loss of 131,778 thousand Euros on the investment held in “Banco Comercial Português, S.A.”;
- Impairment loss of 3,228 thousand Euros on the investment held in “Banco Bilbao Vizcaya Argentaria, S.A.”;
- Capital loss of 11,024 thousand Euros, on the disposal of 50% of the Group’s investment in the Spanish company “ARENOR, S.L.”;
- Impairment loss of 11,024 thousand Euros on the remaining 50% of the Group’s investment in the Spanish company “ARENOR, S.L.”.

Income Tax for the period ended 30 September 2011 amounted to 11,590 thousand Euros, whilst at the end of the first nine months of 2010 it amounted to 14,023 thousand Euros.

	3rd Q. 11	3rd Q. 10	Var. (%)	Jul-Sep 11	Jul-Sep 10	Var. (%)
Current Tax	22,948	19,521	17.56%	10,976	6,843	60.40%
Deferred Tax	(11,358)	(5,498)	106.58%	(5,669)	2,719	-
	11,590	14,023	(17.35%)	5,307	9,562	(44.50%)

(Amounts in thousands of Euros)

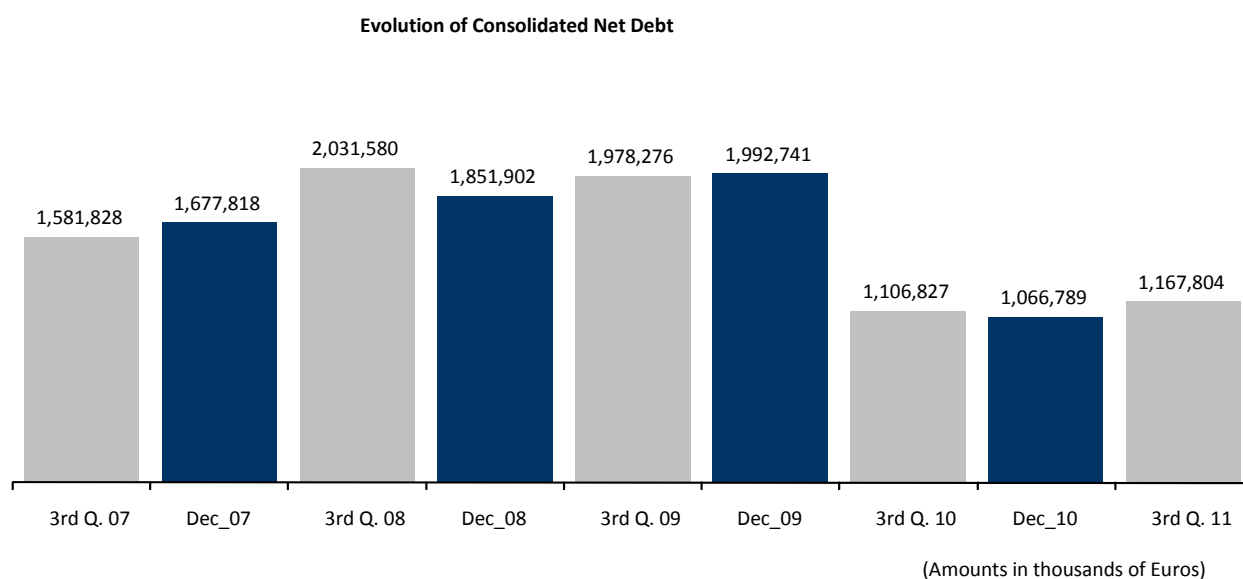
Total Net Assets at 30 September 2011 amounted to 2,591,988 thousand Euros, having recorded a drop of 4.8% compared to 31 December 2010.



The Group's Net Debt totalled 1,167,804 thousand Euros at 30 September of this year, which reflects an increase of 101,015 thousand Euros over that at the end of last year.

This increase results, fundamentally, from the ongoing activity in the real estate investments in progress, amongst which the conclusion of Hotel Baía, in Luanda, as well as from the reinforcement of the productive capacity, with the acquisition of new equipment, and the subscription of the share capital increase in "Banco Comercial Português, S.A.".

On 17 August 2011, Teixeira Duarte – Engenharia e Construções, S.A. exercised its option to sell its investment in AEDL - Auto-Estradas do Douro Litoral, S.A., which decision, for the Group, translated into an, expected, decrease in Equity contribution commitments and in the corresponding bank guarantees, in a total amount of 67 million Euros.



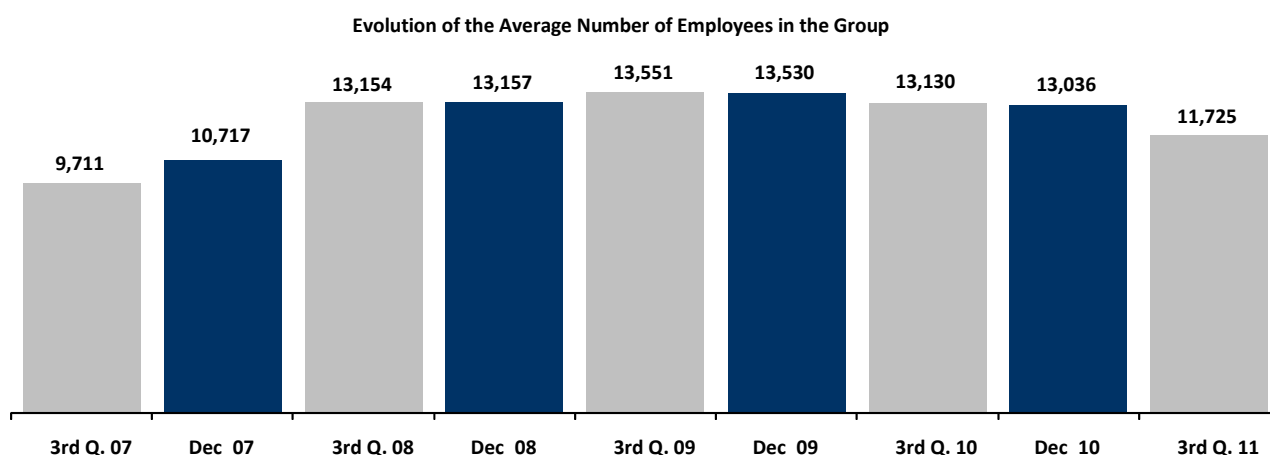
Total Equity attained 384,527 thousand Euros, reflecting a decrease of 31.6% in relation to 31 December 2010, a decrease caused, essentially, by the following factors:

- An impairment loss on the “Banco Comercial Português, S.A.” investment, recognized in the income statement, in the amount of 116,001 thousand Euros;
- A capital loss on the disposal of 50% of the Group’s investment in the Spanish company “ARENOR, S.L.”, of 11,024 thousand Euros;
- An impairment loss on the remaining 50% of the Group’s investment in the Spanish company “ARENOR, S.L.”, recognized in the income statement, of 11,024 thousand Euros;
- An impairment loss, recognized in the income statement, of 7,087 thousand Euros, on the assets of its subsidiary “Limited Liability Company CEMENT”;
- The negative impact of the foreign exchange differences of 20,480 thousand Euros, arising due to the devaluation of the Currencies the Group operates with, against the Euro.

Equity to Net Assets Ratio decreased from 20.7% at 31 December 2010 to 14.8% at 30 September 2011.

The Average Number of Employees at the end of the period under review was 11,725, recording a decrease of 10.1% when compared to that at 31 December 2010.

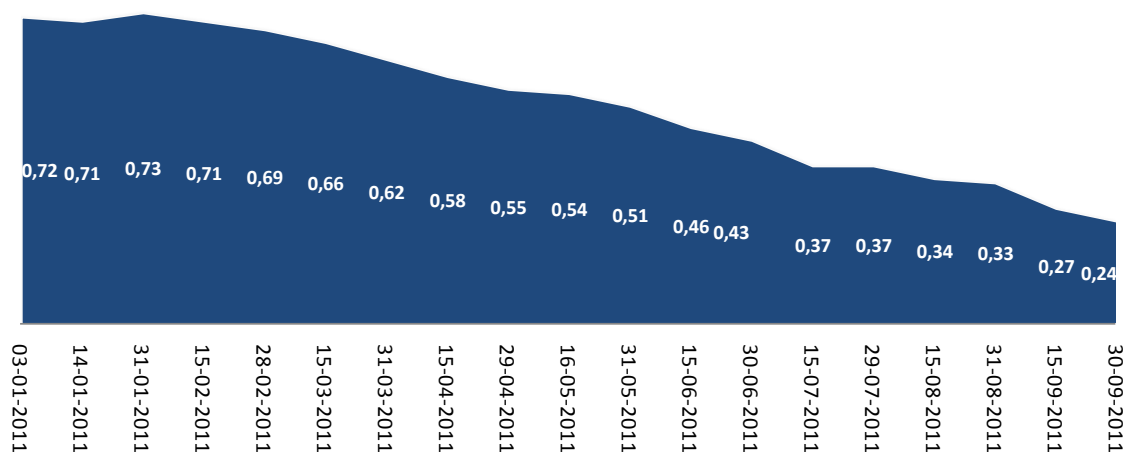
It is to be noted that this decrease results essentially from the 13.2% decrease suffered in the external market, given that in Portugal the decrease in the average number of employees was a mere 1.2%, corresponding to 43 employees.



The “Teixeira Duarte, S.A.” shares suffered a devaluation of 67.1% up to the end of the third quarter, dropping from 0.73€ at 31 December 2010 to 0.24€ at 30 September 2011.

The graph presented below shows the evolution of the share price during the first nine months of this year, which oscillated from a minimum of 0.22€ recorded on 22 September 2011 to a maximum of 0.75€ attained on 8 February 2011.

Teixeira Duarte, S.A.' Share Price Quotations



During this period, 12,000,568 shares were transacted on the market, representing a total turnover of 6,476,609 Euros.

III. FACTS OCCURRING SUBSEQUENT TO THE CLOSE OF THE 3RD QUARTER 2011

Teixeira Duarte continued its activity in the various sectors and markets it operates in, and no fact has occurred since the close of the third quarter of 2011 and up to this date that justifies disclosure in this chapter.

Even so, it is to be noted that at the present date, the “Banco Comercial Português, S.A.” share price is quoted at 0.128 €, situation which were it to have occurred at 30 September 2011 would have had an additional negative impact of 22,813 thousand Euros on the results and would have implied a devaluation, of 25,836 thousand Euros, of the Group’s shareholding in “Banco Comercial Português, S.A.”, which would consequently be reduced to 49,357 thousand Euros.

IV. PROSPECTS FOR 2011

The Teixeira Duarte Group will maintain its cautious and vigilant posture with regard to cost containment and will assure the prudent valuation of investments in the various sectors and markets it operates in, depending on the characteristics and the current conditions in each of these.

Growth expectations are maintained with regard to the external Construction sector and, in the internal market, the Group will focus its, prudent, participation efforts on the principal tenders.

The **Order Book of the Teixeira Duarte Group** for the construction sector, attained an expressive total amount of 1,986,530 thousand Euros at 30 September 2011, assuring good levels of activity, particularly in the context of the highly unfavourable current situation.

The development of our operations in other sectors of activity will be pursued, and, whenever possible, priority will also be given to the external market momentum, which, through its dynamic, has been gaining importance in the Group.

In light of the current situation and the consequent activity reduction, Teixeira Duarte currently foresees attaining consolidated operating revenue in 2011 of 1,300 million Euros.

Lagoas Park, 25 November 2011

The Board of Directors,

Pedro Maria Calainho Teixeira Duarte

Manuel Maria Calainho de Azevedo Teixeira Duarte

Joel Vaz Viana de Lemos

Carlos Gomes Baptista

Diogo Bebianho Branco de Sá Viana Rebelo

Consolidated Financial
Statements-3rd Quarter **2011**



CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
AT 30 SEPTEMBER 2011 AND 31 DECEMBER 2010
(Amounts expressed in thousands of Euros)

	Notes	30-09-2011	31-12-2010
Non-current assets:			
Goodwill		34,084	57,907
Intangible assets		11,868	9,392
Tangible fixed assets	13	530,364	532,900
Investment properties	14	513,535	509,516
Investment in associated companies	15	38,142	88,113
Financial assets available-for-sale	17	91,199	208,220
Other investments		16,147	13,244
Deferred tax assets	18	108,043	112,050
Clients		109,234	79,033
Other debtors		113	78
Other non-current assets		12,229	13,475
Total non-current assets		1,464,958	1,623,928
Current assets:			
Inventories		285,137	298,543
Clients		439,048	437,608
Other debtors		55,916	56,583
Cash and cash equivalents	20	111,605	137,837
Other investments		5,952	7,053
Other current assets		174,630	158,710
		1,072,288	1,096,334
Assets classified as available-for-sale		54,742	990
Total current assets		1,127,030	1,097,324
TOTAL ASSETS	7	2,591,988	2,721,252
Equity:			
Share capital	21	420,000	420,000
Adjustments to investment in associated companies		(1,252)	2,830
Foreign exchange translation reserves		21,072	40,893
Reserves and retained earnings		5,882	(36,593)
Consolidated net (loss)/income		(129,155)	46,392
Equity attributable to shareholders		316,547	473,522
Non-controlling interests		67,980	88,484
TOTAL NET EQUITY		384,527	562,006
Non-current liabilities:			
Borrowings	23	576,333	697,661
Provisions		23,361	33,357
Finance leasing		214,833	228,731
Deferred tax liabilities	18	64,726	68,551
Other creditors		32,001	26,150
Other non-current liabilities		29,332	45,267
Total non-current liabilities		940,586	1,099,717
Current liabilities:			
Borrowings	23	703,076	506,965
Provisions		1,745	8,455
Suppliers		185,228	227,674
Finance leasing		20,414	23,873
Other creditors		49,338	44,480
Other current liabilities		305,712	248,082
		1,265,513	1,059,529
Liabilities directly associated with assets classified as available-for-sale		1,362	-
Total current liabilities		1,266,875	1,059,529
TOTAL LIABILITIES	7	2,207,461	2,159,246
TOTAL LIABILITIES AND EQUITY		2,591,988	2,721,252

The attached notes are an integral part of the consolidated statement of financial position at 30 September 2011.

CONSOLIDATED INCOME STATEMENTS
FOR THE PERIODS AND QUARTERS ENDED 30 SEPTEMBER 2011 AND 2010
(Amounts expressed in thousands of Euros)

	Notes	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
Operating revenue:					
Sales and services rendered	7 and 8	915,634	1,016,990	304,261	349,840
Other operating revenue	8	32,287	33,494	16,143	6,598
Total operating revenue	8	947,921	1,050,484	320,404	356,438
Operating costs:					
Cost of sales		(311,213)	(307,203)	(99,639)	(85,654)
Production variation		6,045	(3,637)	955	2,511
External supplies and services		(310,214)	(396,622)	(108,927)	(152,387)
Staff costs		(178,151)	(183,905)	(59,902)	(61,522)
Amortization and depreciation	7	(44,481)	(43,382)	(15,438)	(16,046)
Provisions and impairment losses in depreciable assets and goodwill	7	(7,433)	(5,223)	(5,407)	4,329
Other operating costs		(35,545)	(40,606)	(10,696)	(12,475)
Total operating costs		(880,992)	(980,578)	(299,054)	(321,244)
Operating results	7	66,929	69,906	21,350	35,194
Financial costs and losses	7 and 9	(113,777)	(122,568)	(9,261)	(9,486)
Financial revenue and profits	7 and 9	68,424	86,792	5,819	(24,222)
Results from investments:					
Share of profits/(losses) in associated companies	7 and 9	(21,589)	78,833	126	1,033
Other	7 and 9	(133,344)	(46,938)	(87,941)	7,759
Financial results	9	(200,286)	(3,881)	(91,257)	(24,916)
Pre-tax earnings	7	(133,357)	66,025	(69,907)	10,278
Income tax	10	(11,590)	(14,023)	(5,307)	(9,562)
Consolidated net (loss)/income for the period		(144,947)	52,002	(75,214)	716
Net (loss)/income attributable to:					
Shareholders	11	(129,155)	56,064	(71,333)	5,906
Non-controlling interests		(15,792)	(4,062)	(3,881)	(5,190)
Earnings per share:					
Basic	11	(0.31)	0.18	(0.17)	0.02
Diluted	11	(0.31)	0.18	(0.17)	0.02

The attached notes are an integral part of the consolidated income statement for the period ended 30 September 2011.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE PERIODS AND QUARTERS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in thousands of Euros)

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
Consolidated net (loss)/income for the period	(144,947)	52,002	(75,214)	716
Variation in foreign exchange translation adjustments	(20,480)	38,217	(481)	(13,978)
Variation in fair value and disposal of financial assets available-for-sale	-	(11,915)	(1,075)	1,931
Effect of hedging operations	(3,096)	-	(978)	-
Effect of the application of the equity method	(4,082)	(221)	386	(3,314)
Other	1,426	(25,493)	(3,368)	(17,666)
	(26,232)	588	(5,516)	(33,027)
Comprehensive (loss)/income for the period	(171,179)	52,590	(80,730)	(32,311)
Comprehensive (loss)/income attributable to:				
Shareholders	(150,675)	57,641	(76,287)	(25,916)
Non-controlling interests	(20,504)	(5,051)	(4,443)	(6,395)

The attached notes are an integral part of the consolidated statement of comprehensive income for the period ended 30 September 2011.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY DURING THE PERIODS AND QUARTERS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in thousands of Euros)

	Notes	Share capital	Adjustments in investment in associated cos.	Foreign exchange translation adjustments	Reserves and retained earnings					Consolidated net (loss)/income	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Fair value reserves	Cash flow hedge reserves	Retained earnings				
Balance at 1 January 2010		287,881	-	-	-	-	-	-	-	(11)	287,870	226,767	514,637
Comprehensive income for the period:													
Consolidated net income for the period		-	-	-	-	-	-	-	-	56,064	56,064	(4,062)	52,002
Variation in foreign exchange translation adjustments		-	-	36,975	-	-	-	-	-	-	36,975	1,242	38,217
Variation in fair value and disposal of financial assets available-for-sale	17	-	-	-	-	-	(11,528)	-	-	-	(11,528)	(387)	(11,915)
Effect of the application of the equity method	15	-	(205)	-	-	-	-	-	-	-	(205)	(16)	(221)
Other		-	-	-	-	-	-	-	(23,665)	-	(23,665)	(1,828)	(25,493)
Transactions with shareholders during the period:													
Appropriation of the consolidated net income of 2009		-	-	-	500	2,391	-	-	(2,891)	-	-	-	-
Transfer to legal and free reserves		-	-	-	-	-	-	-	-	-	-	-	-
Dividend distribution	20	-	-	-	-	-	-	-	(4,064)	-	(4,064)	-	(4,064)
Transfer to retained earnings		-	-	-	-	-	-	-	(11)	11	-	-	-
Share capital increase		118,479	-	-	-	-	-	-	-	-	118,479	(118,479)	-
Balance at 30 September 2010		406,360	(205)	36,975	500	2,391	(11,528)	-	(30,631)	56,064	459,926	103,237	563,163

	Notes	Share capital	Adjustments in investment in associated cos.	Foreign exchange translation adjustments	Reserves and retained earnings					Consolidated net (loss)/income	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Fair value reserves	Cash flow hedge reserves	Retained earnings				
Balance at 1 January 2011		420,000	2,830	40,893	500	2,391	(13,980)	(1,868)	(23,636)	46,392	473,522	88,484	562,006
Comprehensive income for the period:													
Consolidated net loss for the period		-	-	-	-	-	-	-	-	(129,155)	(129,155)	(15,792)	(144,947)
Variation in foreign exchange translation adjustments		-	-	(19,821)	-	-	-	-	-	-	(19,821)	(659)	(20,480)
Variation in fair value and disposal of financial assets available-for-sale	17	-	-	-	-	-	-	-	-	-	-	-	-
Effect of hedging operations		-	-	-	-	-	-	(3,096)	-	-	(3,096)	-	(3,096)
Effect of the application of the equity method	15	-	(4,082)	-	-	-	-	-	-	-	(4,082)	-	(4,082)
Other		-	-	-	-	-	-	-	5,479	-	5,479	(4,053)	1,426
Transactions with shareholders during the period:													
Appropriation of the consolidated net income of 2010:													
Transfer to legal and free reserves		-	-	-	5,000	35,092	-	-	-	(40,092)	-	-	-
Dividend distribution	12 and 20	-	-	-	-	-	-	-	-	(6,300)	(6,300)	-	(6,300)
Balance at 30 September 2011		420,000	(1,252)	21,072	5,500	37,483	(13,980)	(4,964)	(18,157)	(129,155)	316,547	67,980	384,527

The attached notes are an integral part of the consolidated statement of changes in equity for the period ended 30 September 2011.

CONSOLIDATED CASH FLOW STATEMENTS
FOR THE PERIODS AND QUARTERS ENDED 30 SEPTEMBER 2011 AND 2010

(Amounts expressed in thousands of Euros)

	Notes	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
OPERATING ACTIVITIES:					
Receipts from clients		909,729	891,443	300,287	295,783
Payments to suppliers		(651,064)	(626,979)	(212,649)	(160,991)
Payments to staff		(171,353)	(175,482)	(55,953)	(61,087)
Flow generated by the operations		87,312	88,982	31,685	73,705
Payments/receipts of income tax		(37,189)	(15,360)	(14,620)	(1,986)
Other receipts/payments relating to the operating activities		(31,819)	(55,919)	(287)	(36,963)
Flows from the operating activities (1)		18,304	17,703	16,778	34,756
INVESTMENT ACTIVITIES:					
Receipts from:					
Financial investments	20	20,751	999,477	9,826	14,431
Tangible fixed assets and Investment properties		4,883	3,782	1,479	1,370
Interest and similar revenue		22,843	5,689	11,209	1,364
Dividends received	20	1,640	8,992	362	1,363
		50,117	1,017,940	22,876	18,528
Payments in respect of:					
Financial investments	20	(28,644)	(56,808)	(12,544)	(13,784)
Tangible fixed assets and Investment properties		(77,085)	(44,912)	(26,148)	(13,097)
Intangible assets		(858)	(1,023)	(514)	(543)
		(106,587)	(102,743)	(39,206)	(27,424)
Flows from the investment activities (2)		(56,470)	915,197	(16,330)	(8,896)
FINANCING ACTIVITIES:					
Receipts from:					
Borrowings obtained		1,958,434	3,410,970	438,490	706,787
Payments in respect of:					
Borrowings obtained		(1,883,650)	(4,285,398)	(457,657)	(710,556)
Interest and similar costs		(51,241)	(46,213)	(18,996)	(15,263)
Dividends distributed		(6,300)	(4,064)	-	(4,064)
		(1,941,191)	(4,335,675)	(476,653)	(729,883)
Flows from the financing activities (3)		17,243	(924,705)	(38,163)	(23,096)
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(20,923)	8,195	(37,715)	2,764
Effect of the foreign exchange differences		(3,258)	3,291	716	(8,233)
Variation due to changes in consolidation perimeter		(334)	-	(265)	-
Transfers to assets classified as available-for-sale		(1,717)	-	(1,717)	-
Cash and cash equivalents at the beginning of the period	20	137,837	132,051	150,586	149,006
Cash and cash equivalents at the end of the period	20	111,605	143,537	111,605	143,537

The attached notes are an integral part of the consolidated cash flow statement for the period ended at 30 September 2011.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 30 SEPTEMBER 2011

1 – INTRODUCTORY NOTE

Teixeira Duarte, S.A. ("TD, S.A.") has its registered office in Porto Salvo, was incorporated on 30 November 2009 and has as its main object the execution and management of investments, the coordination and the supervision of other companies integrated or related with its corporate Group.

The Teixeira Duarte ("Group") corporate universe comprises the subsidiaries, associated companies and joint ventures indicated in Notes 4, 15 and 16, respectively. The principal activities of the Group are: Construction; Cements, Concretes and Aggregates; Concessions and Services; Real Estate; Hotel Services; Distribution; Energy and the Automobile (Note 7).

The amounts indicated are expressed in thousands of Euros.

2 – BASES OF PRESENTATION

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

3 – CHANGES IN ACCOUNTING POLICIES, ESTIMATES AND ERRORS

During the quarter ended 30 September 2011, no accounting policy changes occurred in relation to those used in the preparation of the financial information for the period ended 31 December 2010 and identified in the respective notes to the financial statements, except in respect of the adoption of the standards and interpretations which effective dates correspond to the periods commencing on 1 January 2011, in respect of which no significant impacts occurred either on income or on the financial position of the Group.

Significant estimates and assumptions formulated by the Board of Directors in the preparation of these financial statements are consistent with those used in the preparation of the financial statements for the period ended 31 December 2010 and identified in the respective notes to the financial statements.

Additionally, no material prior year errors were corrected.

4 – COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

At 30 September 2011 the holding company, Teixeira Duarte, S.A. and the following controlled companies were consolidated using the full consolidation method:

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

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

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

Company name	Registered office	Effective shareholding percentage held
CEMENTS, CONCRETES AND AGGREGATES		
ANGOCIME - Cimentos de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
CONCESSIONS AND SERVICES		
EDUCARE - Actividades Educativas e Culturais, Lda.	Rua Amílcar Cabral, 27 - R/C C Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Rua Comandante Che Guevara, 67 - 1º D Luanda	100.00%
REAL ESTATE		
AFRIMO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	51.00%
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
CASANGOL - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
IMOAFRO - Empreendimentos Imobiliários, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
Teixeira Duarte - Engenharia e Construções (Angola), Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
URBÁFRICA - Sociedade Imobiliária, Lda.	Rua Amílcar Cabral, 35 - 5º C Luanda	90.00%
HOTEL SERVICES		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Rua Comandante Gika – Bairro Maiango Luanda	100.00%
ANGOIMO - Empreendimentos e Construções, Lda.	Rua Amílcar Cabral, 35 – 5º C Luanda	100.00%
Serafim L. Andrade, S.A.R.L.	Rua da Missão, 103 Luanda	80.00%
URBANGO - Gestão Imobiliária, Lda.	Rua Amílcar Cabral, 27 - R/C D Luanda	100.00%
DISTRIBUTION		
MAXI - Comércio Geral, Importação e Exportação, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	100.00%
MAXI RETAIL - Comércio Geral, Lda.	Avenida Pedro de Castro Van - Dúnem Luanda	100.00%
AUTOMOBILE		
AUTO COMPETIÇÃO Angola, Lda.	Rua Eugénio de Castro, Instalações do Cine Atlântico - Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Rua Frederich Engels, 9 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Rua Amílcar Cabral, nº 27 R/C, Letra C Luanda	100.00%

Company name	Registered office	Effective shareholding percentage held
VAUCO - Automóveis e Equipamentos, Lda.	Rua Ho Chi Min (Largo 1º de Maio) Luanda	51.00%
VTD - Veículos Automóveis Angola, Lda.	Via A-1, Lote CCB-5 - Pólo Automóvel Luanda	100.00%
<u>ALGERIA</u>		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Algiers	99.94%
<u>BRAZIL</u>		
CONSTRUCTION		
EMPA - Serviços de Engenharia, S.A.	Rua Major Lopes, 800 Bairro São Pedro - Belo Horizonte	100.00%
SOMAFEL Brasil – Obras Ferroviárias, Ltda.	Rua Major Lopes, 800 – sala 306 Bairro São Pedro – Belo Horizonte	60.00%
CONCESSIONS AND SERVICES		
EMPA Logística, Ltda.	Rua Major Lopes, 800 - sala 410 Bairro São Pedro - Belo Horizonte	99.67%
GONGOJI Montante Energia, S.A.	Rua Major Lopes, 800 - sala 310 Bairro São Pedro - Belo Horizonte	99.99%
PAREDÃO de Minas Energia, S.A.	Rua Major Lopes, 800 - sala 306 Bairro São Pedro - Belo Horizonte	99.99%
TABOQUINHA Energia, S.A.	Rua Major Lopes, 800 - sala 308 Bairro São Pedro - Belo Horizonte	99.99%
REAL ESTATE		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Av. Domingos Ferreira nº 4060, sala 301 Boa Viagem - Cidade de Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Maratona, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP – Alta Vista I, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP - 04, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP – Gilberto Sabino, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	95.00%

Company name	Registered office	Effective shareholding percentage held
TDSP – Alta Vista II, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP – Gualaxos, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista III, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	92.65%
TDSP – Zanzibar, Empreendimentos Imobiliários, SPE, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	100.00%
TDSP - 10, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 11, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 12, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 13, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 14, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 15, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 16, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%
TDSP - 17, Ltda.	Rua Iguatemi, nº 448, 14º, Conjunto 1401 Itaim Bibi - São Paulo	99.95%

SPAIN**CONCESSIONS AND SERVICES**

G.S.C. - Compañía General de Servicios y Construcción, S.A. Sociedad Unipersonal	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
--	--	---------

GIBRALTAR**CONSTRUCTION**

Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100.00%
-------------------------------------	---	---------

MACAU**CONSTRUCTION**

Teixeira Duarte - Engenharia e Construções (Macau), Lda.	Rua de Xangai, 175 Edifício Assoc. Comercial de Macau, 10 A Macau	100.00%
--	---	---------

Company name	Registered office	Effective shareholding percentage held
<u>MOZAMBIQUE</u>		
CONSTRUCTION		
Teixeira Duarte - Engenharia e Construções (Moçambique), Lda.	Av. 24 de Julho, 141 Maputo	72.66%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. 24 de Julho, 141 Maputo	67.41%
REAL ESTATE		
IMOPAR - Centro Comercial de Maputo, S.A.R.L.	Av. 24 de Julho, 135 Maputo	100.00%
HOTEL SERVICES		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. 24 de Julho, 135 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. 24 de Julho, 141 Maputo	98.63%
<u>NAMIBIA</u>		
CEMENTS, CONCRETES AND AGGREGATES		
KARIBIB Portland Cement (PTY) (d)	P O Box 9574 Windhoek Namibia	49.40%
KPC Trading and Services (d)	P O Box 2143 Windhoek Namibia	29.64%
SQUIRREL Investments 115 PTY, Ltd. (d)	P O Box 2143 Windhoek Namibia	49.40%
<u>RUSSIA</u>		
CONCESSIONS AND SERVICES		
MMK Cement, Limited Liability Company (d)	Murmansk Russia	36.40%
<u>UKRAINE</u>		
CEMENTS, CONCRETES AND AGGREGATES		
Limited Liability Company Cement	Khutorskya Str., 70 Odessa	52.00%

Company name	Registered office	Effective shareholding percentage held
--------------	-------------------	--

VENEZUELA**CONSTRUCTION**

TEGAVEN - Teixeira Duarte y Asociados, C.A. (a)	Av. Este, 6 - Edif. Centro Parque Carabobo, Piso 6, Of. 601 - Caracas	31.71%
---	--	--------

- (a) The Group has control over these subsidiaries through the subsidiary Teixeira Duarte – Engenharia e Construções, S.A;
 (b) The Group has control over these subsidiaries through the subsidiary TDARCOL - SGPS, S.A;
 (c) The Group has control over this subsidiary through the subsidiary PTG - SGPS, S.A;
 (d) The Group has control over these subsidiaries through the subsidiary C + P.A. - Cimento e Produtos Associados, S.A..

5 – CHANGES IN THE CONSOLIDATION PERIMETER

During the quarter ended 30 September 2011, no new entries occurred in relation to the consolidation perimeter existing at 31 December 2010.

It should, however, be pointed out that TOPCAR – Aluguer de Viaturas, Lda., part of the Automobile segment in Angola, left the consolidation perimeter following the disposal of the investment held in it, corresponding to 100% of its share capital. This disposal, for 28 thousand Euros, resulted in a capital profit of 457 thousand Euros, an amount which includes the effects of the foreign exchange translation differences arising in prior years and now reclassified to income for the period.

6 – EXCHANGE RATES

The exchange rates used to convert assets and liabilities expressed in foreign currency to Euros at 30 September 2011 and 31 December 2010, as well as the results of the activities carried out in countries with a functional currency distinct from the Euro, during the quarters ended 30 September 2011 and 2010, were as follows:

Currency	Closing exchange rate			Average exchange rate		
	30-09-2011	31-12-2010	Var.	30-09-2011	30-09-2010	Var.
USA Dollar	1.3503	1.3362	0.0141	1.4101	1.3267	0.0834
Macanese Pataca	10.8369	10.6972	0.1397	11.3009	10.6166	0.6843
Mozambican Metical	37.0000	43.6500	(6.6500)	41.7800	44.9690	(3.1890)
Venezuelan Bolivar	5.7991	5.7385	0.0606	6.0557	5.3884	0.6673
Angolan Kwanza	129.2470	121.8310	7.4160	131.4277	120.9977	10.4300
Algerian Dinar	100.8402	99.2829	1.5573	102.2594	97.5597	4.6996
Moroccan Dirham	11.2610	11.2213	0.0397	11.2915	11.1532	0.1383
Brazilian Real	2.5067	2.2177	0.2890	2.3059	2.3574	(0.0516)
Ukrainian Hryvnia	10.8088	10.6462	0.1626	11.2489	10.5766	0.6723
Namibian Dollar	10.9085	8.8625	2.0460	9.8223	9.8742	(0.0519)
Cape Verdean Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian Ruble	43.3500	40.8200	2.5300	40.7700	40.1288	0.6412
Tunisian Dinar	1.9421	1.9284	0.0137	1.9603	1.8928	0.0675

7 – INFORMATION BY SEGMENT

The principal activities carried out by the Group are divided into the following operational segments:

- Construction;
- Cements, concretes and aggregates;
- Concessions and services;
- Real Estate;
- Hotel Services;
- Distribution;
- Energy;
- Automobile.

The sales and services rendered and the results of each of the operational segments referred to above, for the periods ended 30 September 2011 and 2010, are as follows:

Segment	Sales and services rendered						Operating results	
	3rd Q. 11			3rd Q. 10			3rd Q. 11	3rd Q. 10
	External clients	Inter - segmental	Total	External clients	Inter - segmental	Total		
Construction	470,624	67,101	537,725	561,659	66,724	628,383	26,095	12,629
Cements, concretes and aggregates	12,885	18,921	31,806	10,516	17,085	27,601	(9,112)	(4,399)
Concessions and services	40,370	11,618	51,988	36,772	10,016	46,788	4,055	4,937
Real Estate	59,485	9,529	69,014	93,914	10,417	104,331	24,614	40,209
Hotel Services	51,050	5,827	56,877	60,623	7,135	67,758	13,580	16,257
Distribution	94,715	5,491	100,206	77,931	4,800	82,731	6,333	4,473
Energy	94,285	2,852	97,137	96,211	1,825	98,036	3,186	5,096
Automobile	92,220	4,382	96,602	79,364	7,900	87,264	8,211	4,067
Not allocated to segments	-	-	-	-	-	-	(10,099)	(13,127)
Eliminations	-	(125,721)	(125,721)	-	(125,902)	(125,902)	66	(236)
	915,634	-	915,634	1,016,990	-	1,016,990	66,929	69,906
Financial costs and losses (Note 9)							(113,777)	(122,568)
Financial revenue and profits (Note 9)							68,424	86,792
Results from investment activities (Note 9)							(154,933)	31,895
Pre-tax earnings							(133,357)	66,025

Inter-segmental transactions are carried out at market prices.

Other information:

Segment	Capital expenditure		Amortization and depreciation included in Results		Provisions and impairment losses	
	3rd Q. 11	3rd Q. 10	3rd Q. 11	3rd Q. 10	3rd Q. 11	3rd Q. 10
Construction	19,455	25,375	25,780	24,243	278	5,052
Cements, concretes and aggregates	265	2,914	3,529	2,970	7,155	165
Concessions and services	2,267	4,187	3,331	3,718	-	6
Real Estate	20,254	16,049	1,852	2,422	-	-
Hotel Services	15,870	3,615	5,402	4,921	-	-
Distribution	3,604	2,592	2,096	1,956	-	-
Energy	1,481	1,062	1,503	1,781	-	-
Automobile	1,207	3,444	985	1,368	-	-
Not allocated to segments		76	3	3	-	-
	64,403	59,314	44,481	43,382	7,433	5,223

Assets and liabilities by segment, at 30 September 2011 and 31 December 2010, and their respective reconciliation to the total consolidated amounts, are as follows:

Segment	Assets								Liabilities	
	30-09-2011				31-12-2010				30-09-2011	31-12-2010
	Investment in associated cos. (Note 15)	Financial assets available-for-sale (Note 17)	Other assets	Total	Investment in associated cos. (Note 15)	Financial assets available-for-sale (Note 17)	Other assets	Total		
Construction	21,635	-	1,636,428	1,658,063	29,170	-	1,602,338	1,631,508	1,078,854	1,073,981
Cements, concretes and aggregates	10,195	-	74,616	84,811	52,605	-	93,154	145,759	47,256	73,525
Concessions and services	-	16,006	245,777	261,783	-	19,361	228,562	247,923	203,176	185,607
Real Estate	71	66,410	1,679,788	1,746,269	453	177,510	1,634,689	1,812,652	1,260,480	1,321,989
Hotel Services	-	-	351,516	351,516	8	-	329,023	329,031	318,240	289,665
Distribution	-	-	166,407	166,407	-	-	148,791	148,791	106,903	92,200
Energy	23	-	80,770	80,793	23	-	77,966	77,989	52,577	52,937
Automobile	-	-	161,882	161,882	-	-	177,978	177,978	114,890	119,685
Not allocated to segments	6,218	8,783	487,953	502,954	5,854	11,349	586,781	603,984	58,068	82,272
Eliminations	-	-	(2,422,490)	(2,422,490)	-	-	(2,454,363)	(2,454,363)	(1,032,983)	(1,132,615)
	38,142	91,199	2,462,647	2,591,988	88,113	208,220	2,424,919	2,721,252	2,207,461	2,159,246

The sales and services rendered and the information regarding non-current non-monetary assets, by geographic segment, can be broken down for the periods ended 30 September 2011 and 2010 and at 30 September 2011 and 31 December 2010, respectively, as follows:

Geographic segment	Sales and services rendered		Non-current non-monetary assets	
	3rd Q. 11	3rd Q. 10	30-09-2011	31-12-2010
Portugal	369,150	420,201	671,340	663,697
Angola	344,940	337,413	331,669	324,332
Algeria	32,829	53,347	11,403	12,874
Brazil	103,738	130,199	39,453	45,554
Spain	20,086	18,859	15,716	16,416
Morocco	1,920	2,081	1,368	1,717
Mozambique	20,719	40,406	16,344	14,904
Ukraine	12,753	8,002	-	27,484
Venezuela	5,097	3,875	333	85
Other	4,402	2,607	2,225	2,652
	915,634	1,016,990	1,089,851	1,109,715

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

8 – OPERATING REVENUE

Operating revenue for the periods and quarters ended 30 September 2011 and 2010 can be broken down as follows:

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
Sales and services rendered:				
Sales	682,041	721,874	227,467	261,352
Services rendered	233,593	295,116	76,794	88,488
	915,634	1,016,990	304,261	349,840
Other operating revenue:				
Supplementary revenue	5,865	4,190	2,580	1,147
Variation in fair value of investment properties	4,321	7,319	(250)	1,597
Disposal of assets (a)	3,848	1,764	1,693	488
Gains in inventories	3,223	5,292	997	1,164
Tax refunds	2,149	-	1,291	-
Prior year corrections	1,131	739	705	242
Reversal of impairment losses in accounts receivable	336	2,033	336	46
Own work for the company	321	3,190	321	436
Other operating revenue	11,093	8,967	8,470	1,478
	32,287	33,494	16,143	6,598
	947,921	1,050,484	320,404	356,438

(a) The capital profits shown derive primarily from the disposal of tangible fixed assets in the amount of 3,391 thousand Euros (1,754 thousand Euros at 30 September 2010).

9 – FINANCIAL RESULTS

Financial results for the periods and quarters ended 30 September 2011 and 2010 were as follows:

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
Financial costs and losses:				
Interest borne	(54,865)	(48,407)	(20,460)	(16,552)
Unfavourable foreign exchange differences	(44,081)	(62,704)	17,023	10,349
Other financial costs and losses	(14,831)	(11,457)	(5,824)	(3,283)
	(113,777)	(122,568)	(9,261)	(9,486)
Financial revenue and profits:				
Interest earned	21,928	10,800	11,010	3,292
Favourable foreign exchange differences	41,994	71,802	(6,810)	(29,283)
Cash discounts received	632	581	227	171
Other financial revenue and profits	3,870	3,609	1,392	1,598
	68,424	86,792	5,819	(24,222)
Results relating to investment activities:				
Share of profits/(losses) in associated companies (a)	(21,589)	78,833	126	1,033
Dividends (b)	1,428	7,462	356	263
Other investments	234	704	(2,165)	1,332
Profits / losses in the valuation of assets available-for-sale (Note 24)	(135,006)	(55,104)	(86,132)	6,164
	(154,933)	31,895	(87,815)	8,792
Financial results	(200,286)	(3,881)	(91,257)	(24,916)

- (a) The share of profits/(losses) in associated companies for the period ended 30 September 2011 includes the effect of the application of the equity method of accounting to the investment in associated companies of 757 thousand Euros (7,650 thousand Euros at 30 September 2010) (Note 15).

During the period ended 30 September 2011, the Group disposed of 34% of its shareholding in “ARENOR, S.L.”, and of 4% in “ALVORADA PETRÓLEOS, S.A.”, recording capital losses of 11,024 and 297 thousand Euros, respectively (the Group disposed of 100% of its shareholding in CIMPOR – Cimentos de Portugal, S.G.P.S., S.A., recording a capital profit of 71,183 thousand Euros at 30 September 2010).

Additionally, an impairment loss was recognized on the remaining shareholding in the Spanish company “ARENOR, S.L.”, impacting the financial results in 11,024 thousand Euros.

- (b) At 30 September 2011, the amounts presented correspond to dividends received from ‘Financial assets available-for-sale’ of 489 thousand Euros (6,307 thousand Euros at 30 September 2010) (Note 17) with the remainder deriving from “Other investments”.

During the period ended 30 September 2011, interest charges capitalized in the acquisition cost of qualifying assets amounted to 2,852 thousand Euros (2,481 thousand Euros at 30 September 2010). For the purposes of capitalizing borrowing costs in the acquisition cost of qualifying assets, an average rate of 4.60% (3.02% at 30 September 2010) was used.

10 – INCOME TAX

The subsidiary TD-EC and most of its subsidiaries, associated companies and joint ventures in Portugal, are subject to Corporate Income Tax (Imposto sobre o Rendimento das Pessoas Colectivas) (“IRC”) at the rate of 12.5% on taxable income up till 12.500 Euros, and of 25% on the remaining taxable income. Entities generating taxable income are additionally subject to municipal surcharges (Derrama Municipal) of up to a maximum of 1.5%, as well as a State Surcharge (Derrama Estadual), determined on the taxable income amount exceeding 2,000,000 Euros, at a rate of 2.5%. Irrespective of the taxable income/loss determined during the periods, the said entities are also subject to autonomous taxation on the charges and at the rates foreseen in article 88 of the Tax Code. To determine taxable income, to which said tax rates are applied, amounts not accepted for tax purposes are added to and deducted from the accounting profit. These differences arising between the taxable and accounting profit may be of a temporary or permanent nature.

TD-EC and its group companies held in at least 90%, located in Portugal, are taxed under a special regime applicable to corporate groups (since the 2003 fiscal period). This regime applies to the sum of the taxable income/losses of all the group companies included in the consolidation perimeter, as established in article 69 of the Tax Code, less tax losses carried forward, in terms of articles 52 and 71 of the Tax Code, the IRC tax rates, plus the Municipal Surcharge determined from a Group perspective and the State Surcharge determined from an individual company perspective.

In accordance with legislation in force, the tax returns are open to inspection and correction by the tax authorities during a period of four years (five years for social security), except in the case of tax losses, the concession of tax benefits, or in the event inspections, tax claims or impugnations are underway in which case, depending on the circumstances, the periods may be extended or suspended.

The Board of Directors considers that possible corrections resulting from tax reviews/inspections of those returns will not have a material effect on the consolidated financial statements at 30 September 2011 and 31 December 2010.

The Group recognized deferred taxes in respect of temporary differences between the carrying value of assets and liabilities in the accounts and the corresponding tax base, as required by IAS 12 – Income tax (Note 18).

The income tax charge recorded in the periods and quarters ended 30 September 2011 and 2010, may be presented as follows:

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
Current tax:				
Corporate income tax in Portugal	15,118	14,173	6,154	5,686
Income tax in other jurisdictions	7,830	5,348	4,822	1,157
	22,948	19,521	10,976	6,843
Deferred tax (Note 18):	(11,358)	(5,498)	(5,669)	2,719
	11,590	14,023	5,307	9,562

Over and above the deferred taxes recorded directly in the income statement, deferred taxes in the amount of 910 thousand Euros at 30 September 2011 (4,937 at 30 September 2010) were also taken directly to equity (Note 18).

11 – EARNINGS PER SHARE

Earnings per share for the periods and quarters ended 30 September 2011 and 2010 were calculated considering the following amounts:

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
Result for the purpose of calculating the basic net income per share (net (loss)/income for the period)	(129,155)	56,064	(71,333)	5,906
Weighted average of the number of shares for the purposes of calculating the basic net income per share (thousands)	420,000	309,580	420,000	351,579
Basic net (loss)/income per share	(0.31)	0.18	(0.17)	0.02

Due to the fact that for the quarters ended 30 September 2011 and 2010 there were no diluting effects on the earnings per share, the diluted earnings per share is identical to the basic earnings per share.

12 - DIVIDENDS

The Shareholders General Meeting held on 20 May 2011 approved a dividend distribution of 0.015 Euros per share. These dividends were deliberated on the separate financial statements of TD, S.A. at 31 December 2010 and amounted to 6,300 thousand Euros.

13 – TANGIBLE FIXED ASSETS

During the periods ended 30 September 2011 and 2010, the movements occurring in tangible fixed assets, as well as in their respective accumulated depreciation and impairment losses, were as follows:

	Land and natural resources	Buildings and other constructions	Plant and machinery	Transportation equipment	Tools and dies	Office equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on a/c of tangible fixed assets	Total
Gross assets:										
Balance a 1 January 2010	52,627	276,358	335,826	61,502	35,447	33,946	20,858	69,657	320	886,541
Effect of foreign exchange translation	238	9,186	7,707	(130)	167	394	1,129	3,261	23	21,975
Additions	-	1,427	24,323	3,141	475	870	9,621	9,794	-	49,651
Transfers and write-offs	(11,749)	24,383	14,696	3,173	(27)	1,967	(17,281)	(6,760)	(343)	8,059
Disposals	(44)	(1,553)	(4,972)	(554)	(262)	(84)	(24)	-	-	(7,493)
Balance at 30 September 2010	41,072	309,801	377,580	67,132	35,800	37,093	14,303	75,952	-	958,733
Balance a 1 January 2011	38,270	344,550	384,180	70,301	36,000	36,309	9,547	72,669	10	991,836
Change in the consolidation perimeter	-	(101)	(1,347)	(437)	(4,188)	(164)	(35)	-	-	(6,272)
Effect of foreign exchange translation	(190)	(678)	(3,960)	(594)	(116)	(260)	(59)	(916)	-	(6,773)
Additions	307	1,080	14,324	1,499	948	818	7,239	31,538	-	57,753
Transfers and write-offs	5	22,482	(16,690)	15,099	(71)	1,036	67	(5,490)	(9)	16,429
Disposals	(372)	(1,006)	(4,819)	(1,058)	(22)	(271)	(3)	(192)	-	(7,743)
Transfers to assets classified as available-for-sale	-	(13,768)	(16,428)	(640)	(400)	(98)	(9)	(315)	(1)	(31,659)
Balance at 30 September 2011	38,020	352,559	355,260	84,170	32,151	37,370	16,747	97,294	-	1,013,571
Accumulated depreciation and impairment losses:										
Balance a 1 January 2010	164	73,103	231,311	34,370	28,175	25,288	3,545	-	-	395,956
Effect of foreign exchange translation	-	2,575	5,384	313	86	294	96	-	-	8,748
Reinforcements	-	9,233	23,625	7,646	1,208	1,746	402	-	-	43,860
Transfers and write-offs	-	709	(167)	(121)	(175)	2,035	(2,820)	-	-	(539)
Disposals	-	(330)	(3,504)	(452)	(24)	(60)	(1)	-	-	(4,371)
Balance at 30 September 2010	164	85,290	256,649	41,756	29,270	29,303	1,222	-	-	443,654
Balance a 1 January 2011	164	86,324	265,298	44,338	30,054	28,612	4,146	-	-	458,936
Change in the consolidation perimeter	-	(77)	(607)	(179)	(2,056)	(98)	-	-	-	(3,017)
Effect of foreign exchange translation	-	(96)	(4,566)	(196)	(42)	(423)	(9)	-	-	(5,332)
Reinforcements	-	8,956	23,613	8,411	1,013	1,438	466	-	-	43,897
Transfers and write-offs	-	24	(2,689)	5,291	15	396	(2,632)	-	-	405
Disposals	-	(734)	(3,045)	(915)	(21)	(185)	(3)	-	-	(4,903)
Transfers to assets classified as available-for-sale	-	(1,064)	(5,321)	(270)	(69)	(48)	(7)	-	-	(6,779)
Balance at 30 September 2011	164	93,333	272,683	56,480	28,894	29,692	1,961	-	-	483,207
Net amount:										
At 30 September 2010	40,908	224,511	120,931	25,376	6,530	7,790	13,081	75,952	-	515,079
At 30 September 2011	37,856	259,226	82,577	27,690	3,257	7,678	14,786	97,294	-	530,364

Additions to tangible fixed assets during the period ended 30 September 2011 relate essentially to the investment in facilities and equipment.

At 30 September 2011, tangible fixed assets in progress included 92,242 thousand Euros in respect of buildings and other constructions in progress, amongst which we highlight:

- Development of the Tank Storage Project in Aveiro;
- Expansion of the “Cash & Carry” store network in Angola;
- Construction of Hotel Baía, a four star unit in Luanda Sul – Angola.

14 – INVESTMENT PROPERTIES

During the periods ended 30 September 2011 and 2010, the movement occurring in investment properties was as follows:

	2011	2010
Balance at 1 January	509,516	492,066
Effect of foreign exchange translation	(1,808)	(1,809)
Additions / disposals	2,966	760
Fair value changes	3,019	6,104
Transfers from / to tangible asset	(158)	122
Balance at 30 September	513,535	497,243

The revenue from investment properties derives from operating lease contracts and amounted to 21,154 thousand Euros during the quarter ended 30 September 2011 (21,412 thousand Euros at 30 September 2010). Operating expenses directly related to investment properties for the quarter ended 30 September 2011 amounted to 4,172 thousand Euros (4,612 thousand Euros at 30 September 2010).

15 – INVESTMENT IN ASSOCIATED COMPANIES

Associated companies accounted for under the equity method at 30 September 2011, are the following:

Company name	Registered office	Effective shareholding percentage held
ALVORADA PETRÓLEO, S.A.	Rua Major Lopes, 800, 3º andar Belo Horizonte - Minas Gerais - Brazil	43.20%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret	27.00%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	21.14%
CIMPOR MACAU Investment Company, S.A. (a)	Av. da Praia Grande, nº 693, Edifício Tai Wah, 15º andar Macau	13.00%
IMOC - Empreendimentos Imobiliários, S.A.R.L.	Av. 24 de Julho, 135 Maputo	46.40%
RPK Gulfstream, Ltd. (a)	Tri Ruchja str. 183003, Murmansk	17.47%
SCP AK10 - Empreendimentos e Participações SPE Ltda.	Avenida Alameda Santos, nº 960 - 19º, Edifício CYK, Cerqueira César, São Paulo	25.00%
STELGEST - Gestão Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	45.00%
TEIX.CO, SPA	BP 62B Zone D'Active Dar El Beida Algiers	48.78%
TRAVERSOFFER - Industrie et Service Ferroviaire, S.A.R.L.	27, Chemin du Réservoir, Hydra, Algiers, Algeria	30.00%

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

The investment in associated companies had the following movements during the periods ended 30 September 2011 and 2010:

	Equity investment	Goodwill	Total
Balance at 1 January 2010	470,746	506,450	977,196
Effect of applying the equity method:			
- Effect on the income for the period (Note 9)	7,650	-	7,650
- Effect on equity	(221)	-	(221)
- Dividends received	(1,530)	-	(1,530)
Additions	936	-	936
Disposals	(415,041)	(482,108)	(897,149)
Effect of foreign exchange translation	1,527	644	2,171
Other	(291)	-	(291)
Balance at 30 September 2010	63,776	24,986	88,762

	Equity investment	Goodwill	Total
Balance at 1 January 2011	63,230	24,883	88,113
Effects of applying the equity method:			
- Effect on the income for the period (Note 9)	757	-	757
- Effect on equity	(4,082)	-	(4,082)
- Dividends received	(212)	-	(212)
Additions	374	-	374
Disposals	(19,432)	(8,675)	(28,107)
Effect of foreign exchange translation	(2,018)	(1,020)	(3,038)
Transfers	(8,508)	(8,016)	(16,524)
Other	861	-	861
Balance at 30 September 2011	30,970	7,172	38,142

The detail of the investment in associated companies at 30 September 2011 and 31 December 2010 is as follows:

Associated companies	30-09-2011			31-12-2010		
	Equity investment	Goodwill	Carrying amount	Equity investment	Goodwill	Carrying amount
Alvorada Petróleos, S.A.	13,184	7,107	20,291	20,113	8,777	28,890
Cimpor Macau Investment Company, S.A.	9,416	-	9,416	9,424	-	9,424
IMOC - Empreendimentos Imobiliários, S.A.R.L.	6,218	-	6,218	5,854	-	5,854
TEIX.CO	1,149	-	1,149	-	-	-
RPK Gulfstream Ltd.	779	-	779	430	-	430
SCP AK-10 Empreendimentos e Participações SPE LTDA.	6	65	71	380	73	453
Arenor, S.L.	-	-	-	26,718	16,033	42,751
Other	218	-	218	311	-	311
	30,970	7,172	38,142	63,230	24,883	88,113

The said investments are accounted for using the equity method which, for the periods ended 30 September 2011 and 2010, resulted in the following impacts:

September 2011

Associated companies	Share of profits /(losses) in associated companies (Note 9)	Adjustments to equity investment	Dividends	Total
Arenor, S.L.	-	(102)	-	(102)
Alvorada Petróleos, S.A.	95	(3,745)	(19)	(3,669)
Cimpor Macau Investment Company, S.A.	(2)	(6)	-	(8)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	408	(43)	-	365
SCP AK-10 Empreendimentos e Participações SPE LTDA.	68	(393)	-	(325)
TEIX.CO	-	207	-	207
Other	188	-	(193)	(5)
	757	(4,082)	(212)	(3,537)

September 2010

Associated companies	Share of profits /(losses) in associated companies (Note 9)	Adjustments to equity investment	Dividends	Total
CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.	9,237	-	-	9,237
Arenor, S.L.	(704)	(2,765)	-	(3,469)
Alvorada Petróleos, S.A.	(747)	776	-	29
Cimpor Macau Investment Company, S.A.	(2,045)	1,123	-	(922)
Concessionária de Rodovias TEBE, S.A.	718	(223)	-	495
Infraenge Construções, Ltda.	108	(3)	-	105
IMOC – Empreendimentos Imobiliários, S.A.R.L.	669	252	-	921
SCP AK – Empreendimentos e Participações SPE LTDA.	670	-	(1,530)	(860)
ISA - Intelligent Sensing Anywhere, S.A.	(264)	652	-	388
Other	8	(33)	-	(25)
	7,650	(221)	(1,530)	5,899

16 – JOINT VENTURES

At 30 September 2011, the following joint ventures were consolidated using the proportional method, given that their management and control is exercised jointly with the other partners/shareholders:

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

As a result of the consolidation of these joint ventures using the proportional method, the following amounts were included in the consolidated financial statements of the Group at 30 September 2011 and 31 December 2010:

	Current assets		Non-current assets		Current liabilities		Non-current liabilities	
	30-09-2011	31-12-2010	30-09-2011	31-12-2010	30-09-2011	31-12-2010	30-09-2011	31-12-2010
CAIS DOS CRUZEIROS - 2ª Fase, ACE	375	1,361	-	-	79	620	29	27
CONBATE, ACE	6,923	2,613	2	4	6,348	2,319	-	28
DOURO LITORAL, ACE	26,043	40,419	12	343	22,107	39,067	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	3,647	6,782	37	106	1,721	4,391	-	-
ENGIL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	33	34	-	-	33	34	-	-
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	112	114	-	-	69	208	137	-
GMP - Grupo Marítimo Português, ACE	1,260	2,120	24	37	2,062	2,590	-	-
GMP - Grupo Marítimo Português MEK, ACE	901	802	21	23	921	819	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	74	75	-	-	76	75	-	-
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	39	37	-	-	26	37	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	360	538	-	-	360	538	-	-
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	182	185	-	-	184	185	-	-
NOVA ESTAÇÃO, ACE	2,427	2,399	8	26	1,757	2,426	-	-
SOMAFEL E OFM - Obras do Metro, ACE	46	46	-	-	46	46	-	-
Somafel/Ferrovias, ACE	171	192	-	-	42	60	-	-
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	62	61	-	-	64	58	3	3
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	224	210	-	-	224	210	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	589	604	-	-	263	276	-	-
	43,468	58,592	104	539	36,382	53,959	169	58

As a result of the consolidation of these joint ventures using the proportional method, the following amounts were included in the consolidated financial statements of the Group for the periods ended 30 September 2011 and 2010:

	Revenue		Costs	
	3rd Q. 11	3rd Q. 10	3rd Q. 11	3rd Q. 10
ACESTRADA - Construção de Estradas, ACE	-	1	-	-
CAIS DOS CRUZEIROS - 2ª Fase, ACE	791	2,117	524	1,549
CONBATE, ACE	13,788	3,574	13,211	3,431
DOURO LITORAL, ACE	90,136	94,210	86,506	88,068
DOURO LITORAL OBRAS ESPECIAIS, ACE	5,966	9,615	4,003	9,590
ENGIL/MOTA/TEIXEIRA DUARTE - Requalificações Urbanas, ACE	1	-	-	1
FERROVIAL / TEIXEIRA DUARTE - Obras Hidráulicas do Alqueva, ACE	(9)	116	(9)	19
GMP - Grupo Marítimo Português, ACE	75	1,284	411	1,471
GMP - Grupo Marítimo Português MEK, ACE	551	475	563	443
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	-	2	2
GPCIE - Grupo Português de Construção de Infraestruturas da Expo, ACE	19	1	5	1
METROPAÇO - Trabalhos de Construção da Estação do Metropolitano do Terreiro do Paço, ACE	-	-	2	-
NOVA ESTAÇÃO, ACE	2,993	4,630	2,315	3,022
Somafel/Ferrovias, ACE	192	40	76	71
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	27	3	44
TEISOMAR - Obras Marítimas, ACE	-	322	-	322
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	69	-	69	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	344	1	152
	114,573	116,755	107,682	108,186

The Group provided bank guarantees, insurance collateral and comfort letters in its capacity as partner in these joint ventures in the total amount of 37,149 thousand Euros at 30 September 2011 (37,688 thousand Euros at 31 December 2010); these are included in the information disclosed in Note 24.

17 – FINANCIAL ASSETS AVAILABLE-FOR-SALE

During the periods ended 30 September 2011 and 2010, the movements occurring in the valuation of financial assets available-for-sale, at fair value, were as follows:

	2011	2010
Fair value at 1 January	208,220	284,880
Acquisitions during the period	18,112	13,612
Decrease in fair value	(135,133)	(70,000)
Fair value at 30 September	91,199	228,492

Acquisitions during the period correspond to the acquisition of 61,402,441 shares in Banco Comercial Português, S.A., in the amount of 18,112 thousand Euros (Note 20).

At 30 September 2011 and 31 December 2010, the Group held 385,602,441 and 324,500,000 Banco Comercial Português, S.A. shares, respectively.

Financial assets available-for-sale, and their respective acquisition and market values, at 30 September 2011 and 31 December 2010 are as follows:

	30-09-2011		31-12-2010	
	Acq. cost	Market value	Acq. cost	Market value
Banco Comercial Português, S.A.	756,394	75,193	738,282	188,859
Banco Bilbao Vizcaya Argentaria, S.A.	35,958	16,006	35,958	19,361
	792,352	91,199	774,240	208,220

18 – DEFERRED TAXES

All the situations that may significantly affect future taxes are recognized through deferred tax accounting.

The movement occurring in deferred tax assets and liabilities during the periods ended 30 September 2011 and 2010 was as follows:

	Deferred tax assets		Deferred tax liabilities	
	2011	2010	2011	2010
Balance at 1 January	112,050	98,863	68,551	66,831
Recognition / Reversal				
Net income (Note 10)	8,339	2,970	(3,019)	(2,528)
Equity	910	5,152	-	215
Effect of foreign exchange translation and adjustments	(11,441)	3,586	(806)	3,091
Transfers to assets classified as available-for-sale	(1,815)	-	-	-
Balance at 30 September	108,043	110,571	64,726	67,609

Insofar as deferred tax assets are concerned, these were only recognized to the extent that it is considered probable that sufficient future tax profits will occur to permit the use of the tax losses or deductible temporary differences. This evaluation was based on the Group companies' business plans, periodically reviewed and updated, and on the available and identified tax planning opportunities.

19 – RELATED PARTIES

The transactions and balances between the Group companies included in the consolidation perimeter, that are related parties, were eliminated during the consolidation process and are therefore not disclosed in this note. The balances and transactions between the Group and associated companies, related parties and individuals considered to be related parties, are detailed below.

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

The principal balances with related parties at 30 September 2011 and 31 December 2010 can be detailed as follows:

	Accounts receivable		Accounts payable		Loans made		Other debts	
	30-09-2011	31-12-2010	30-09-2011	31-12-2010	30-09-2011	31-12-2010	30-09-2011	31-12-2010
AEDL - Auto-Estradas do Douro Litoral, S.A.	-	-	-	-	1,202	-	-	-
ALSOMA, GEIE	-	-	24	24	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	-	31	-	-	-	-
Cimpor Macau Investment Company, S.A.	-	-	-	-	8,536	8,536	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	50	46	-	-	-	3	-	-
EIA - Ensino de Investigação e Administração, S.A.	-	-	-	-	324	-	-	(324)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2,393	2,349	-	-	-	-	(247)	(247)
ISA - Intelligent Sensing Anywhere, S.A.	-	-	-	15	-	65	-	-
Moreira e Cunha, Lda.	6	-	-	-	-	-	-	-
MTS, S.A.	-	-	-	-	133	-	(608)	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	36	-	(271)	(55)
STELGEST - Gestão Hoteleira, S.A.	35	27	-	-	883	8	-	(716)
Tedeven Imobiliária, CA	-	-	-	-	-	-	(37)	-
TEIX.CO SPA	1,152	-	454	-	-	-	-	-
TRAVERSOFFER - Industrie et Service Ferroviaire, SARL	6	6	-	-	-	-	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	560	-	-	-	-	-
	3,642	2,428	1,038	70	11,114	8,612	(1,163)	(1,342)

The principal transactions carried out with related parties during the periods ended 30 September 2011 and 2010 were as follows:

	Sales and services rendered		Purchases and services acquired		Interest charged	
	3rd Q. 11	3rd Q. 10	3rd Q. 11	3rd Q. 10	3rd Q. 11	3rd Q. 10
AVIA PORTUGAL, S.A.	-	-	13	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2	-	-	-	-	-
ISA - Intelligent Sensing Anywhere, S.A.	-	-	-	48	-	-
Moreira e Cunha, Lda.	37	-	-	-	-	-
STELGEST - Gestão Hoteleira, S.A.	126	95	-	-	20	13
TEIX.CO SPA	752	-	460	-	-	-
TRAVERSOER - Industrie et Service Ferroviaire, SARL	-	1	-	-	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	708	-	-	-
	917	96	1,181	48	20	13

The remuneration attributed to the members of the corporate bodies of Teixeira Duarte, S.A., during the period and quarter ended 30 September 2011, was as follows:

	3rd Q. 11	Jul-Sep 11
Executive directors: (a)		
Short-term benefits	1,043	509
Supervisory Board:		
Short-term benefits	41	24
Statutory Auditor:		
Short-term benefits	30	10
	1,114	543

(a) Amounts paid by TD-EC up till May 2011.

Remuneration attributed to members of top management of TD-EC, during the period and quarter ended 30 September 2011, was as follows:

	3rd Q. 11	Jul-Sep 11
Top management:		
Short-term benefits	6,088	2,418
	6,088	2,418

20 – NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

Cash and cash equivalents

At 30 September 2011 and 31 December 2010, this caption had the following breakdown:

	30-09-2011	31-12-2010
Demand deposits	83,710	92,794
Term deposits	23,536	42,339
Cash on hand	4,359	2,704
	111,605	137,837

The cash and cash equivalents caption comprises cash, immediately available deposits, treasury applications and term deposits with a maturity under three months, and in respect of which the risk of value change is insignificant.

Flows from investment activities

Receipts from financial investments for the periods and quarters ended 30 September 2011 and 2010, relate to the disposal of shareholdings in the following entities:

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
ARENOR, S.L.	10,500	-	10,500	-
Banco Bilbao Vizcaya Argentaria, S.A.	6,449	31,145	-	-
Alvorada Petróleos, S.A.	1,696	-	(702)	-
Banco Comercial Português, S.A.	1,640	-	-	-
CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.	-	968,332	-	14,431
Other	466	-	28	-
	20,751	999,477	9,826	14,431

Payments in respect of financial investments for the periods and quarters ended 30 September 2011 and 2010, relate to the acquisition of shareholdings in the following entities:

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
EMPA - Serviços de Engenharia, S.A.	480	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	6,428	37,557	-	13,067
Banco Comercial Português, S.A.	21,332	13,612	12,650	-
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	-	3,500	-	-
DIGAL - Distribuição e Comércio, S.A.	-	665	-	-
TDEMPA - Gestão de Participações e Investimentos, S.A.	-	500	-	-
Alvorada Petróleos, S.A.	-	936	-	717
Other	404	38	(106)	-
	28,644	56,808	12,544	13,784

Dividends received during the periods and quarters ended 30 September 2011 and 2010, were as follows:

	3rd Q. 11	3rd Q. 10	Jul-Sep 11	Jul-Sep 10
Lusoponte - Concessionária para a Travessia do Tejo, S.A.	387	453	-	66
Banco Comercial Português, S.A.	-	5,794	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	669	646	355	263
Other	584	2,099	7	1,034
	1,640	8,992	362	1,363

21 – SHARE CAPITAL

At 30 September 2011 and 2010, the share capital subscribed and realized was represented by 420,000,000 and 406,360,199 shares with a par value of 1 Euro each, respectively.

At 30 September 2011, TDG – Sociedade Gestora de Participações Sociais, S.A. held, directly, 155,700,000 representative shares of Teixeira Duarte, S.A.'s share capital.

22 - RESERVES AND RETAINED EARNINGS

Legal reserve: In accordance with the legislation in force, the Company is obliged to transfer to the legal reserve at least 5% of the annual net income, until the accumulated amount attains, 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 are used up or incorporated in share capital.

Fair value reserves: The fair value reserves result from the difference between the acquisition cost and the market value of the financial assets available-for-sale, not yet recognized in the income statement.

Free reserves: Free reserves are available for distribution.

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

23 - BORROWINGS

At 30 September 2011 and 31 December 2010, borrowings obtained were as follows:

	30-09-2011	31-12-2010
Non-current liabilities:		
Bank loans a)	143,125	207,258
Commercial paper b)	433,208	490,403
	576,333	697,661
Current liabilities:		
Bank loans a)	549,183	401,318
Commercial paper b)	153,893	105,647
	703,076	506,965
	1,279,409	1,204,626

a) Bank loans

At 30 September 2011, bank loans, bank overdrafts and lines of credit in Portugal bore interest at the weighted annual average of 3.51% (2.51% at 30 September 2010).

At 30 September 2011, the most important bank loans contracted by the Group were the following:

- Loan from Banco Bilbao Vizcaya Argentaria, contracted on 16 April 2007, with an outstanding amount of 21,697 thousand Euros, maturing on 16 March 2012.
- Loan from Banco Caixa Geral, contracted on 11 February 2008, with an outstanding amount of 19,820 thousand Euros, maturing on 11 February 2013.
- Loan from Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A., contracted on 21 February 2008, with an outstanding amount of 50,312 thousand Euros, repayable through 46 identical and successive half-yearly instalments, maturing on 10 December 2033.
- Loan from Banco Popular Portugal, contracted on 18 December 2008, in the amount of 25,000 thousand Euros, maturing on 18 December 2011.
- Loan contracted by the Group on 30 December 2008 from Caixa Geral de Depósitos, with an outstanding amount of 42,155 thousand Euros, repayable through 150 identical and successive monthly instalments, maturing on 30 December 2023.
- Loan from Banco Fomento de Angola, contracted on 4 March 2009, with an outstanding amount of 6,943 thousand Euros, maturing on 4 January 2014.
- Loan from Banco BIC, contracted on 27 April 2009, with an outstanding amount of 6,569 thousand Euros, maturing on 27 November 2014.
- Loan from Banco Fomento de Angola, contracted on 15 May 2009, with an outstanding amount of 3,240 thousand Euros, maturing on 30 March 2014.
- Loan from Banco Fomento de Angola, contracted on 15 May 2009, with an outstanding amount of 7,637 thousand Euros, maturing on 30 March 2014.
- Loan from Banco Itáu, contracted on 8 June 2009, with an outstanding amount of 23,118 thousand Euros, maturing on 20 April 2013.
- Loan from Banco Fomento de Angola, contracted on 10 December 2009, with an outstanding amount of 1,666 thousand Euros, maturing on 30 September 2014.
- Loan from Banco BICBANCO, contracted on 15 March 2010, with an outstanding amount of 2,371 thousand Euros, maturing on 3 October 2011.
- Loan from Banco BICBANCO, contracted on 14 April 2010, with an outstanding amount of 227 thousand Euros, maturing on 11 October 2011.
- Loan from Banco BICBANCO, contracted on 5 April 2010, with an outstanding amount of 793 thousand Euros, maturing on 1 December 2011.

- Loan from Banco Itáu, contracted on 28 April 2010, with an outstanding amount of 2,285 thousand Euros, maturing on 25 October 2013.
- Loan from Banco BANRISUL, contracted on 11 October 2010, with an outstanding amount of 929 thousand Euros, maturing on 31 January 2012.
- Loan from Banco Espirito Santo, contracted on 7 November 2010, in the amount of 10,000 thousand Euros, maturing on 30 November 2011.
- Loan from Banco BPN Brasil, contracted on 17 January 2011, with an outstanding amount of 1,867 thousand Euros, maturing on 20 January 2014.
- Loan from Banco BANRISUL, contracted on 14 February 2011, with an outstanding amount of 3,758 thousand Euros, maturing on 17 February 2014.
- Loan from Banco ABC BRASIL, contracted on 2 May 2011, with an outstanding amount of 1,482 thousand Euros, maturing on 28 November 2011.
- Loan from Banco SOFISA, contracted on 23 May 2011, with an outstanding amount of 2,082 thousand Euros, maturing on 22 April 2013.
- Loan from Banco FIBRA, contracted on 9 May 2011, with an outstanding amount of 3,527 thousand Euros, maturing on 9 August 2012.
- Loan from Banco BES Investimento, contracted on 3 June 2011, with an outstanding amount of 4,083 thousand Euros, maturing on 28 November 2011.
- Loan from Banco FIBRA, contracted on 16 August 2011, with an outstanding amount of 393 thousand Euros, maturing on 14 October 2011.
- Loan from Banco FIBRA, contracted on 1 September 2011, with an outstanding amount of 2,027 thousand Euros, maturing on 10 February 2012.
- Loan from Banco FIBRA, contracted on 26 September 2011, with an outstanding amount of 999 thousand Euros, maturing on 1 November 2011.
- Loan from Banco FIBRA, contracted on 26 September 2011, with an outstanding amount of 600 thousand Euros, maturing on 26 September 2012.
- Loan from Banco ALFA, contracted on 27 June 2011, with an outstanding amount of 1,497 thousand Euros, maturing on 27 June 2012.

At 30 September 2011 and 31 December 2010, bank loans include lines of credit in the amounts of 419,835 and 301,518 thousand Euros, respectively.

b) Commercial paper

At 30 September 2011, the Group had negotiated the following commercial paper programmes:

- Grouped programme of commercial paper issuance, for private subscription, contracted with Banco Comercial Português on 14 October 2005, in the total amount of 150,000 thousand Euros, by Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., that hold 15,000 thousand Euros and 135,000 thousand Euros thereof, respectively. The participation of each company in the programme may vary in each of the utilizations of the programme, with Teixeira Duarte - Engenharia e Construções, S.A. having to participate with a minimum of 10% of the total value. Sixteen half-yearly and successive issues covering the total nominal value of the programme have been contracted, bearing interest half-yearly, in arrears and at a rate indexed to Euribor at six months increased by a spread of 0.875%, with maturity of the last issue on 14 October 2013.

- Grouped programme of commercial paper issuance contracted on 14 February 2006 with Banco Comercial Português, in the total amount of 50,000 thousand Euros, by Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., that hold 5,000 thousand Euros and 45,000 thousand Euros, respectively. The participation of each company in the programme may vary in each of the utilizations of the programme, with Teixeira Duarte - Engenharia e Construções, S.A. having to participate with a minimum of 10% of the total value. Sixteen half-yearly and successive issues covering the total nominal value of the programme have been contracted, bearing interest half-yearly, in arrears and at a rate indexed to Euribor at six months, increased by a spread of 0.875%, and determined in function of the auction date, with maturity of the last issue on 14 February 2014.

- Grouped programme of commercial paper issuance contracted with Banco Espírito Santo de Investimentos and Banco Espírito Santo on 21 August 2006, with an outstanding amount of 50,000 thousand Euros, by Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., with the full amount being used by the latter. The participation of each company in the programme may vary in each of the utilizations of the programme. The programme has a duration of five years less one day, counting from the date the contract was signed, and bears interest half-yearly, in advance and at a rate indexed to Euribor for the period of the respective issue, increased by a spread of 3%, and determined in function of each auction date.

- Grouped programme of commercial paper issuance contracted with Banco Espírito Santo Investimento on 21 April 2008, in the amount of 120,000 thousand Euros, by Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., with the full amount being used by the latter. The participation of each company in the programme may vary in each of the utilizations of the programme. The programme has a duration of five years less one day, counting from the date the contract was signed, with interest being due at each maturity date and at a rate indexed to Euribor for the period of the respective issue, equivalent to that applying on the second working day prior to the date of each subscription, increased by a spread of 1.5%, and determined in function of each auction date.

- Grouped programme of commercial paper issuance contracted with Banco Espírito Santo Investimento on 23 December 2008, in the amount of 100,000 thousand Euros, with 60,000 thousand Euros currently outstanding, by Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., with the full amount being used by the latter. The participation of each company in the programme may vary in each of the utilizations of the programme. The programme has a duration of five years less one day, counting from the date the contract was signed, with interest being due at each maturity date and at a rate indexed to Euribor for the period of the respective issue, equivalent to that applying on the second working day prior to the date of each subscription, increased by a spread of 1.35%, and determined in function of each auction date.

- Grouped programme of commercial paper issuance contracted with Caixa Geral de Depósitos on 7 July 2010, in the amount of 70,000 thousand Euros, by Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., with the full amount being used by the

prior. The programme was reduced to 60,000 thousand Euros on 28 April 2011. The contract matures on 14 April 2012. Interest is due in advance on the date of each subscription and at a rate indexed to Euribor for the respective period, equivalent to that applying on the second working day prior to the date of each subscription, increased by a spread of 1.35%, and determined in function of each auction date.

- Programme of commercial paper issuance contracted with Banco Comercial Português, S.A. on 18 August 2010, in the amount of 25,000 thousand Euros. The commercial paper is issued for periods of 1, 3 and 6 months with the programme period covering one year, renewable, and bearing interest at a rate indexed to Euribor for the period of the issue, increased by 3.45%.

- Programme of commercial paper issuance contracted with Banco Comercial Português, S.A. on 18 August 2010, in the amount of 20,000 thousand Euros. The commercial paper is issued for periods of 1, 3 and 6 months with the programme period covering one year, renewable, and bearing interest at a rate indexed to Euribor for the period of the issue, increased by 3.45%.

- Programme of commercial paper issuance contracted with Banco Espírito Santo on 28 December 2010, in the amount of 34,000 thousand Euros, by Teixeira Duarte - Engenharia e Construções, S.A.. The programme has a utilization period of three years, counting from the date the contract was signed. Interest is due in advance on the date of each subscription and at a rate indexed to Euribor for the respective period, equivalent to that applying on the second working day prior to the date of each subscription, increased by a spread of 0.85%, and determined in function of each auction date.

- Grouped programme of commercial paper issuance, for private subscription, contracted on 14 January 2011 with Banco Comercial Português, in the amount utilized of 20,750 thousand Euros, by Teixeira Duarte - Engenharia e Construções, S.A. and its associated company Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., that hold 18,650 thousand Euros and 2,100 thousand Euros, respectively. The participation of each company in the programme may vary in each of the utilizations of the programme, with Teixeira Duarte - Engenharia e Construções, S.A. having to participate with a minimum of 10% of the total value. The programme matures on 6 January 2016, bears interest half-yearly, in arrears and at a rate indexed to Euribor for one to six months by competitive auction of 7 to 180 days through direct placement, increased by a spread of 3.5%, and determined in function of each auction date.

Due to the commitment to successive renewals during the execution of the programme contracts, some issues in existence at 30 September 2011 are classified as non-current liabilities.

Non-current bank loans mature as follows:

	30-09-2011	31-12-2010
2012	21,257	145,483
2013	398,885	397,372
2014	58,196	57,887
2015	4,808	23,245
2016 and thereafter	93,187	73,674
	576,333	697,661

At 30 September 2011 and 31 December 2010, foreign currency financing was expressed in the following currencies:

Currency	30-09-2011		31-12-2010	
	Currency	Euros	Currency	Euros
AON	3,747,766	28,997	2,318,720	18,076
BRL	138,170	55,123	79,638	35,910
MAD	7	1	2,448	217
USD	126,910	73,386	126,081	94,358

The loans denominated in foreign currency bear interest at market rates and were converted to Euros using the rates prevailing at the balance sheet date.

24 – CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Contingent liabilities:

During the period ended 31 December 2010, the Tax Inspection Department (Direcção de Serviços de Inspecção Tributária) (DSIT) carried out external inspections at Teixeira Duarte - Gestão de Participações Investimentos Imobiliários, S.A. (“TDGP II, S.A.”), a company 100% indirectly held by Teixeira Duarte, S.A..

As a result of these general scope external inspections of the accounting records of TDGP II, S.A., and in respect of the fiscal periods of 2006, 2007 and 2008, the following corrections were made to the tax losses originally calculated:

Period	Tax loss calculated	DGCI correction
2006	24,950	18,837
2007	51,176	29,331
2008	61,606	45,327

These corrections are related, in their entirety, to the non-acceptance of the financial charges, incurred with the investment in group companies, in the form of supplementary capital, as a tax deductible cost by the tax authorities.

Given that TDGP II S.A. is taxed for corporate purposes under the Special Regime for the Taxation of Corporate Groups (article 69 and subsequent of the Corporate Tax Code), the corrections to the tax losses for the fiscal periods 2006 and 2007 were the object of Corporate Tax Assessment Statements issued to the dominant company – TD-EC, that challenged theses judicially at the Sintra Administrative and Fiscal Court.

Consequently, the effects of these corporate tax assessment statements are suspended until a final decision is reached on the judicial challenges lodged, and it is the Board of Directors’ conviction that the decision will be favourable to TDGP II, S.A. and, consequently, to the dominant company.

Up till the date the financial statements for the quarter ended 30 September 2011 were prepared, the corrections made to the 2008 fiscal period had not yet been the subject of any corporate tax assessment statement issue.

Guarantees:

At 30 September 2011 and 31 December 2010, the companies included in the consolidation had given the following guarantees to third parties:

	30-09-2011	31-12-2010
Bank guarantees	545,473	590,756
Insurance collateral	150,726	132,625

The bank guarantees were provided primarily for tenders, against advances received and as works' performance guarantees.

To guarantee the loan contract celebrated between GSC – Compañía General de Servicios y Construcción, S.A. and Banco Caixa Geral, in the amount of 19,820 thousand Euros, GSC - Compañía General de Servicios y Construcción, S.A. pledged 2,590,000 shares in Banco Bilbao Vizcaya Argentaria, S.A. and mortgaged land located in Madrid, on C/ Amália, 4 and 6.

Caixa Geral de Depósitos also accepted the mortgage of Lot 3, situated in Lagoas Park, property of Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., in guarantee the loan contract celebrated between the two parties, in the amount of 42,155 thousand Euros.

Teixeira Duarte - Engenharia e Construções, S.A., BEL-ere - Engenharia e Reabilitação de Estruturas, S.A., EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A., SOMAFEL - Engenharia e Obras Ferroviárias, S.A., OFM - Obras Públicas, Ferroviárias e Marítimas, S.A., RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A., GSC – Compañía General de Servicios y Construcción, S.A., and EMPA – Serviços de Engenharia, S.A. have given insurance collateral as works' and services' performance guarantees.

In addition to the above mentioned guarantees, the following pledges were given:

To guarantee the loan contract celebrated between Banco Bilbao Vizcaya Argentaria and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., with an outstanding amount of 21,697 thousand Euros, Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 120,116,342 and 11,050,312 shares in Banco Comercial Português, S.A., respectively.

To guarantee the commercial paper programme contract celebrated between Teixeira Duarte – Engenharia e Construções, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and Banco Espírito Santo, in the amount of 50,000 thousand Euros, Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 125,035,296 and 17,420,992 shares in Banco Comercial Português, S.A., respectively, and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 2,205,882 shares in EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A..

To guarantee the commercial paper programme contract celebrated between Teixeira Duarte – Engenharia e Construções, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and Banco Espírito Santo, in the amount of 120,000 thousand Euros, Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 95,411,792 and 16,567,705 shares in Banco Comercial Português, S.A., respectively, TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 5,294,118 shares in EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. reinforced the guarantee with a cash deposit of 10,373 thousand Euros.

To guarantee the commercial paper programme contract celebrated between Teixeira Duarte – Engenharia e Construções, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and Banco Espírito Santo, in the amount of 60,000 thousand Euros, TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 104,000,000 shares in C+P.A. – Cimentos e Produtos Associados, S.A. and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. pledged 1,325,000 units in the TDF Real Estate Closed Investment Fund and made a cash deposit of 213 thousand Euros.

To guarantee the commercial paper programme contract celebrated between Teixeira Duarte – Engenharia e Construções, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. and Caixa Geral de Depósitos, in the amount of 60,000 thousand Euros, Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. pledged 4,675,000 units in the TDF Real Estate Closed Investment Fund.

To guarantee the commercial paper programme contract celebrated between Teixeira Duarte – Engenharia e Construções, S.A. and Banco Espírito Santo, in the amount of 34,000 thousand Euros, TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 500,000 shares in TDGI – Tecnologia de Gestão de Imóveis, S.A.

To guarantee third party debts, in the amount of 14,470 thousand Euros, IMOTD - SGPS, S.A. pledged 47,870 shares in V8, S.A. and 47.780 shares in Parcauto, S.A.

To guarantee the loan contract celebrated between TDHOSP – Gestão de Edifício Hospitalar, S.A., Caixa Geral de Depósitos and Caixa Banco de Investimentos, with an outstanding amount of 50,312 thousand Euros, Teixeira Duarte - Engenharia e Construções, S.A. pledged 1,540,000 shares in TDHOSP – Gestão de Edifício Hospitalar, S.A.. Within the scope of the same loan contract, Teixeira Duarte - Engenharia e Construções, S.A., in its capacity as shareholder, pledged its credit claims over TDHOSP – Gestão de Edifício Hospitalar, S.A..

Financial commitments:

At 30 September 2011 and 31 December 2010, comfort letters provided by the subsidiaries amounted to 464,890 and 492,723 thousand Euros, respectively.

At 30 September 2011 and 31 December 2010, factoring contracts without recourse were in place and were netted-off against accounts receivable, in the amounts of 128,363 and 119,895 thousand Euros, respectively. According to the contractual terms, the Group's responsibility is limited, essentially, to guaranteeing the acceptance, by the clients, of the invoices subject to factoring.

Other:

At 30 September 2011 and 31 December 2010 no inventories had been pledged to guarantee liabilities.

25 – APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the quarter ended 30 September 2011 were approved by the Board of Directors on 25 November 2011.

26 – SUBSEQUENT EVENTS

Teixeira Duarte continued its activity in the various sectors and markets it operates in, and between the close of the third quarter of 2011 and up to this date, no fact justifying a mention in this chapter occurred.

Even so, it is to be noted that at the present date, the “Banco Comercial Português, S.A.” share price is quoted at 0.128 €, situation which were it to have occurred at 30 September 2011 would have had an additional negative impact of 22,813 thousand Euros on the results and would have implied a devaluation, of 25,836 thousand Euros, of the Group’s shareholding in “Banco Comercial Português, S.A.”, which would consequently be reduced to 49,357 thousand Euros.