



**ANNUAL
REPORT**

2014



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Annual Report **2014**

Teixeira Duarte, S.A.

LISTED COMPANY

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

Share Capital: € 210,000,000

Single Legal Person and Registration number 509.234.526 at Cascais Commercial Register (Oeiras)

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Teixeira Duarte, S.A.

BOARD OF THE GENERAL MEETING

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

BOARD OF DIRECTORS

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

SUPERVISORY BOARD

Chairman	Mr. 3scar Manuel Machado de Figueiredo
Members	Mr. Mateus Moreira
	Miguel Carmo Pereira Coutinho

CHARTERED ACCOUNTANT

Mariquito, Correia & Associados
Chartered Accountants Firm, represented by
Mr. Ant3nio Francisco Escarameia Mariquito - ROC

COMPANY SECRETARY

Permanent	Mr. Jos3 Pedro Poiares Cobra Ferreira
Alternate	Mrs. Maria Ant3nio Monteiro Ambr3sio

REPRESENTATIVE FOR MARKET RELATIONS

Mr. Jos3 Pedro Poiares Cobra Ferreira

Teixeira Duarte – Engenharia e Construções, S.A.

BOARD OF THE GENERAL MEETING

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

BOARD OF DIRECTORS

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

STATUTORY AUDITOR

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

COMPANY SECRETARY

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

TEIXEIRA DUARTE ORGANIZATIONAL CHART 2014

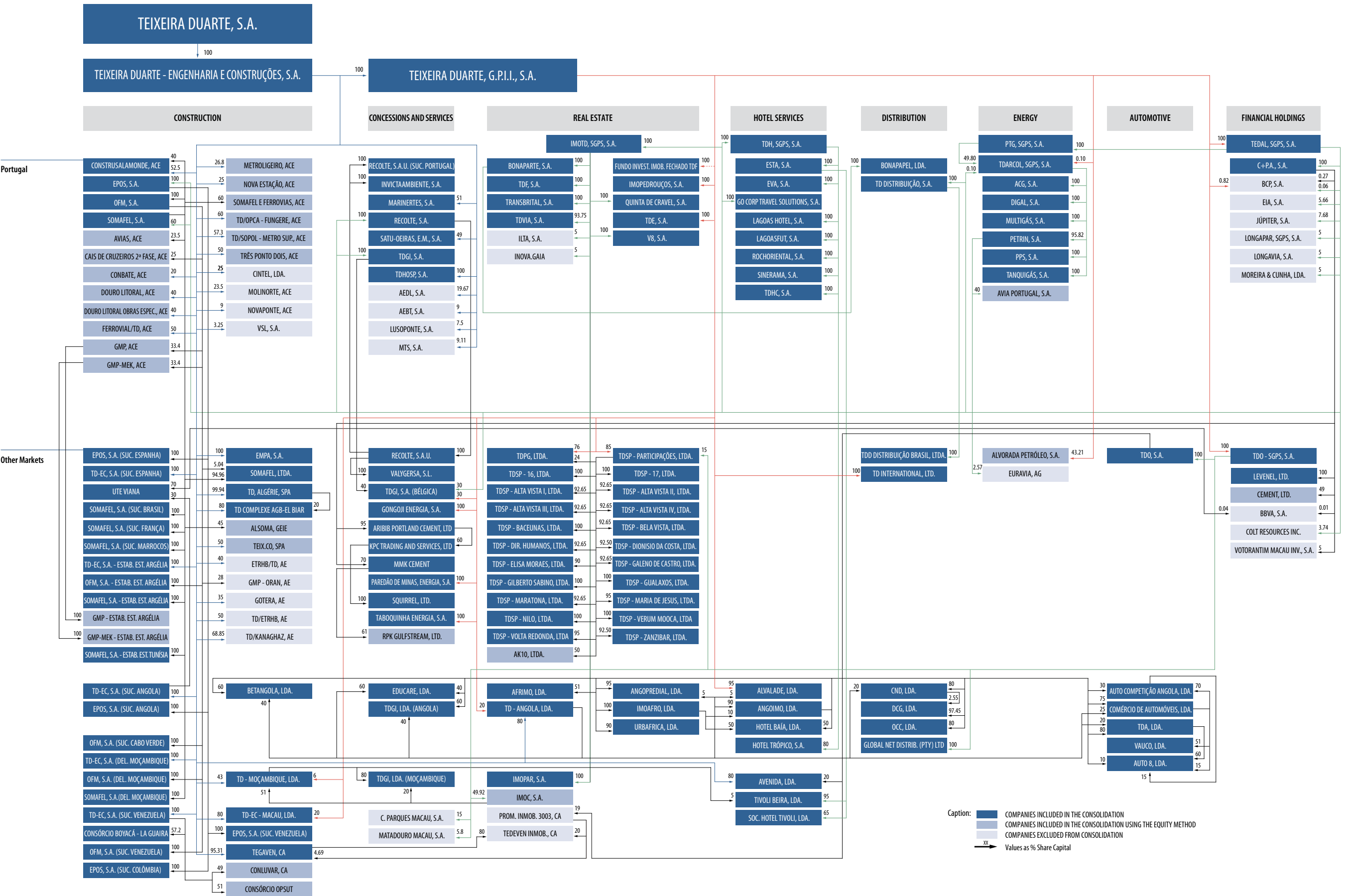
BOARD OF DIRECTORS

Adviser to the Board of Directors

Mr. António Costeira Faustino

Markets		Corporate Centre		Activity Sectors				
Portugal	South Africa	Central Departments	Corporate Services	Construction			Concessions and Services	
Angola	Belgium			Operating Centres	Participated Companies	Central Departments		
▪ Delegation Mr. Valdemar Marques	Cape Verde	Geotechnics and Rehabilitation	Underground Works				Plannig and Studies	
Algeria	China	Mrs. Maria António Ambrósio	Mr. José Pedro Cobra Ferreira	Mr. Magalhães Gonçalves Mr. Hélder Matos Mr. João Pedro Lopes Mr. Duarte Nobre Mr. António Diniz	▪ E.P.O.S., S.A. Mr. Costa Simões Mr. Dias de Carvalho	Mr. Garcia Fernandes Mr. Luís Menezes Mr. Pedro Nunes	▪ TDGI, S.A. Mr. Rogério Fonseca Mr. Rodolfo Valentim	
▪ Delegation Mr. Ricardo Acabado	Colombia	Management and Technology Systems	Accounts Consolidation	Buildings	Railway Works	Electromechanical Instalations	▪ RECOLTE, S.A. Mr. Magalhães Gonçalves Mr. Luís Carreira Mr. Angel Rodriguez	
Brazil	France	Mr. Ivo Rosa	Internal Audit					Mr. Pedro Costa Mr. Fernando Martins Mr. Luís Santos Mr. Luís Mendonça Mr. Carlos Guedes
▪ Delegation Mr. João Delgado	Morocco	Human Resources and Administrative Services	Mr. Mário Ferreira Faria	Infrastructures	Maritime Works	Infrastructure Studies	▪ TDHOSP, S.A. Mr. Diogo Rebelo	
Spain	Namibia	Mr. Ginja Sebastião Mrs. Isabel Amador						Mr. Sampayo Ramos Mr. Sousa Barros Mr. Rosa Saraiva Mr. Oliveira Rocha Mr. Fernando Frias Mr. Correia Leal
▪ Delegation Mr. António Carlos Teixeira Duarte	Russia	Information Technology		Mechanical Engineering	Shuttering And Prestressing Operating Centre	Proposals	▪ EDUCARE, Lda. Mr. Viana de Lemos	
Mozambique	São Tomé and Príncipe	Mr. José Gaspar						Mr. Henrique Nicolau
▪ Delegation Mr. Carlos Timóteo		Finance and Accounting		Equipment		Mrs. Maria António Ambrósio	Real Estate	
Venezuela		Mr. Martins Rovisco Mr. Sérgio Castro						Mr. Diogo Rebelo Mr. Alfredo Silva Mr. Guilherme Silva
▪ Delegation Mr. Luís Alves		Procurement					Hotel Services	
		Mr. Leal da Silva					Mr. Manuel Maria Teixeira Duarte Mr. Luís Vicente	
							Distribution	
							Mr. Diogo Rebelo Mr. Manuel Lopes	
							Energy	
							Mr. Artur Caracol	
							Automotive	
							Mr. Diogo Rebelo Mr. Silva Pereira	

TEIXEIRA DUARTE GROUP 2014



Teixeira Duarte, S.A.

Notes:
The book values are expressed in million euros.
The figures in the "Variation 2014/2013 %" column were calculated based on amounts that were not rounded off.
Total Equity includes non-controlling interests.

	2010	2011	2012	2013	2014	Variation 2014/2013 %
Average number of workers	13,036	11,182	10,853	12,011	13,261	10.4%
Turnover	1,380	1,200	1,383	1,581	1,680	6.2%
Operating income	1,445	1,263	1,440	1,630	1,716	5.3%
EBITDA	150	117	209	214	240	12.1%
EBITDA / Turnover margin	10.9%	9.8%	15.1%	13.5%	14.3%	5.5%
EBIT	84	51	143	114	197	72.5%
Net Income attributable to shareholders	46	(200)	24	64	70	9.9%
Net debt	1,067	927	990	1,176	1,293	10.0%
Total equity attributable to shareholders	474	256	252	325	458	40.7%
Total equity	562	333	326	361	485	34.4%
Total net assets	2,721	2,753	2,767	2,779	2,954	6.3%

Management Report of the Board of Directors **2014**



I. INTRODUCTION

The Board of Directors of "Teixeira Duarte, S.A." (TD,SA), in compliance with the regulatory and legal provisions for publicly traded companies, hereby presents its Management Report for the financial year of 2014.

The present Report will address the consolidated activity of TD,SA as leader of the Business Group comprising the universe of holdings identified in the table of the "Teixeira Duarte Group - 2014" presented on the preliminary pages, and will disclose only brief notes on the Company in its individual capacity, namely with respect to the proposed appropriation of net income.

Since each of these participated companies has its own management bodies, which also report on their individual activities, this document will provide only some observations in order to allow for a better perspective of the Group as a whole.

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

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

The subsequent chapters will address the Group's different activity sectors, with an analysis of the respective performance over 2014, distinguishing for each the main markets of action, with particular emphasis on the Construction area.

Reference will also be made to the stakes held in listed companies during 2014, that is "Banco Comercial Português, S.A." and "Banco Bilbao Vizcaya Argentaria, S.A.".

The relevant events that took place between the end of the financial year and the date on which this Report was prepared will then be described, followed by the outlook for 2015, currently in progress, ending with the proposed appropriation of net income.

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

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

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

II. ECONOMIC CONTEXT

Brief notes are presented below on the economic context observed in 2014 in the main markets of operation of the Teixeira Duarte Group.

PORTUGAL

During 2014, in Portugal, Teixeira Duarte operated in the Construction, Concessions and Services, Real Estate, Hotel Services, Distribution, Energy and Automotive sectors.

The Economic and Financial Assistance Programme initiated in 2011 was completed at the end of May 2014, which enabled Portugal to resume its funding on international markets.

The country pursued its policy of structural consolidation of public accounts, with the public deficit at the end of the year having been slightly below the value recorded in 2013, standing at 4.8% of Gross Domestic Product (GDP).

During this year, the Portuguese economy showed signs of recovery, namely a 0.9% increase in GDP, which falls within the average upward value achieved by the Euro zone countries.

On this issue, it should be noted that GDP growth is projected at 1.7% for 2015, reflecting feelings of economic confidence in Portugal by the markets and investors.

During this period, exports grew by 3.4% and imports by 6.2%.

In 2014 the unemployment rate stood at 13.4%, representing a modest improvement relative to 2013, with a moderate acceleration of employment being expected for 2015.

Due to the specific features and constraints of the sector, in Portugal Construction recorded a 4.5% contraction of the volume of production and 4.4% reduction of employment.

ANGOLA

During 2014, in Angola, Teixeira Duarte operated in the Construction, Concessions and Services, Real Estate, Hotel Services, Distribution and Automotive sectors.

The growth of the Angolan economy stood at 4.2% in 2014, where, according to the most recent projections of the International Monetary Fund (IMF) through its World Economic Outlook report, it is expected that in 2015, in view of the difficulties derived from the fall in oil prices, there will be an acceleration of the strategy to diversify the economy, which should also boost GDP growth to 4.5%.

In spite of the relatively positive forecasts presented by the IMF, it is expected that there will be reduction in the launch of new projects, not only due to the reduction of revenue as a result of the drop in oil prices, and its influence on public accounts, but also because the current deficit cutting policy might postpone some necessary investments in the infrastructure area.

The value of inflation in 2014 remained around 7.3%, although a slight increase is forecast during the following year.

A final reference to the fact that the new customs tariff was approved in March 2014, which increased the value of duties associated to various imported products.

ALGERIA

During 2014, in Algeria, Teixeira Duarte operated in the Construction sector.

Over the last few years, the Algerian economy has shown a very positive evolution, primarily due to the good performance of the oil and gas sector, which has enabled major economic and social development.

This sector represents about 40% of GDP, 60% of government revenue and 95% of exports.

The inflation rate remained stable in 2014 (2.9%), as a result of the economic stimulus policies implemented as of 2011, with the IMF forecasting that inflation might reach 4% in 2015 and 2016.

According to IMF estimates, the growth of the Algerian economy stood at 4% in 2014, and also continued to show a residual level of external debt (1.9% of GDP).

In spite of the fall in oil prices, the projections for 2015 and subsequent years point to growth rates around 4%, supported not only by the hydrocarbon sector, but also by the buoyancy of all other economic activities, particularly the services and construction sector, with the latter being strongly driven by the public investment programme which shall be launched by the government for the period of 2015-2019.

Diversification of the economy, modernisation and development of infrastructures, investment and job creation continue to be the major priorities of the country's development policy.

BRAZIL

During 2014, in Brazil, Teixeira Duarte operated in the Construction, Concessions and Services, Real Estate and Distribution sectors.

The year under review began with an outlook of GDP growth of 2.5% and maintenance of the 4.5% inflation rate, but the year was actually marked by weak economic activity conditioned by the climate of uncertainty which reigned due to various cumulative factors.

Indeed, the interest rate, the significant reduction of the price of commodities such as oil, iron and soya, the risk of energy rationing due to the water crisis, as well as the occurrence during the year of events which influenced the evolution of the economy and investment, such as the world football championship and presidential elections, implied that GDP merely grew by 0.1% and, on the other hand, the inflation rate reached 6.8%.

Added to the current circumstances constraining public investments, with the consequent decline in the launch of new projects, is the stoppage of the activity of large private companies as a result of anti-corruption operations carried out at a national level, with strong impact on the construction and energy sectors, which has led to an inevitable retraction of the economy, with the IMF forecasting growth of only 0.3% for 2015.

SPAIN

During 2014, in Spain, Teixeira Duarte operated in the Construction, Concessions and Services, and Real Estate.

GDP at current prices reached the value of 1,053,296 million euros, corresponding to growth of 1.4% in relation to 2013, with 2014 thus having been a year of economic recovery in Spain, especially in the last quarter.

For the first time since the beginning of the crisis, there was an increase in household consumption, with the number of employed persons having increased by 2.53% in relation to 2013, and the unemployment rate standing at 23.7% as at 31 December.

MOZAMBIQUE

During 2014, Teixeira Duarte operated in Mozambique in the Construction, Concessions and Services, Real Estate and Hotel Service sectors.

The average growth of the Mozambican economy has been estimated at close to 7.3% during these last few years, with it being expected that this rate should continue in the near future.

The evolution of Mozambique to one of the "frontier economies" of Africa has been remarkable, with its economic growth having been particularly driven by important direct foreign investments (DFI), especially in the dynamic sectors of energy and natural resources. The country has gained international recognition in the mining industry and natural gas areas.

It is also important to highlight the reduction of the unemployment rate, derived from the creation of over 290,816 new jobs in 2014, as well as the fact that the forecast inflation rate stands at 2.3%, in contrast to the estimates which pointed to an inflation rate of around 5.6%.

In spite of the constraints arising from the adverse climate conditions which affected the country in the first quarter of 2014, the performance of the key social and economic indicators has been very positive.

VENEZUELA

During 2014, in Venezuela, Teixeira Duarte operated in the Construction sector.

Venezuela is a country with enormous natural wealth, namely the largest oil reserves of the world, whose export represents its primary source of revenue. The performance of the Venezuelan economy is strongly related to the evolution of the price of this commodity which, during 2014 recorded an average value of 85 USD per barrel, 10.5% lower than in 2013.

In 2014, GDP contracted 4%, inflation stood above 60% and a new foreign exchange system was implemented, adding to the two already in force.

The Venezuelan government upheld its action priorities in the social area and in the investment aimed at the country's development, essentially in the productive and infrastructure sector, with a macroeconomic vision adapted to the current market circumstances and complex global scenario.

III. GENERAL OVERVIEW

— FINANCIAL REVIEW

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

	2014	2013 "Restated"	Var (%)
Income Statement for the years ended on 31 December 2014 and 2013 "Restated"			
	1,715,535	1,629,895	5.3%
Operating costs	(1,475,736)	(1,416,014)	4.2%
(Values in thousand euros)	239,799	213,881	12.1%
EBITDA			
Amortisation and depreciation	(75,537)	(62,845)	20.2%
Provisions and impairment losses	32,973	(36,682)	-
EBIT	197,235	114,354	72.5%
Financial results	(93,679)	(101,555)	(7.8%)
Earnings before tax	103,556	12,799	709.1%
Income tax	(37,611)	51,947	-
Net income	65,945	64,746	1.9%
Attributable to:			
Shareholders	70,281	63,974	9.9%
Non-controlling interests	(4,336)	772	-

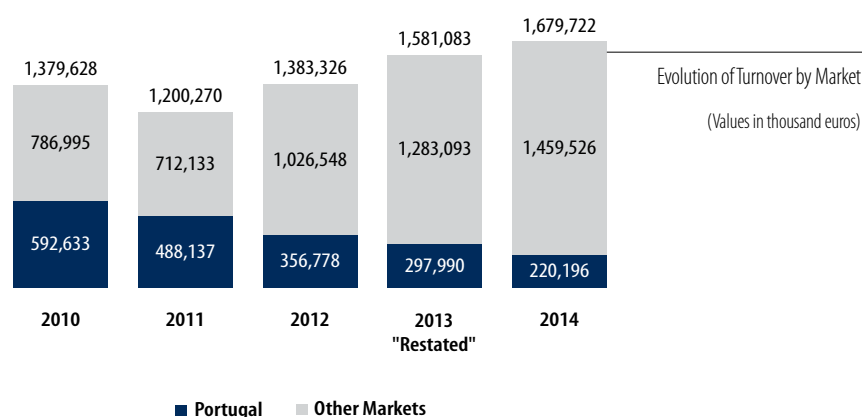
The **Consolidated Net Income Attributable to Shareholders** came to 70,281 thousand euros.

It is important to note that, in addition to the performance achieved by the Group's companies in 2014, other factors also influenced the net income for 2014 and 2013. Among these factors, we highlight:

	2014	2013 "Restated"
(a) Includes the impact of the currency conversion differences appropriated through the equity method of the participated company "Limited Liability Company Cement", which were negative by 8,346 thousand euros in 2014		
Currency conversion differences (a)	21,418	(7,350)
Gain on acquisition of "TEGAVEN - Teixeira Duarte y Asociados, C.A."	29,331	-
Divestment of rights of "Banco Comercial Português, S.A." (b)	16,992	-
Impairment loss in the participated company "Banco Comercial Português, S.A." (b)	(6,534)	-
Impairment loss in the affiliated company "Colt Resources". (b)	(1,491)	-
Impairment losses in "PCHS" (b)	(2,489)	-
(b) Net of tax effect		
Impairment loss in the participated company "VSL Sistemas Portugal - Pré-Esforço, Equipamento e Montagem, S.A." (b)	(204)	-
(Values in thousand euros)		
Impact on net income of provisions for "Ongoing Lawsuits" (b)	(2,093)	-
Impact on net income of provisions for the "Regional Government of Madeira" (b)	(1,152)	(9,207)
Alteration of the tax statement of capital gains and losses of holdings	-	65,487
Impact on net income of provisions for losses related to the company "SATU - Oeiras - Sistema Automático de Transporte Urbano, E.M., S.A."	-	(11,054)
	53,778	37,876

Turnover increased by 6.2% in relation to 2013, having reached 1,679,722 thousand euros.

The 26.1% reduction recorded in Portugal was offset by the 13.8% increase in other markets, which now account for 86.9% of the total turnover of the Teixeira Duarte Group.



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

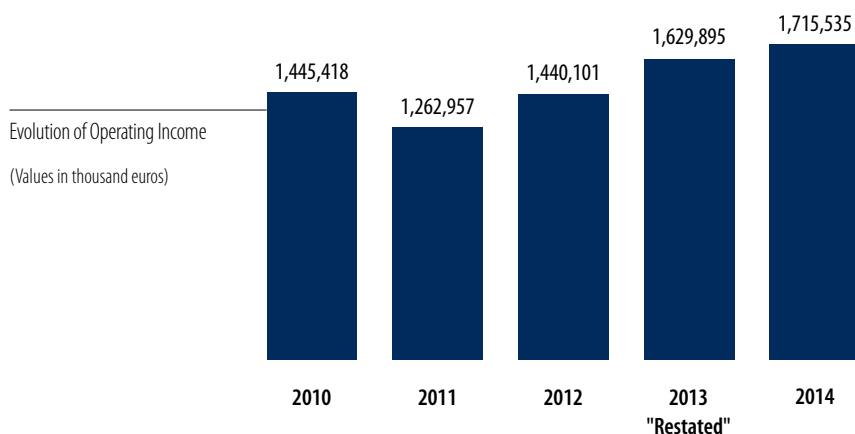
Country	2014		2013 "Restated"		Variation
	Book	Contribution	Book	Contribution	
Portugal	220,196	13.1%	297,990	18.8%	(26.1%)
Angola	798,412	47.5%	748,176	47.3%	6.7%
Algeria	77,181	4.6%	81,434	5.2%	(5.2%)
Brazil	192,338	11.5%	98,504	6.2%	95.3%
Spain	33,646	2.0%	28,253	1.8%	19.1%
Mozambique	66,271	3.9%	62,817	4.0%	5.5%
Venezuela	284,783	17.0%	253,648	16.0%	12.3%
Other	6,895	0.4%	10,261	0.6%	(32.8%)
	1,679,722	100.0%	1,581,083	100.0%	6.2%

Turnover by Country
(Values in thousand euros)

An analysis of turnover is presented below, taking into account its evolution by activity sector, where it should be noted that for the figures for 2013, the adoption of "IFRS 11 – Joint Arrangements" only influenced the Construction, Concessions and Services, and Real Estate sectors:

Activity Sector	2014	Contribution	2013 "Restated"	Contribution	Variation
Construction	779,110	46.4%	800,335	50.6%	(2.7%)
Concessions and Services	92,104	5.5%	74,221	4.7%	24.1%
Real estate	119,899	7.1%	83,248	5.3%	44.0%
Hotel services	74,037	4.4%	78,422	5.0%	(5.6%)
Distribution	272,783	16.2%	210,535	13.3%	29.6%
Energy	62,483	3.7%	114,717	7.3%	(45.5%)
Automotive	279,306	16.6%	219,605	13.9%	27.2%
	1,679,722	100.0%	1,581,083	100.0%	6.2%

Turnover by Activity Sector
(Values in thousand euros)



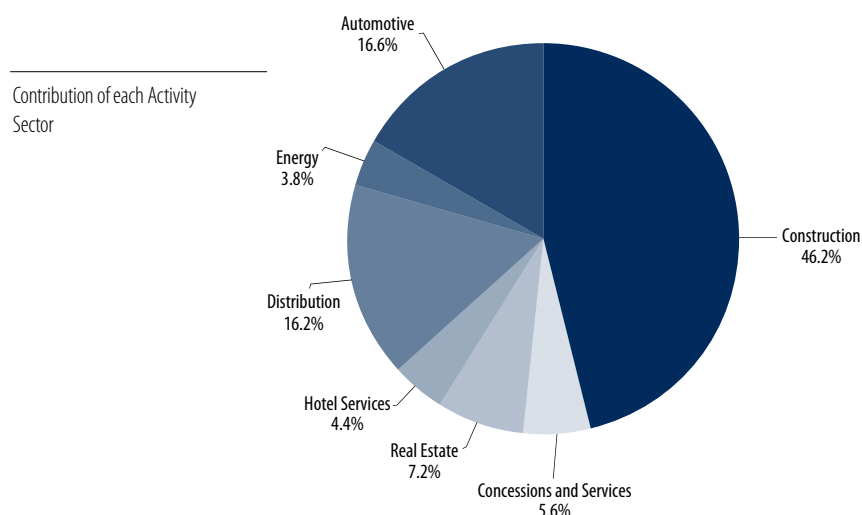
Consolidated operating income increased by 5,3% compared to 2013, reaching the value of 1,715,535 thousand euros for the year ended on 31 December 2014.

The table below illustrates the good performance in the Concessions and Services, Real Estate, Distribution and Automotive sectors.

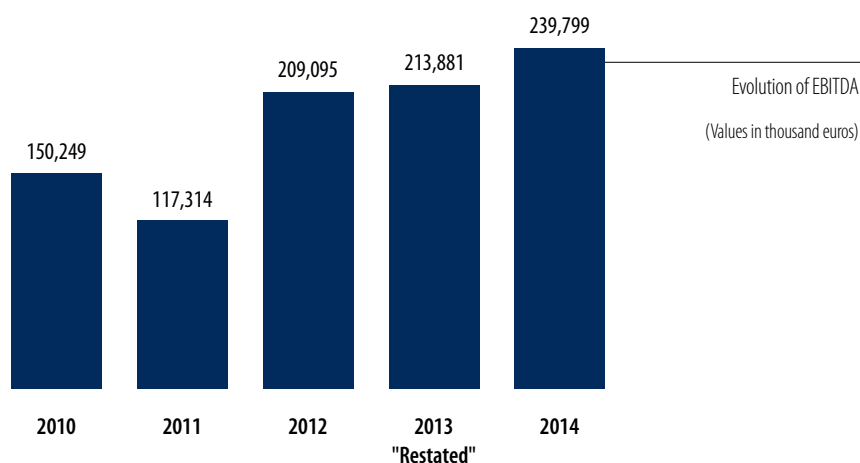
Operating Income by Activity and Geographic Markets
(Values in thousand euros)

Activity Sector	Internal Market			External Market			Total		
	2014	2013 "Restated"	Var (%)	2014	2013 "Restated"	Var (%)	2014	2013 "Restated"	Var (%)
Construction	78,507	113,236	(30.7%)	713,089	710,181	0.4%	791,596	823,417	(3.9%)
Concessions and Services	30,718	25,116	22.3%	65,806	51,799	27.0%	96,524	76,915	25.5%
Real estate	39,160	41,806	(6.3%)	84,574	45,237	87.0%	123,734	87,043	42.2%
Hotel services	17,679	13,604	30.0%	57,284	67,128	(14.7%)	74,963	80,732	(7.1%)
Distribution	1,771	1,993	(11.1%)	276,565	216,539	27.7%	278,336	218,532	27.4%
Energy	64,851	120,026	(46.0%)	61	(61)	-	64,912	119,965	(45.9%)
Automotive	-	-	-	285,470	223,291	27.8%	285,470	223,291	27.8%
Total	232,686	315,781	(26.3%)	1,482,849	1,314,114	12.8%	1,715,535	1,629,895	5.3%

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



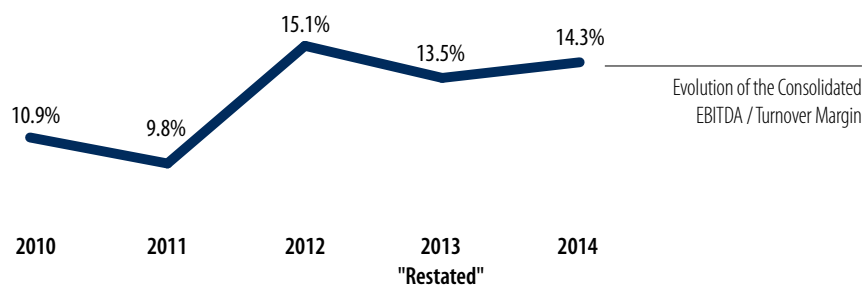
EBITDA grew by 12.1% in relation to the previous year, to stand at 239,799 thousand euros, the highest figure ever recorded by the Teixeira Duarte Group.



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

Activity Sector	2014	2013 "Restated"	Var (%)
Construction	84,368	103,302	(18.3%)
Concessions and Services	14,417	12,155	18.6%
Real estate	55,945	28,339	97.4%
Hotel services	19,461	25,193	(22.8%)
Distribution	23,809	22,045	8.0%
Energy	1,081	3,544	(69.5%)
Automotive	48,724	34,594	40.8%
Not allocated to segments	(7,947)	(15,669)	(49.3%)
Elimination	(59)	378	-
	239,799	213,881	12.1%

The EBITDA / Turnover Margin increased by 5.5% relative to December 2013, having risen from 13.5% to 14.3% as at December 2014.



The **Financial results** were negative by 93,679 thousand euros in 2014.

Financial Results	2014	2013 "Restated"	Var (%)
(Values in thousand euros)			
Financial costs and losses:	(269,823)	(155,993)	73.0%
Interest paid	(123,164)	(89,547)	37.5%
Unfavourable currency conversion differences	(118,776)	(41,639)	185.3%
Other financial costs and losses	(27,883)	(24,807)	12.4%
Financial income and gains:	172,198	49,011	251.3%
Interest received	18,739	9,807	91.1%
Favourable currency conversion differences	148,540	34,289	333.2%
Cash discounts received	349	559	(37.6%)
Other financial income and gains	4,570	4,356	4.9%
Earnings from investment activities:	3,946	5,427	(27.3%)
Earnings from associates and joint ventures	(10,598)	(321)	3201.6%
Dividends	930	1,555	(40.2%)
Other investments	(1,325)	2,994	-
Gains / loss in assets available for sale	14,939	1,199	1146.0%
Financial results	(93,679)	(101,555)	(7.8%)

This indicator improved by 7.8% in relation to 2013, with the following variations being noteworthy:

- Variation of the effect of currency conversion differences, which was negative by 7,350 thousand euros in 2013, while in 2014 it was positive by 29,764 thousand euros (excluding the currency conversion differences appropriated by the equity method);
- Gains with the divestment of rights of "Banco Comercial Português, S.A." of the value of 22,068 thousand euros;
- Increase of 33,617 thousand euros in interest paid;
- Negative variation of the earnings from associates and joint ventures of 10,277 thousand euros, especially due to the negative impact of the currency conversion differences of the Ukrainian participated company "Limited Liability Company Cement" of the value of 8,346 thousand euros;
- Impairment loss of 8,432 thousand euros from the holding in "Banco Comercial Português, S.A.";
- Impairment loss of 1,972 thousand euros from the holding in "Colt Resources".

Income Tax reached the negative amount of 37,611 thousand euros for the year ended on 31 December 2014, compared with the positive amount of 51,947 thousand euros for 2013.

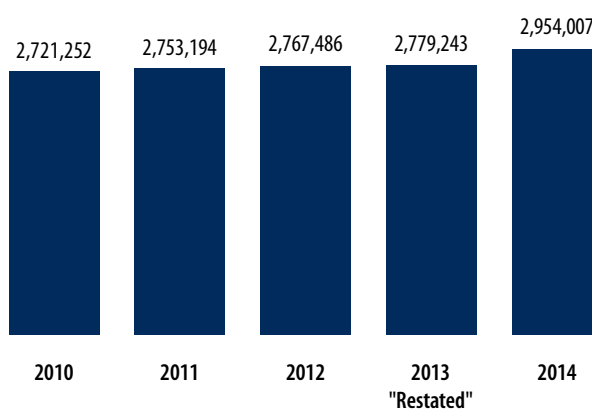
Corporate Income Tax	2014	2013 "Restated"	Var (%)
(Values in thousand euros)			
Current tax	(37,607)	(52,294)	(28.1%)
Deferred tax	(4)	104,241	-
	(37,611)	51,947	-

	2014	2013 "Restated"	Var (%)
Assets			
Non-current Assets	1,557,064	1,495,475	4.1%
Current Assets			
Cash and Cash Equivalents	191,477	186,441	2.7%
Other Current Assets	1,205,466	1,097,327	9.9%
Total Assets	2,954,007	2,779,243	6.3%
Equity attributable to:			
Shareholders	457,687	325,407	40.7%
Non-controlling Interests	27,058	35,321	(23.4%)
Total Equity	484,745	360,728	34.4%
Liabilities			
Loans	1,484,860	1,362,606	9.0%
Provisions	62,095	72,934	(14.9%)
Other Liabilities	922,307	982,975	(6.2%)
Total Liabilities	2,469,262	2,418,515	2.1%
Total Liabilities and Equity	2,954,007	2,779,243	6.3%

Financial Position as at 31
December 2014 and 31 December
2013 "Restated"

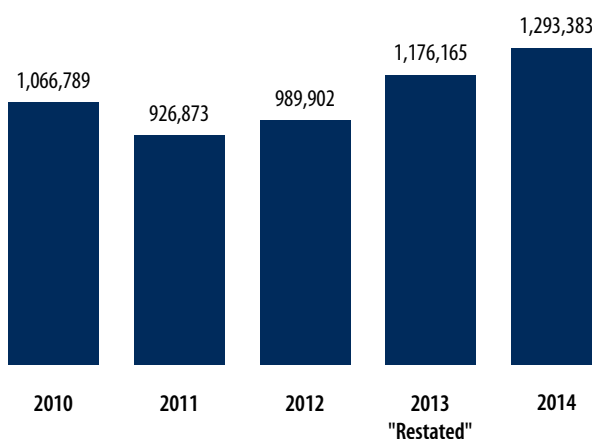
(Values in thousand euros)

Total Net Assets grew by 6.3% in relation to 31 December 2013 "Restated", having reached 2,954,007 thousand euros.



Evolution of Net Assets
(Values in thousand euros)

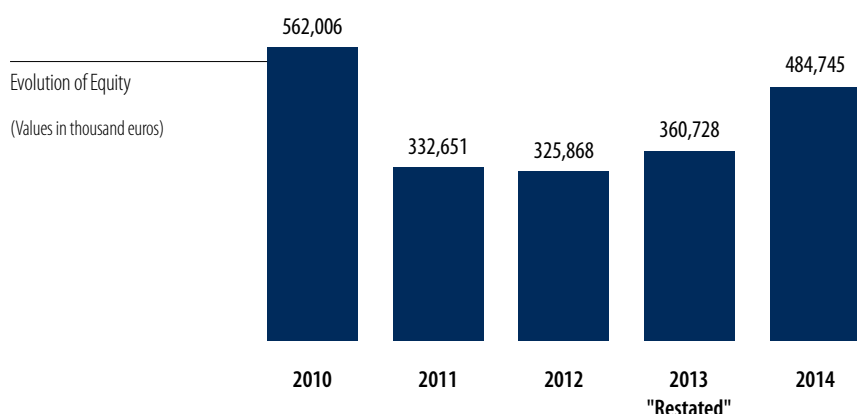
The Group's Net Debt grew by 10% in relation to the end of 2013 "Restated", to stand at 1,293,383 thousand euros as at 31 December 2014.



Evolution of Consolidated Net
Debt
(Values in thousand euros)

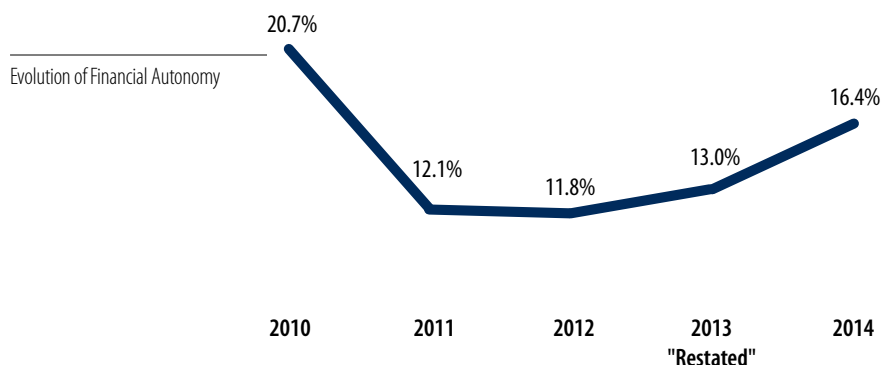
Analysis of the evolution of this indicator should take into account the investments carried out in facilities and equipment which reached 161 million euros during 2014.

The **Equity Attributable to Shareholders** increased by 132,280 thousand euros, having shifted from 325,407 thousand euros to 457,687 thousand euros, corresponding to growth of 40.7% in relation to 31 December 2013.



Total Equity grew by 34.4% to stand at 484,745 thousand euros, influenced essentially by the following factors:

- Positive net income of 65,945 thousand euros;
- Positive currency conversion effect of 94,707 thousand euros, recorded as a result of the appreciation of the currencies with which the Group operates in relation to the Euro;
- Negative variation in the fair value of the financial assets available for sale, net of deferred tax, of the value of 30,039 thousand euros;
- Negative hedge operation effect of 5,161 thousand euros, arising from the variation of the fair value of the financial instrument (interest rate swap) contracted in 2008 under the Concession for the Management of Cascais Hospital Building.
- Distribution of dividends of 6,300 thousand euros.



Financial Autonomy shifted from 13% as at 31 December 2013 to 16.4% by the end of 2014, having increased by 26.4%.

— ORGANISATIONAL REVIEW

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

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

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

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

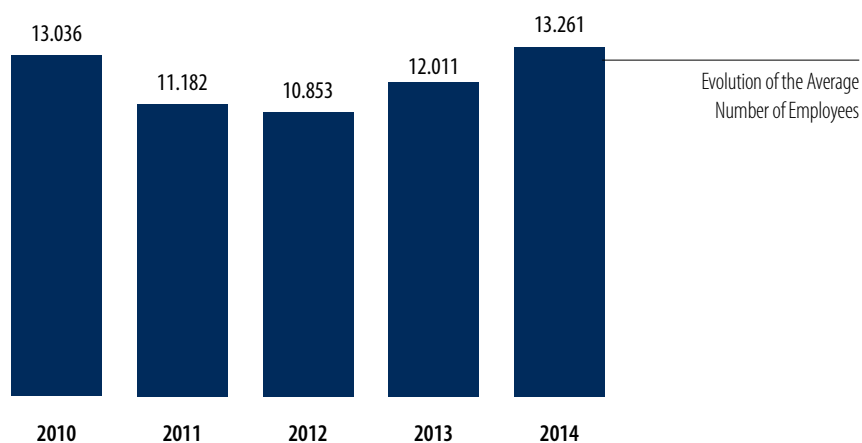
Apart from these structures which are more directly linked to the Group's operational area, particular reference should also be made to the existence of a number of Central Departments and Services with special responsibilities of transversal support to the actions developed in the different activity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

Regarding these teams, which are also identified in the Organisational Chart presented in the beginning of this report, various references to their action during 2014 are highlighted below.

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

The Group's increased activity in 2014 was indisputably reflected in the number of workers, the average number of which grew by 10.4% in relation to 2013 and whose final number at the end of the year was 7.4% higher than that recorded as at 31 December 2013.

Indeed, the increased number of workers from 12,639, as at 31 December 2013, to 13,573, on the same date of 2014, reflected the expansion in the teams of the Construction, Concessions and Services, Hotel Services, Distribution and Automotive sectors, where the countries that most contributed to this increase were Angola, Algeria, Spain, Mozambique and Venezuela.



Teixeira Duarte's continued focus on the qualification of its employees has been reflected in increasingly more systematic and encompassing action, with various vocational training programmes having been developed during 2014 in different geographic areas and Group companies, coordinated and monitored by a central structure based in Portugal. This central structure has optimised a series of processes with the accumulated experience gained in these different aspects and supported the corresponding local structures in their implementation, including through the deployment of staff with appropriate qualifications and experience.

Various integration programmes have also been developed in the organisation, with a view to the integration and welcoming of new personnel. Teixeira Duarte has always encouraged a spirit of learning, embodied not only in the follow-up of new personnel in their activity by more experienced colleagues, but also, and more specifically, through tutorship programmes and professional internships.

In the context of the social responsibility certification, various training actions have also been ministered on this topic, which as a whole covered 1,963 trainees, corresponding to a total of 40,338 hours of training.

In Portugal, 75,700 hours of training were ministered, covering 8,330 trainees, in particular involving qualifying activities in the information technology (IT) area (covering 338 trainees) and also in the area of occupational safety, hygiene and health (which involved 3,281 trainees). Regarding the development of foreign language skills, namely the official languages of the markets in which the Group operates (English, Spanish and French), training actions were conducted involving 407 trainees.

In Angola, Teixeira Duarte inaugurated, on 12 February, the new premises of the Professional Development Centre (CDP), with capacity to minister up to 800,000 hours of training per year, both through theoretical sessions in classrooms and remote sessions on an online platform, and through practical sessions in a work or laboratory context (on-the-job training).

The Centre has six classrooms for theoretical training, a computer room, an Electricity and Electronic Laboratory and a Civil Engineering Laboratory, all duly equipped. We also highlight the workshops for practical training in the Automotive area, a workshop for practical sessions in the Distribution area, an auditorium and a canteen with capacity for over 100 people, as well as various social zones, playing fields and specific car park.

The CDP is divided into five areas of action, referred to as academies: Teixeira Duarte Academy; Maxi Academy; TDHOTELS Academy; TDA Academy; TDGI Academy.

This Centre has been an important agent in driving professional qualification, both for Teixeira Duarte and for various Angolan professional communities, with 284 training actions having been carried out during the year, which covered 4,629 trainees, both internal and external, making up a total of 97,477 hours of training, in particular:

- Training in civil engineering: In collaboration with the Instituto Superior Técnico (IST) / "FUNDEC", in this area, twenty qualifying activities were developed, which covered 400 internal and external trainees, where the latter included professionals of the Angolan engineering community, as well as final year students of Universidade Agostinho Neto, under the terms established through protocol, thus enabling the relating of these activity with strategies of recruitment and selection of future employees.
- "Fazer Pescar" Project: in 2014, this (Go Fishing) Project continued to focus on developing the skills and talents of the participating young people, in order to maximise their potential and possibility of integration in the Teixeira Duarte Group. Two editions of the trade operation course were conducted, at "MAXI" and two editions of vehicle maintenance at TDA, which involved 66 participants, reaching a total number of 26,799 training hours and assuring them 100% employability.
- Training of Trainers: In order to assure the teaching quality inherent to the qualifying activities under our responsibility, a pioneer project has been developed, in Angola, through the conduct of an initial teacher training course in the form of b-learning.

In Algeria, during 2014 various training actions on the French language were organised, with a view to improving the communication skills and boosting the performance and integration of the employees in that country.

Particular note should also be made of the internal training actions on the SAP computer system which took place throughout the year, as well as the two editions on the Integrated Management System which, being composed of essential tools for the good performance of the employees, shall be reiterated in 2015.

In Spain, various training actions were ministered in the area of occupational safety, hygiene and health, equipment and languages, which covered 662 trainees and a total of 4,982 training hours.

In Mozambique, 6,054 training hours were ministered which covered 1,404 trainees. Among these activities, the following deserve special mention:

- Two courses conducted in collaboration with the Instituto Superior Técnico (IST) / "FUNDEC", which covered 40 trainees and a total of 800 training hours;
- The training on occupational health and medicine, which covered 395 employees and total of 671 training hours;
- Subordinated to the certification process under the terms of ISO 9001, training was ministered on the quality management system, which covered 138 trainees and corresponded to 1,415 training hours;
- Internal training was ministered on 16 areas of occupational safety, which are currently being cleared by the Mozambican line ministry, and during the year under review covered 189 trainees and 1,211 training hours.

In 2014, the Occupational Medicine Service consolidated the provision of its activity to 22 Group companies, having carried out 2,726 medical tests.

During 2014, a programme of health surveillance protocols was developed in Angola, aimed at promoting and raising the awareness of the employees operating in this country on the measures required to promote their health and quality of life, which involved the collaboration of the health personnel of the local service (doctors and nurses).

Regarding matters in the area of health training and information, there was approximately 50% growth of both the volume of training and number of trainees. The actions developed expanded their territorial coverage, having also extended to employees working in Mozambique.

During the year under review, the **Central Department of Management and Technology Systems** maintained its activity of support to the processes of achievement, monitoring or renewal of the certifications of the Management Systems of the different companies of the Group, in the areas of Safety, Quality, Environment, Social Responsibility, and Research, Development and Innovation (RDI). Particular note should be made of the obtaining of the Quality Management System certification under ISO 9001 at Teixeira Duarte – Engenharia e Construções Moçambique, Lda., a series of audits conducted jointly with third parties, and the alignment of the Quality (ISO 9001) and safety (OSHAS 18001) certification cycles among the companies holding this accreditation. This represents an objective that shall be completed in 2015 with the alignment of the Social Responsibility (SA 8000) certification cycle.

Continuity has been given to the process of harmonisation of the management systems among the different Group companies, the conduct of internal audits in the inter-company format, and support to the different commercial and production areas, both for the internal and external markets, namely in Angola, Algeria and Mozambique.

As an assessed supplier, the participated company "Teixeira Duarte – Engenharia e Construções, S.A." successfully conducted an "ACHILLES Audit" defined in accordance with the "REPRO Committee Standards", thus supplementing its enrolment on the REPRO Platform.

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

On this issue, other noteworthy aspects include:

- The participation in various initiatives of the "Portuguese Construction Technological Platform" (PTPC) – an entity of which TD-EC has been the Chairman of its Strategic Committee and Executive Committee since 2011 – whose mission is to increase the competitiveness of the construction and public works sector, promoting reflection, cooperation and implementation of initiatives and research, development and innovation projects between companies, entities of the National Scientific and Technological System (SCTN) and public and private entities;
- The participation in consortium in a COST Action, a platform aimed at fostering cooperation between European researchers on regulatory matters on the useful life of materials and structures based on cement and at RMC ROSE, in the context of the Commitment of the European Innovation Partnerships on Raw Materials Commitment.

In the area of training, employees of this Central Department participated in the organisation of training courses on technology and management systems in Angola, Algeria and Mozambique, carried out in collaboration with external training entities.

In close collaboration with the Group's central corporate departments and companies, participation in the creation of the Teixeira Duarte Museum Centre, a dynamic and constructive project, which at this stage is composed of a space situated at the Teixeira Duarte Operational Centre and also by the website accessible to Teixeira Duarte employees through its Corporate Portal.

During 2014, the **Central Computer Department** continued the processes of consolidation of platforms and technologies, promoted the growing integration of the local structures, complementing and aligning their procedures and processes with business needs.

The concept of support to the user was redefined, henceforth being interpreted in an overall manner, with this requirement being met by the implementation of an integrated platform, common to all geographic areas, with automatic call attendance, enabling the provision of services independently from the location of the user or the supporting team.

The ERP/SAP platform continued to grow, becoming more complex, which, combined with the diversity of countries in which the Group operates, implied an intense effort of adjustment to the many changes of declarative, fiscal and other nature. The point collection tool (RPonto) migrated to the SAP platform and the BMAC (for recording of daily allowances) application was adapted to the requirements of new markets. The requirements were surveyed and the development of the application for the management of occupational medicine processes was started. The Portal continued to expand its coverage of processes, with the development of new applications and adaptation of others to new circumstances. In order to support the Group's activity in Algeria, a project for the implementation of the Human Resources Module was initiated.

Communications underwent significant improvements, in particular video conference, with the extension of the network to Mozambique, Algeria and Venezuela, and increased number of rooms in Angola along with the reinforcement of the bandwidth for international communications.

New wireless networks were installed and a communication redundancy process was implemented for connection of the different sites in Luanda.

The electronic mail platforms were redesigned and consolidated with the objective of increasing the safety and availability of the service.

Interventions to replace equipment and/or use virtualisation were carried out at the Data Centres, especially relevant in the case of Luanda, with renewal of equipment in the quality and development environments of the ERP/SAP and new Storage unit. A Backup centralisation project was also implemented in Luanda, supporting the various locations and platforms, assuring improved quality and safety of the processes and better resource use.

During 2014, Teixeira Duarte reorganised its **Central Department of Finance and Accounting**, for the purpose of optimising and standardising processes in all the geographic areas where the Group operates.

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

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

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

In Portugal, the organisational model in existence since the end of 2011 was maintained, with a view to strengthening the intervention of the Central Procurement Department in the strategic components of procurement. On the other hand, the new service level model concerning procurement and logistics was positively assessed.

In Angola, the management models of the Central Warehouse, Central Procurement Structure and fixed facilities of the company were deepened: Head Office, Accommodation and Central Archive.

In Algeria, the models for the management of the logistics of merchandise in export and import contexts were consolidated, and the management of the Central Procurement Structure was reformulated with a view to providing a better response to requests in this market. The new management model for the company's fixed facilities was developed: Head Office and Accommodation.

In Brazil, the reorganisation of Cumbica Central Warehouse, in São Paulo, and the implementation of the management model for the company's fixed facilities were both started: Head Office and Accommodation.

In Mozambique, the consolidation of the Central Warehouse management model was continued, and the implementation of the management model for the company's fixed facilities was started: Head Office and Accommodation.

In Venezuela, the reorganisation of the Logistics and Import Department was developed, with a view to improving the efficiency levels in the management of processes. The implementation of the management model for the company's fixed facilities was developed: Head Office and Accommodation.

— CORPORATE OVERVIEW

In compliance with all the corporate obligations, namely as an entity issuing tradable securities in regulated markets, particular note should be made of the public disclosure of the different information considered relevant in 2014, especially the Management Report and Accounts relative to 2013, as well as the Corporate Governance Report relative to the same period, both approved at the General Meeting.

Annual General Meeting:

The General Meeting held on 31 May 2014 recorded the expressive participation of holders of 82.69% of the share capital and voting rights, and approved all the proposals submitted to deliberation, namely the proposed approval of the documents presenting the consolidated and individual accounts, the proposed appropriation of net income submitted by the Board of Directors, the proposal relative to the appraisal of the Company's management and supervisory Bodies, the proposal relative to the Statement on the remuneration policy of the members of the Company's management and supervisory Bodies, and the proposed election of an alternate member of the Supervisory Board to perform duties up to the end of the term of office in course 2011/2014, due to the resignation submitted by the previously elected member.

Dividends:

The General Meeting approved the proposed appropriation of net income submitted by the Board of Directors, according to which it is proposed that the individual net income of TD,SA for 2013, amounting to €64,028,905.23 (sixty-four million, twenty-eight thousand, nine hundred and five euros and twenty-three euro cents), should be appropriated as follows:

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

Changes in the composition of the Supervisory Board:

By letter of 24 March, 2014, Dr. Horácio Lisboa Afonso submitted his resignation to the position of alternate member of the Supervisory Board which he had held at "Teixeira Duarte, S.A.", due to being in a situation of incompatibility, under the legally established terms, to accumulate this position simultaneously with the exercise of another which he performed at another entity. Consequently, and as noted above, Dr. Óscar Manuel Machado de Figueiredo was elected as the new alternate member of the Supervisory Board, to hold this position up to the end of the term of office in course (2011/2014).

By letter of 7 November de 2014, Dr. António Gonçalves Monteiro submitted his resignation to the position of Chairman of the Supervisory Board which he had held at "Teixeira Duarte, S.A.", following his appointment to perform the duties of member of the Board of Auditors of Banco de Portugal, in the capacity of Chartered Accountant. In this context, Dr. Óscar Manuel Machado de Figueiredo took office as a permanent member of the Supervisory Board, and was subsequently elected to perform the duties of Chairman of this body, up to the end of the term of office in course.

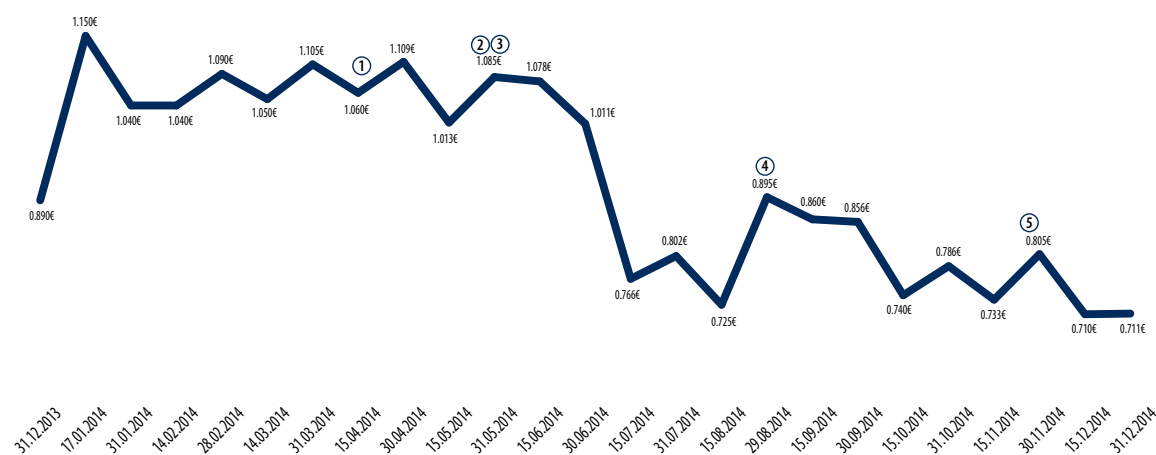
The shares of Teixeira Duarte, S.A.:

During 2014, the share price devalued by 20%, falling from 0.89 euros as at 31 December 2013, to 0.711 euros as at 31 December 2014.

Regarding liquidity and turnover during this year, close to four times the shares traded in 2013 were traded on the Stock Exchange, i.e. 68,468,201 shares, with a total turnover of 67,370,116 euros.

On 24 March 2014, the shares representing the share capital of "Teixeira Duarte, S.A." were included in the PSI20.

The graph below shows the evolution of the stock market share prices during 2014.



Teixeira Duarte, S.A. Share Prices

1 - Disclosure of Results relative to the financial year of 2013 - 17 April 2014

2 - Activity, results, economic and financial situation for the 1st quarter of 2014 - 30.05.14

3 - Approval of the Annual Report for 2013 - 31 May 2014

4 - Results relative to the 1st semester 2014 and outlook for the end of the year - 29 August 2014

5 - Activity, results, economic and financial situation for the 3rd quarter of 2014 - 28 November 2014

IV. SECTORIAL REVIEW

The activities developed in the different sectors in which the Group operates are presented below, followed by a similar structure for each sector, that is, beginning with a presentation of the respective sector with the Teixeira Duarte Group, after which an explanation will be given, with graphic portrayal of the consolidated Turnover and EBITDA, of the contribution of this business area to the Group, and concluding with a presentation of its action during 2014, accompanied by non-consolidated indicators enabling the analysis and outlook on total activity, rather than that restricted merely to its final contribution to the consolidated figures.

IV.1. CONSTRUCTION

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

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

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

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

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

During 2014, Teixeira Duarte operated in this area in various countries, where its main markets were Portugal, Angola, Algeria, Brazil, Spain, France, Mozambique and Venezuela.

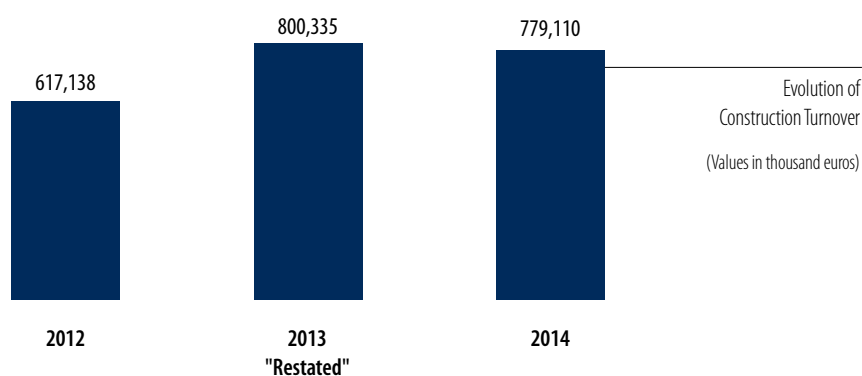
— CONTRIBUTION OF THIS SECTOR TO THE GROUP

The Turnover of Construction increased in Brazil, Mozambique and Venezuela, and decreased in Portugal and Angola, having recorded an overall reduction of 2.7% relative to 2013.

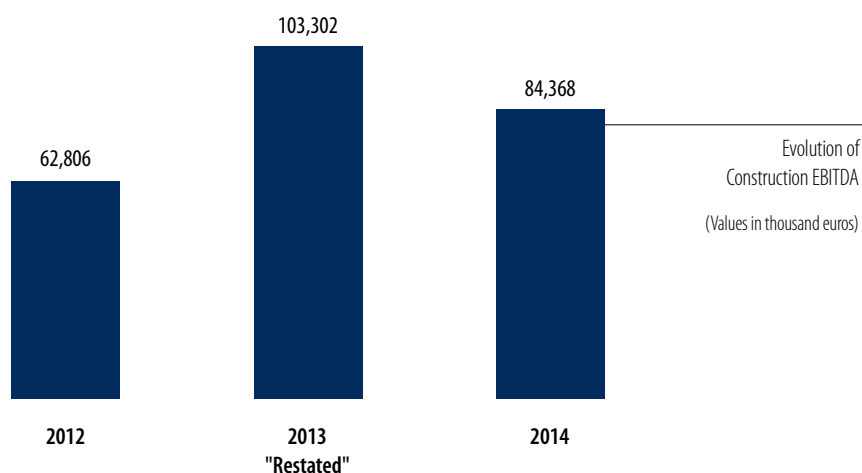
The values in Portugal fell by 28.5%, due to the widespread retraction, and declined by 29.1% in Angola, primarily as a result of the fact major works underway in this country in 2013 are currently at a stage of completion.

Particular note should be made of the growth in Mozambique and Venezuela and, especially, in Brazil, where this indicator stood at 84.2%.

Thus, in 2014, the foreign market accounted for 90.6% of Construction turnover.



EBITDA in Construction declined by 18.3% in relation to the previous year.



— ACTIVITY DURING 2014

In non-consolidated terms and in order to provide an overall view of the total activity during 2014, we disclose that the Group's operating income in the Construction sector reached the total value of 1,027,221 thousand euros, reflecting an overall slight decrease of 0.7% in relation to 2013.

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

GEOTECHNICS AND REHABILITATION is the Operating Centre of TD-EC which covers the areas of Geotechnics and Foundations, as well as Rehabilitation, centralising a reference engineering and research unit in the Company and recognised as such in the market.

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

The Geotechnics and Foundations area designs and executes Foundation Engineering Technical Studies, Geological Studies, Mineral Prospecting, Diaphragm Walls, Piles, Micro-piles, Nailing, Anchorage, Consolidations, Injections, Jet-Grouting, Projected Concrete, among other works of the speciality.

The Rehabilitation area carries out specialised works in the fields of Rehabilitation of Structures and Conservation of Monuments and Constructed Architectural Heritage, as well as Inspections and Diagnosis of Structures.

After the strong increase accomplished in the previous year, the activity developed by the Geotechnics and Rehabilitation Operating Centre of TD-EC once again recorded an excellent operating performance in 2014, achieving income of approximately 76.3 million euros.

In **Portugal**, the crisis in the construction sector and reduction of public and private tenders continued to negatively influence the operating performance of this area, which declined by 69% in relation to the previous year. Construction income stood at 4.3 million euros, contributing only by 5.6% to the income of this centre.

In this area, we highlight the execution of the following contract works:

- Crestuma-Lever Hydroelectric Development - Contract for Diagnosis of the causes and effects of the downstream flow of Basin 7E, for "EDP - Gestão de Produção de Energia, S.A.";
- Various contracts for rehabilitation of buildings and structures at Sines Hydroelectric Plant, for "EDP - Gestão de Produção de Energia, S.A.";
- Rehabilitation of the Bridge over the River Vouga, for "EP - Estradas de Portugal, S.A.";
- Geotechnical survey and execution of definitive strengthening anchorages on the existing retaining wall in Jardins de Braço de Prata, in Lisbon, for "Fundo de Investimento Imobiliário Fechado - LISFUNDO";
- Execution of piles and peripheral containment of Lot 5 in the "Fórum Oeiras" development, for an entity of the Teixeira Duarte Group, "Fundo de Investimento Imobiliário Fechado TDF";
- Execution of peripheral containment and excavation of the building of Lot 13, in "Lagoas Park", in Oeiras, for "Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.";
- Supplementary drilling campaign and observation plan at Cerro da Mina reservoir, for "SOMINCOR, S.A.";
- Survey wells and structural drilling for hotel "A Brasileira", in Porto, for "OPPA - Investimentos Imobiliários, S.A.";
- Execution of indirect foundations of the portal frame of the substation in the contract for the power reinforcement of Salamonde hydroelectric development, in Braga, for "EDP - Gestão da Produção de Energia, S.A.".

The aforesaid context of market retraction in Portugal implied that proposals were only submitted to the total value of 64 million euros.

Considering the works in the order book at the end of 2014, a slight increase of income is expected in 2015, although very low operating levels in relation to the installed capacity will be maintained.



REFER.E.P.
Reinforcement and rehabilitation of the foundations of
International Bridge of Valença - Minho Line
Valença | Portugal



Angola LNG Limited
Project, acquisition and construction of the loading
point to support the Angola LNG plant
Soyo | Angola

In **Angola**, income reached the value of 21.6 million euros, exceeding the values achieved in 2013 by approximately 9.9%.

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

- "Engineering, Procurement and Construction (EPC) of the Marine Operations Support Dock", in Soyo, for "ANGOLA LNG, Limited".
- Consolidation of the back wall of the Cine-Teatro Nacional building, for the "Ministry of Culture", in Luanda;
- Reinforcement of flooring slabs, replacement of the roof and construction of a ramp at TDA's Coqueiros workshops, for the Teixeira Duarte Group company "TDA - Comércio e Indústria", in Luanda;
- Indirect foundations of Lots 29 to 33 of Cooperativa Essândju, for "Cooperativa Essandju, SCRL", in Luanda;
- Indirect foundations of the 2nd phase of the Luanda Logistics and Distribution Centre, for "Mercasa-Incatema Consulting, S.R.L.", in Luanda;
- Peripheral containment and indirect foundations of the Maculusso facilities, for "Igreja Universal do Reino de Deus", in Luanda.

Other important contract works were started this year in Angola, namely:

- Contract for the "2nd Phase of the reinforcement of the suspension system of Barra Bridge over the Kwanza River, for I.N.E.A. - Instituto de Estradas de Angola";
- "Execution of the pile foundations and peripheral containment of the building of Parcel A, Lot 13, of Luanda Bay" for "IMOBÁIA, S.A.", a company 100% held by "OMATAPALO - Engenharia e Construção, S.A.";



Hasnaoui/FCM Construction
Oran Sugar Refinery - Execution of piles
Oran | Algeria



Gulf Bank Algeria
New head office of AGB - Execution of curtain of drying piles
Algiers | Algeria

- "Execution of the pile foundations of the building of Parcel 3, Lot 39, of Luanda Bay" for a private client, in Luanda.

In the commercial area, the number of proposals that were submitted increased by 26%, to a total of 159, with their overall value having reached 148 million euros.

For 2015, in spite of the climate of some uncertainty caused by the drop in the price of oil, it is expected that the operating levels will continue similar to those of the previous year.

In **Algeria**, 2014 was a year of the consolidation of the activity of the Operating Centre in this country, with income having reached the value of 6.6 million euros, i.e. 4.1 million euros more than the figure achieved in 2013.

Reference is made to the completion of the following contract works:

- Execution of special foundations for "Grand Raffinerie du Sucre", in Oran, for the Portuguese-Algerian company, "HASNOUI FCM Construction";
- Execution of the containment by pile curtains in a building located in Ben-Aknoun, in Algiers, for "Société Tidjini Construction";
- Execution of the containment by pile curtains in Bab el Oued Hospital, for "GLOBALCLEOP, S.A.".

We also highlight the contract started during 2014, for the excavation and peripheral containment of the new head office "AGB - Gulf Bank Algeria", in Algiers.

Commercial activity increased significantly in relation to the previous year, with proposals to the value of 75 million euros having been submitted.

2014 was, for the Group, a year of affirmation of the Geotechnics and Foundations in this country, strengthening the good reputation that Teixeira Duarte already had in the market, and enabling an expansion of the existing operating capacity.

For 2015 and based on the major infrastructure projects that have already been awarded with an important component of geotechnical work, and it is expected that the growth observed during the year under review should continue.

In **Brazil**, in line with the progressive growth that has occurred in Geotechnic and Rehabilitation activity since our entry into this market in 2011, the volume of work surpassed 26 million euros, 46% more than in the previous year.

Continuing our relationship with important private customers, in 2014 we recorded intense commercial activity which has enabled establishing connections with new renowned entities in the market, such as "ODEBRECHT", "CSN" and "YARA Fertilizantes", as well as expanding the area of action to six states.

During the period under analysis, among the contract works started in 2014 and others which began developing in the previous year, reference should be made, in the area of Geotechnics and Foundations in Brazil, to the following works:

- Deep foundations (drilled shafts, root piles and diaphragm wall) along Line 17 of São Paulo Metro, for the "Andrade Gutierrez / CR Almeida Group" Consortium;
- Foundations (drilled shafts) of the South Finger and extension of the North Quay at "Jurong Shipyard", in Aracruz, Espírito Santo, for the "EMPA, S.A. / CR Almeida Group" Consortium;
- Special Foundations (drilled shafts and root piles) of the Anchieta Highway Junction, in Cubatão, Santos, for the "CR Almeida Group";
- Special foundations (drilled shafts, pipe driving and jet grouting), on the Bridge over Canal da Barra, along Line 4 of São Paulo Metro, for the "Rio-Barra" Consortium;
- 800 mm diaphragm wall and jet grouting for the Tanks of Niterói Square and Varnhagen Square, inserted in the flood control project in the Tijuca Basin, in Rio de Janeiro, for "Construtora OAS, S.A.";
- Slope stabilisation (anchorage, nailing, application of the containment network) in the Cava Oeste Sector, at Mina de Águas Claras, Nova Lima, Minas Gerais, for "VALE, S.A.";
- Peripheral containment (diaphragm wall and provisional tie rods), at SAO Residential Development, in São Caetano, São Paulo, for "GRAFISA, S.A.";
- Execution of foundations (drilled shafts) at "Altavista Premium" residential development (Phase 2), in Jundiaí, São Paulo, for the company "Schahin Engenharia S.A.";
- Peripheral containment (diaphragm wall, curtain of drying piles, provisional tie rods), at "My Place" development, in São Paulo, for the company "SINCO Engenharia, Ltda";
- Containment executed in root piles, in the "Square Axis" development, in São Paulo, for "GRAFISA, S.A.";
- Special foundations (diaphragm wall, provisional tie rods, drilled shafts and posts), at Wide Cambuí development, in Campinas (SP), for "GRAFISA, S.A.";
- Drilled shafts at Rodoanel de São Paulo (North Section), for "Construtora OAS, S.A.";



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



"Rio-Barra" Construction Consortium
Special foundations of the bridge over Canal da Barra
Line 4 of Rio de Janeiro Metro
Rio de Janeiro | Brazil

- Drilled shafts of Itapaíuna Bridge, over the River Pinheiros, in São Paulo, for "Construtora Norberto Odebrecht, S.A.";
- Peripheral containment (diaphragm wall and provisional tie rods) at the temple of "Igreja Universal do Reino de Deus", in Curitiba.

In the Rehabilitation area in Brazil, we highlight the following:

- Work carried out under the contract for Replacement of 3 bridges along Estrada de Ferro Vitória-Minas (continuity of the contract started in 2013, which shall extend up to 2015), for "VALE, S.A.", namely involving the replacement of the Bridges over the River Corrente (Governador Valadares, Minas Gerais) and River Piraqueaçu (João Neiva, Espírito Santo) as well as preparatory work for the replacement of Santa Maria Bridge (Cariacica);
- Inspection and testing campaign at the quay and access bridge, at the "Yara Fertilizantes, S.A." premises, in Rio Grande, in Rio Grande do Sul, and subsequent intervention in the rehabilitation of this maritime infrastructure, including the replacement of the crane rails on the upper surface of the deck;
- Rehabilitation and stabilisation of the pile foundations (P39 and P49) of the mineral transporter, at Mina da Casa da Pedra, Congonhas, Minas Gerais, for "Companhia Siderúrgica Nacional".

In spite of the reduction which occurred in the second half of the year in the launch of public and private tenders, due, among other factors, to the electoral period in October 2014, during the year under review, proposals were studied of the value of around 880 million euros, which represented an increase of 60% above the figure recorded in the previous year, essentially due to the fact that many proposals were prepared for large-scale enterprises, especially port works.



IMOINVESTE
Demolition, peripheral containment, excavation and execution of piles
Maputo | Mozambique



CFM
Reconstruction of the Railway Bridge of the Ressano Garcia Line
Ressano Garcia | Mozambique

In spite of the current circumstances of retraction of the Brazilian economy, in view of the continuation of various contracts in our order book and the prospect of the award of new structural projects, especially in São Paulo, we maintain the expectation that the value of work executed in 2015 will be higher than that achieved this year.

In **Mozambique**, operating income reached the value of 10.3 million euros, having increased by over 55% in relation to the previous year.

Reference is made to the execution of the following contract works:

- Peripheral containment and execution of piles for "Edifício JN II", on Avenida Julius Nyerere, in Maputo, for "IMOINVESTE – Investimentos Imobiliários, S.A.";
- Rehabilitation work of the Quay Bridges of Maxixe and Inhambane, for the Ministry of Transport;
- Work carried out under the contract for Reconstruction of the Bridge at km 74+100 of the Ressano Garcia Railway Line, in the Province of Maputo, for "CFM – Portos e Caminhos de Ferro de Moçambique, E.P.";
- Geotechnical Surveying for "NEDA – Engineering Group (Pty) Ltd.", in the City of Tete.

In the commercial area proposals were prepared to a total value of over 90 million euros, i.e. 30 million euros than in the previous period, where, among these proposals of 2014, contracts have already been awarded amounting to the total value of 21 million euros, among which we highlight the Rehabilitation of the Bridge over the River Save. These awards enable facing the next few years with optimism and foreseeing the continued growth of the Group's activity in this Construction area in Mozambique.



Boyacá La Guaira Consortium
Stabilisation of slopes along the extension of Avenida Boyaca up to the Macayapa distributor, and extension of Tacagua viaduct - Macayapa Distributor - Anchorages
Caracas | Venezuela



Boyacá La Guaira Consortium
Stabilisation of slopes along the extension of Avenida Boyaca up to the Macayapa distributor, and extension of Tacagua viaduct - Macayapa Distributor - Anchorages
Caracas | Venezuela

In **Venezuela**, the work that had been executed under this Operating Centre has finished, having reached the total value of 6.9 million euros in 2014, and primarily involve:

- The Geotechnics and Foundations work in the contract of "Expansion and Modernisation of the Port of La Guaira";
- The containment of slopes of the North and South Entry and Exit Boring of the tunnel inserted in the Project of Extension of Avenida Boyaca;
- The containment of slopes at Macayapa Distributor.

In view of the current circumstances of this country, the outlook for 2015 points to a slowdown in turnover.

During 2014, the Geotechnics and Rehabilitation teams started prospecting new markets, in particular **Colombia** and **Morocco**, countries where, making the most of synergies with other teams of the Teixeira Duarte Group, various contacts have been established for market prospecting and presentation of Teixeira Duarte's potential in this specific area of Construction.

In the first case, proposals have been studied representing the total value of around 38 million euros. In the second case, the proposals reached the total value of 22 million euros, with the achievement of the award for the implementation of the "Pieux de fondation Diamètre 1600 mm sur le Viaduc de Loukkos, LGV - Ligne de Grande Vitesse, Tanger Kenitra Larache" works, for "SGTM - Société Générale de Travaux du Maroc", under which operating income of 700 thousand euros was obtained in 2014.

The support provided to Portuguese companies working in Equatorial Guinea gave rise to operating income of the value of 220 thousand euros under the contract of "Construccion de las calles de la ciudad administrativa de Djibloho - SE4 viaduct - 800 mm diameter piles".



Multiusos Oriente
Day Centre, Health Centre and Gym/Sports Pavilion
Loures | Portugal



ANA - Aeroportos de Portugal
Lisbon Airport - Lounge Floor 5
Lisbon | Portugal

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

The total production in the activity area declined significantly from 2013 to 2014, as a result of the political cycles and changes in the economic climates in the markets in which the Company operates.

In Portugal, the construction of buildings followed in line with the context of retraction recorded in previous years, while in Angola – after an exceptionally productive period of contracts for various public bodies and private entities – there was a significant reduction of activity after the completion of various large-scale works.

In this construction area and continuing the focus already placed on Algeria and Brazil – countries with major potential growth in the construction of buildings – a reinforcement was made of the resources aimed at consolidating the activity and increasing turnover.

In **Portugal**, the building construction market remained at very low levels, due to the weak investment, both public and private, with production having continued at low values similar to those recorded in the previous year.

In the health area, the contract was completed for the Execution of Civil Construction, Special Facilities, Metal Structure and External Arrangements of the Compensation Building, Health Centres, Day Centre and Sports Pavilion, for "Multiusos Oriente – Fundo Especial de Investimentos Imobiliário Fechado", in Loures.

In the service sector, various works were executed at Portela airport, in Lisbon, for "ANA – Aeroportos de Portugal, S.A.", namely the contract works in Lounges level 5 and 6, the Reformulation of the commercial and service areas – Phase I and Contingency Room F.



Office of Special Works (GOE)
National Assembly of Angola
Luanda | Angola



Clínica da Sagrada Esperança
Talatona | Angola

Two works were also carried out for this customer at Faro Airport: the works for the "Fast runway exit - Alteration of the layout and location of RETIL" and for the "PIT replacement valves".

Also in the area of service buildings, the work of the future head office of "Fundação Oriente", was started in Lisbon.

In the housing area, start-up of the construction of Lot 5 of the "Fórum Oeiras" development, for the entity of the Teixeira Duarte Group, "Fundo de Investimento Imobiliário Fechado TDF".

In **Angola**, the year was marked by the low number of public tenders and the completion of important contracts, where special note should be made of the completion of the works of the National Assembly of Angola, for the "Office of Special Works (GOE)" and the Towers of Buildings 2, 3 and 4 of "ESCOM - Espírito Santo Imobiliária, SARL", both in Luanda.

In the industrial area, the Execution of Civil Construction works at the Combined Cycle Plant of Luanda Refinery, for "Hidráulica de Angola, Lda." was completed.

In the service sector, various contracts were completed, in particular the construction of the "Sky Gallery" building, for "ESCOM Imobiliária, S.A." in Luanda, and the construction of a multi-purpose building was started for the "Igreja Universal do Reino de Deus", in Maculusso, Luanda.

During 2014, contracts were also executed for other Group companies, namely in the Distribution area, which included the execution, remodelling and expansion works of various facilities of the "MAXI" retail chain and "DAKASA", namely:

- The construction of a new shop for "MAXI" in Benguela;
- The remodelling of the administrative building, shopping gallery and new shop, for the "DAKASA" brand, in Morro Bento;

- The construction of three new shops of the "DAKASA" brand in the shopping galleries of the "MAXI" shops of Mulemba, Rocha Pinto and Cacucaco;
- The expansion of the "MAXI" shop, in Zango;
- Construction of the new "MAXI" shop, in Congolenses;
- The expansion of the cold store of the "MAXI" shop, in Lobito.

Various contracts were also executed for other Group companies, in particular in the Automotive sector, such as:

- The construction of the Vauco Workshops and Stand in Lobito, and expansion of the Ho-chi-Min Vauco Stand, for the company "VAUCO, Lda";
- The reorganisation works of the Coqueiros TDA Workshops, in Luanda.

In the area of tourist enterprises, the contract for remodelling Hotel Trópico, in Luanda, was executed within the period of six months, which implied the total renovation of the special facilities, finishing/coatings, furniture, decoration and equipment, enabling its reopening to the public on 1 June 2014.

Also for a Teixeira Duarte Group company, various contracts were executed for the "Nilo" pastry shop chain.

In the health area, the following contracts were carried out for "Clínica da Sagrada Esperança":

- Completion of the construction of the "SOS - International" building (Phase 1), in Luanda;
- Start of the design and construction of Building number 1 (Structure Phase), in Talatona;
- Start of the expansion work of the Laundry of "Clínica da Sagrada Esperança", in Ilha do Cabo, Luanda.

In the social area, the "Contract for Construction of Casa das Artes, Meninos do Mussulo", for "ConSaúde - Consultoria de Gestão e Administração em Saúde, Lda." was completed.

In the housing sector, two general contracts were started for "Cooperativa Essandju, SCRL": the "Construction of the Dyeji Building" and the "Construction of the Kuaquie Building", both located in Ilha do Cabo, in Luanda.

In view of the country's current economic circumstances, the outlook points to a continued retraction in the construction of buildings.

In **Algeria**, the commercial work developed during the last few years in this area was reflected, in 2014, in the award of important work contracts.

During 2014, the "Construction of the Official Residence in the City of Constantine" contract work was pursued for the "Direction de L'Administration Locale de la Wilaya de Constantine".

The contract was signed, in association with the Algerian company "SPA - Groupe ETRHB HADDAD", for the "Réalisation d'un Parking à Étages au niveau de Sidi-Yahia - Bir Mourad Rais (Alger)", for the "Direction des Déplacements des Transports et de la Circulation de la Wilaya d'Alger".

The adaptation work of a building for Teixeira Duarte's new offices in the city of Algiers was started for a Group company.

The contract for the "Réalisation de l'Ensemble des Travaux en Tout Corps d'Etats - Projet Nouveau Siège Social AGB - El Biar Alger" was awarded at the end of 2014. This involved a building intended for the installation of the head office of the "Algerian Gulf Bank", composed of two semi-separate towers with 15 floors above ground level and 5 basements, united by a central core of elevators, with a modern and bold architecture, which will certainly constitute a reference in the capital of this country.

During the year under review, contracting was also approved for work which will be developed by an enterprise group led by "Teixeira Duarte - Engenharia e Construções, S.A.", for the execution of "Constantine Football Stadium", for the "Direction de la Jeunesse et des Sports de la Wilaya de Constantine", with 50,000 places. This contract is expected to be signed during 2015, thus increasing the sector's portfolio in Algeria.



José Bonifácio University Foundation
Clínica Mais Pesquisa para a Saúde
Rio de Janeiro | Brazil



Instituto Porto Seguro
New Structural Gallery
São Paulo | Brazil

In **Brazil**, the loyalty of existing customers and the attraction of new customers implied that total income increased by approximately 43% in relation to 2013.

In the area of school buildings, the first stage was completed and the second started of the contract for the Basic Integration Project of "Clínica Mais Pesquisa para a Saúde", integrated in the Health Science Centre of Universidade Federal do Rio de Janeiro, for the "Fundação Universitária José Bonifácio", in Rio de Janeiro.

In the industrial area, the "Civil Construction of the Welding, Assembly and Painting Workshops" was executed, as well as the Corridors for Phase I of the Brazil Project, in Jacarei in São Paulo, for "CHERY BRASIL – Importação, Fabricação e Distribuição de Veículos Ltda.".

Various other contracts were also carried out in this area, in particular:

- The execution of "On-Shore IV Civil Works" for the construction of various buildings, for "Anglo American Minério de Ferro Brasil, S.A.";
- Implementation of the contract for "Civil Services in the Cold Lamination Systems, Aciaria 2 and Central Maintenance", in Cubatão, São Paulo, for "Usinas Siderúrgicas de Minas Gerais S.A. – Usiminas".

In the service sector, work was started for the "Construction of the Structural Gallery, including Foundations, Structure, Finishing and Installations", in São Paulo, for the "Instituto Porto Seguro". The contract for "Execution of Earth Movement, Deep Foundation, Direct Foundation and Diaphragm Wall", in Curitiba, State of Paraná, was also started for "Igreja Universal do Reino de Deus".

In the health area, various works were executed, in particular:

- Completion of the contract for "Execution of the Scouts Building in Niterói - Rio de Janeiro", for "Hospital de Clínicas de Niterói, Ltda.";



Hospital de Clínicas de Niterói
Scouts Building
Niterói | Rio de Janeiro | Brazil



Impar - Serviços Hospitalares
Surgical Centre and Intensive Care Unit of Hospital de São Lucas
Rio de Janeiro | Brazil

- "Execution of Civil Works, Finishing and Installations of the 6th Floor of Hospital Vitória, for "ESHO - Empresa de Serviços Hospitalares S.A.", in São Paulo;
- Completion of the contract for "Execution of Civil Works, Finishing and Installations of the 7th Floor of Azevedo Macedo Advanced Unit of Hospital da Luz", also in São Paulo, for "AMICO SAÚDE, Ltda.";
- "Execution of Civil Works, Finishing and Installations of the 1st Floor of Azevedo Macedo Advanced Unit - Adult UTI", in São Paulo, for "AMICO SAÚDE, Ltda.";

The experience and good performance demonstrated in this health area was evident by the iteration of new contracting in 2014, for the execution of contract works for these customers, where we highlight:

- The "Execution of Foundations and Reinforced Concrete Structure of the Imprensa Building", for "Impar Serviços Hospitalares S.A.", in Niterói;
- The "Execution of Civil Construction Services and Technical Facilities at the Surgical Centre on the 3rd Floor and Intensive Treatment Unit (UTI) on the 4th Floor, at Hospital São Lucas, in Copacabana, Rio de Janeiro", for "IMPAR - Serviços Hospitalares S.A.".

The circumstances that have progressively affected the development of economic activity in Brazil, have negatively influenced investment in the buildings area, although, due to the loyalty of customers and attraction of new ones, the outlook is for continued growth in 2015.



Maputo Car Terminal
MCTL Porto de Maputo
Maputo | Mozambique



Kudumba Investments
Kudumba Ressano Garcia
Ressano Garcia | Maputo | Mozambique

In **Mozambique**, in spite of the major increase of competition, activity in the Group's area of buildings continued to grow, with income having been 28% above that recorded in the previous year.

In the industrial area, various works were completed, in particular:

- The "Execution of Emergency Works for Drainage and Discharge of Rainwater in the Laulane District", in the city of Maputo, for "CFM – Portos e Caminhos de Ferro de Moçambique E.P.";
- The "Restoration of the Roofing of the Railway Workshop and Other Works at the General Maintenance Workshops", in Beira, for "VALE Moçambique, S.A.";
- "Rehabilitation of the Hard Stand Near Berth 15 and 16 at Port Maputo", for "MPDC Sociedade de Desenvolvimento do Porto de Maputo, S.A.";
- "MCTL – Extension to the Car Terminal, Wash Bay and Building Grindroad at Maputo Port", for "Maputo Car Terminal, Lda.";
- "Expansion of the 20.320 m² Ferrochrome Storage Hardstand", for "MPDC – Sociedade de Desenvolvimento do Porto de Maputo, S.A.".

During 2014, various contracts were also started, where we highlight:

- The "Construction of Infrastructures for Non-Intrusive Inspection Facilities", for "Kundumba Investments, Lda.";
- The "Civil Construction for the New Hose Filter of the Kiln of Matola Cement Factory", for "Cimentos de Moçambique, S.A.", in the city of Matola;



Banco de Moçambique
Complex of 3 Buildings on Av. 25 de Setembro/Av. Samora Machel
Maputo | Mozambique



Imoinveste
Building for the Tax Authority of Mozambique
Maputo | Mozambique

- "Nacala Port Rehabilitation Project", for the "PENTA-OCEAN Construction, Co, Ltd." Group, in Nacala;
- The "Contract for Electromechanical and Hydraulic Maintenance of Stonemasonry", for "CLN - Corredor Logístico Integrado de Nacala, S.A."

In the service sector, the contract for construction of two buildings continued, for "Banco de Moçambique", a large-scale and highly complex work, located in the central zone of Maputo.

The contract for "Construction of Structure, Foundations and Masonry of the Head Office Building of the Tax Authority of Mozambique", in Maputo, for "IMOINVEST - Construções, Lda." was also completed.

In 2014, various works were commenced, in particular:

- The "Construction of a Service Building for the Ministries of Planning and Development and of Finance", in Maputo, for "IMOINVEST - Construções, Lda.";
- The contract for Execution of a Car Park and Expansion of a Home Center Shop, both in Maputo, for "Home Center, Lda.";
- The construction of a building for installation of the Ministry of Agriculture, in Maputo, for "SOCIGEST - Sociedade de Gestão de Participações, S.A.";
- The construction of a bank branch for "Moza Banco, S.A.", in Ressano Garcia;
- "Construction of an Office Block, Warehouse, Canteen, Ablution and Two Gate Control Houses at GT- Satruck Terminal, km 4, Ressano Garcia Border", for "Gestão de Terminais, S.A.", in Ressano Garcia.

In the housing area, the construction of a multi-purpose building continued, at Avenida Julius Nyerere number 130, in Maputo, for a company of the Teixeira Duarte Group, and the "Construction of Reinforced Concrete Structure of a building situated on Avenida Ahmed Sekou Touré", in Maputo, was executed for "SOICIFIDE Moçambique, Lda."

The order book for 2015 enables expecting a growing volume of activity and, although the majority of the foreseen works are in Maputo, there are also various open construction works in the provinces of the centre and north of the country, which are carefully following the evolution of new development centres, especially in the provinces of Nampula and Cabo Delgado, where contracting opportunities could arise from the projected mining activity in these zones.

Throughout 2014, the area of **INFRASTRUCTURES** upheld its decisive position in Teixeira Duarte's growth of the activity, not only in terms of the economic importance of its actual projects, but also due to its driving capacity to mobilise the Company's different aspects and areas of action.

With its portfolio involving all types of Infrastructures, namely Roads and Motorways, Bridges and Viaducts, Dams, Railway Lines, Railway Stations and Junctions, Port Works, Environmental Construction, as well as Water and Natural Gas Infrastructures, this Operating Centre has accompanied the cyclical variations of the main markets in which the Group operates.

In fact, throughout this period, Teixeira Duarte has worked with a view to improving the distribution of the portfolio of activities over the different geographic zones, in this way also making it easier to cope with the adversities represented by the existing variations in the social, political and macroeconomic scenarios of each region.

In this context, 2014 can be perceived as a year integrated in a period with an outlook of continued growth.

In **Portugal**, the activity continues greatly below what would be normal for the sector. Notwithstanding this, the contract has been signed for the finalisation of the Marão Tunnel construction works - which will lead to increased income in Portugal -, and there are prospects of a reversal of the trend of market contraction which might imply new entries into the order book during the year in course and in subsequent years.

The following works were developed during this year:

- The general construction contract for the reinforcement of the power output of Salamonde Dam, in Salamonde - Vieira do Minho, for "EDP - Gestão da Produção de Energia, S.A.". This work, executed by "Construsalamonde, ACE", in which TD-EC and its participated company EPOS, S.A. hold 92.5%, is of high technical complexity, where its development has been compatible with the defined objectives, and complied with all the contractually relevant deadlines, for the demanding customer EDP. The works are forecast to be concluded during 2015, as defined with EDP, thus consolidating the technical-commercial relations with this customer and partner;
- The contract for the construction of Cerro da Mina reservoir, in Neves Corvo, for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A." was completed and accepted in July 2014, with the generality of the defined objectives having been achieved;
- The Design/Construction contract for the construction of Marão Tunnel, on the IP4 (A4), in Vila Real, for "EP - Estradas de Portugal, S.A.". This work, with tight deadlines and highly demanding in terms of management procedures, is executed in consortium between TD-EC and its participated company "E.P.O.S., S.A.", was awarded in September 2014 for the value of 88.1 million euros and with an execution period of 518 days, 120 of which allocated to the implementation project.



EDP - Gestão de Produção de Energia, S.A.
Salamonde power reinforcement - Salomonde Dam
Vieira do Minho | Portugal



INEA (National Road Institute of Angola)
Rehabilitation of Luanda Road Network - Avenida Hoji Ya Henda
Luanda | Angola

In **Angola**, the volume of production increased by close to 29% and, in spite of the circumstantial climate of greater retraction in the investment in infrastructures, the technical-commercial activity was strengthened, pursuing the target of growth in this important market.

The projects developed during 2014 were:

- The contract for Rehabilitation of Luanda Road Infrastructures - Avenida Hoji Ya Henda, covering 5.1 km, for "INEA - Instituto de Estradas de Angola", with the customer having accepted two of the most important stretches in September 2014, with a total length of approximately 2.1 km.

The rehabilitation works of this structural road of the city of Luanda - which crosses the important municipalities of Rangel and Cazenga - have continued constrained, especially by problems of expropriation and various contingencies in terms of the affected services. This contract is expected to be completed during 2015, although this objective may be adjusted by new determination of the Owner of the Work;

- The contract for the Construction of the General Infrastructures of the "Nosso Zimbo" Urbanisations, in the province of Benguela, was completed and provisionally accepted, as established, in November 2014, with good production and performance levels;
- The contract was awarded in April 2014 for "Studies, Implementation Project and Construction of the System IV Water Treatment Station - (BITA) - Lots B1 and B7", in Luanda, for "EPAL - E.P.", with an execution period of 36 months, for approximately USD 300 million, in which TD-EC has a 24.5% stake. This contract is currently being pursued at the planning and preparation stage.

The contracting of the Drainage, Landfill, Compacting, Soil Consolidation work for the "GE-GLS Oil & Gas, Angola, Lda." factory in Soyo, is foreseen for 2015, with an implementation period of around 10 months, and a value of approximately USD 28 million.



ANESRIF
Modernisation of the Thenia/Tizi-Ouzou railway line
and its electrification up to Oued Aissi - PK 36
Thenia/Tizi-Ouzou | Algeria



EMA - ENTREPRISE DU METRO D'ALGER
Project of Line 1 - Tracks, catenary work and stations of the
Place Emir Abdelkader/Place Martyrs section
Algiers | Algeria

In **Algeria**, the activity of the Infrastructures sector prolonged strong growth already shown in the previous year.

The main works in progress are:

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

These contracts are at a stage of full development, which should be maintained until their forecast completion dates in 2016. For both, there are expectations of possible fairly significant extensions and additions of new work, as a result of the customers' recognition of the good work delivered by Teixeira Duarte and its compliance with the defined objectives.

- During this period, the contract "Réalisation des Installations et Équipements d'Exploitation de l'Autoroute Est-Ouest - Lot Ouest", in northwest Algeria, started up for "Algérienne de Gestion des Autoroutes (AGA)", with an execution period of two years, for a total amount of 207 million euros. This work was awarded to an enterprise group led by TD-EC and covers the execution, over a length of 330 km, of the earth moving works, networks, civil construction and special facilities of 15 toll areas, 9 maintenance centres, 22 rest areas and 13 service stations, which will serve the West Lot of the East/West motorway.
- Start-up in 2014 of the contract "Réalisation et Exploitation de la Station d'Épuration de la nouvelle ville Ali Mendjeli (Constantine)", for the "Ministère des Ressources en Eau - Office National de l'Assainissement - ONA", with an execution period of 44 months (20 for construction and 24 for operation), for the value of approximately 15 million euros, which was awarded to an enterprise group led by TD-EC as a result of the good work accomplished in a previous contract for the same customer and the excellent relations maintained between the parties.

- In July 2014, the "Agence Nationale des Autoroutes" also provisionally awarded two large-scale contracts, for the execution of the feeder roads connecting the ports of Skikda and Ténès to the East/West motorway, which shall be carried out in partnership with Algerian companies, whose contracting and start-up is foreseen for the first half of 2015:

The object of the contract "Réalisation de la Pénétrante Autoroutière Reliant le Port de Skikda à l'Autoroute Est-Ouest sur 31 km", in Skikda, is the "key in hand" construction of a new motorway with a 2x3 lane profile, along 31 km, including 37 structural works and 5 junctions, with an execution period of 23 months and a value of approximately 300 million euros, where TD-EC shall lead the enterprise group with a holding of 75%.

The object of the contract "Réalisation de la Liasion Autoroutière Reliant le Port de Ténès à l'Autoroute Est-Ouest sur 54 km (première tranche sur 22 km)", in Chlef, is the "key in hand" construction of a new motorway with a 2x3 lane profile, along 22 km, including 25 structural works and 4 junctions, with a value of approximately 204 million euros, where TD-EC shall also lead the enterprise group with a holding of 47.5%. In April 2015, TD-EC received the contract and corresponding service order to carry out this contract, whose execution period is 23 months.

These two contracts reflect Teixeira Duarte's continuous focus on this country for over ten years and consolidate the importance of Algeria in the Group's Construction sector, primarily in the area of Infrastructures.

In **Brazil**, the action of this area of infrastructures, accomplished by the participated company "EMPA, S.A.", was marked by strong growth, as had been foreseen, with income having doubled in relation to the previous year, to stand at 79 million euros.

The activity developed in the public market of roads and bridges and in the private market for reference clients such as the "Jurong Aracruz Shipyard" and the mining companies "Anglo American Group", "VALE S.A." and "MBR - Minerações Brasileiras Reunidas, S.A.".

Indeed, during 2014, the following projects were continued:

- Port Infrastructure works On Shore 3 and On Shore 5, both at Porto do Açú, in Campos dos Goytacazes, in the State of Rio de Janeiro, for the "Anglo American Group".
- These works, which are at a stage of completion, are a fundamental part of the Minas-Rio Iron Ore Project, with the largest slurry pipeline of the world (529 km long), has already started up its operation.
- For "Jurong Aracruz Shipyard", the construction works of the South Quay, South Pier Finger and Extension of the South Quay have continued, covering a total length of 921.6 metres of mooring structures, including the execution of dredging, construction of accesses and retro area of a Shipyard intended for the construction of drilling ships for the exploration of offshore oil in the presalt layer, located in Aracruz, in the State of Espírito Santo.

This large-scale enterprise has entered its final phase of construction and constituted an enormous challenge to the work teams, with its demanding construction processes and tight execution deadlines.

- For the "DER/MG - Department of Roads of the State of Minas Gerais", the construction of the following continued:
 - MG-230 highway, Serra do Salitre-Rio Paranaíba section, covering 57 km;
 - LMG-680 highway, Paracatu - Brasília de Minas section, covering 94.8 km;
 - Bridges over the River Paracatu and River Verde along the LMG-680 highway.

During this year, the works and services were also started:

- Construction of the BR 235-BA highway, section between Sergipe/Bahia State Border and Jeremoabo, covering 79.3 km in the State of Minas, for "DNIT - National Department of Transport Infrastructures";



Anglo American Minério de Ferro Brasil, S.A.
Project of implantation of the Super-Port of Açú
São João da Barra | Brazil



Jurong Aracruz Shipyard
Jurong Shipyard
Aracruz | Espírito Santo | Brazil

- Also for the same customer, preparation of the Project and Execution of Duplication Works on the BR 116-BA highway, including Special Structural Works, on the section between Euclides da Cunha and PK 113.6 of this highway, covering 98.47 km, in the State of Bahia;
- For the participated company of the VALE Group "MBR - Minerações Brasileiras Reunidas, S.A.", the contract was started for the Stabilisation of slopes of the "Setor Cava Oeste da Mina Águas Claras", located in the city of Nova Lima, State of Minas Gerais;
- For the mining company "VALE S.A.", start-up of the construction of Bicas Viaduct, located at River Piracicaba, in the State of Minas Gerais.

The service orders for the following works were also received in 2014, which are expected to start in the second quarter of 2015:

- Project Preparation and Execution of Duplication Works on the BR 101-BA highway, including Special Structural Works, lots 1 and 2, between Sergipe/Bahia State Border and Alogoinhas, covering 83.58 km, in the State of Bahia;
- Project Preparation and Execution of Adjustment Works on the BR 440-MG highway, located at the city of Juiz de Fora, in the State of Minas Gerais.

The Brazilian construction sector is currently experiencing times of uncertainty, embodied by the Brazilian government's recent announcement of the adoption of restrictive macroeconomic measures, which forecast a year of austerity, with the consequent reduction of private and public investments in the area of infrastructures.

However, for 2015, is still expected that the level of activity recorded during the year under review will be consolidated, essentially due to the volume of workers already in the order book.



ANE
Repair of Chicumbane Bridge and Upgrade of the EN1
Province of Gaza | Mozambique



Bolipuertos
Expansion and modernisation of the Port of La Guaira
La Guaira | Venezuela

In **Mozambique**, the activity in this area is residual in relation to other markets, although, during the year under review, it grew in relation to the previous year.

The contract was completed in June 2014 for "ANE - Administração Nacional de Estradas", under the Emergency Programme, for the Repair of Chicumbane Bridge, two Water Underpasses at Xai-Xai, Engineering Structures at Baixa do Limpopo, and Upgrading of the N1 between Chicumbane and Xai-Xai, in the province of Gaza.

The contract for Repair of the Aqueducts at km 6+645, 35+500 and 35+600, along the Limpopo line, for "CFM - Portos e Caminhos de Ferro de Moçambique, E.P." was also started, completed and accepted in October 2014.

At the same time, the technical commercial activity continued with various proposals having been submitted, both in public tenders and for private customers.

In **Venezuela**, the activity of the infrastructure area showed significant progress during 2014 in the materialisation of expectations created in the context of Portugal's cooperation with this country.

Since the signing of the Supplementary Agreement to the Framework Agreement for Cooperation between the Republic of Venezuela and the Portuguese Republic, on matters of economic and energy cooperation, in 2008, there has been an increase in bilateral relations between the two countries, which is crucial in the advance of major projects.

In this context, in January 2014, under the IX Joint Follow-up Commission between Portugal and Venezuela, three new memorandums of understanding were signed for large-scale projects of high potential.



CANTV
OPSUT centre of network operations and data centre
Valle de la Pascua | Venezuela



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

In the maritime area, the Memorandums relative to the following projects were signed:

- "Terminal de Graneles Sólidos del Puerto de Maracaibo", in Zulia State for USD 36 million;
- "Terminal de Graneles Sólidos del Puerto Cabello", in Carabobo State for USD 115 million;
- "Proyecto de Expansión de la Planta Física de DIANCA" of USD 846 million, for the expansion and modernisation of the country's principal shipyard.

Note should also be made of the consolidation of the "Nueva Autopista Alternativa Caracas - La Guaira" Project, which is at a final stage of contracting for USD 4.787 million. This contract work is adapted to the priorities of the Venezuelan government, which intends to continue the modernisation of the country's important infrastructures, enabling the strengthening of the road link between Caracas and La Guaira, capital of Vargas State. A logical addition to the new capacity of Porto de La Guaira, the new motorway includes over 9 km of double-gallery tunnels and 7 km of viaducts, constructed in estimated period of 54 months, which reflects its technical complexity.

The principal milestone of this year of 2014 was the completion of the "Procura y Construcción del Muelle Oeste en la Ampliación y Modernización del Puerto de La Guaira" work, in Vargas State, for "Bolivariana de Puertos, S.A.". This large-scale project developed by the Teixeira Duarte Group under a "key in hand" scheme, involved the participation of Portuguese partners, in the areas of engineering, materials and equipment, implied the training and transfer of technological knowledge. It also involves the acquisition of special equipment, in particular six STS (Ship to Shore) Post-Panamax cranes, with 65 tons capacity at 50 metres, installed in the port, whose total capacity increased by 600,000 TEUs annually.

The Intelligent Building - OPSUT-COR Telecommunications Centre, in Valle de la Pascua, was also completed and inaugurated, for "Compañía Nacional de Teléfonos de Venezuela - CANTV", which will be the centre of the new broadcasting network in Venezuela.

For the same "Compañía Nacional de Teléfonos de Venezuela" (CANTV), the works continued for the construction and upgrading of 213 junctions and corresponding optical fibre network distributed throughout the different states of Venezuela, covering an area of more than 800,000 km², with very distinctive conditions and features which has implied enormous dedication, availability and efficient use of resources by the Teixeira Duarte teams.

The Baralt Tunnel work, "Prolongación de la Avenida Boyacá (cota mil) hasta el distribuidor Macayapa y Viaducto Tacagua", for the "Ministério del Poder Popular para el Transporte Terrestre", continues in progress, which Teixeira Duarte implements through the "Boyacá - La Guaira Consortium", in which it holds a stake of 57.2%.

After the completion of the complex entry and exit boring work at Baralt and Macayapa, the drilling work started on four fronts of the two galleries of the tunnel, which is expected to be completed at the end of 2015. The progress of the work in the components of the Macayapa distributor, and at Tacagua viaduct, was constrained by the dense occupation of the terrain and the inherent difficulties associated to the relocation processes. It is foreseen that the intervention of the "Ministério del Poder Popular para el Transporte Terrestre" shall enable an acceleration of the work and the completion of this important contract.

Over these last years, Teixeira Duarte has contributed to many works carried out for the structural development of Venezuela, successfully undertaking the responsibility and execution of large-scale and highly complex contract works, not only reflecting its capacity, but also its involvement of over 37 consecutive years with this country.

MECHANICAL ENGINEERING continues to affirm its position as an area of Teixeira Duarte's construction sector, due to its specialisation and technical capacity in the area of metal construction, namely Metal Bridges and Metal Viaducts, large-scale Metal Structures, Hydromechanical Equipment and Special Equipment, as well as in the area of Mechanics, particularly in the maintenance and repair of mobile construction and mining equipment.

During 2014, the Mechanical Engineering Operating Centre followed the downward trend of previous years in terms of volume of activity, essentially due to the declining number of large-scale contract works.

However, and as a result of the readjustment and optimisation of resources, the activity of this Operating Centre showed a positive performance that was as a whole higher than that achieved in 2013.

In **Portugal**, reflecting the continuing adverse circumstances, the activity experienced a significant retraction.

Even so, the workshop facilities of the Teixeira Duarte Operating Centre, in Montijo - which continue to assert their position as a relevant and fundamental area of Mechanical Engineering - produced the majority of the metal structures for the works of the different markets in which the Company operates.

The Upgrade of the Check Valve of the Energy Destroyer of Group 4 was carried out at Vila Nova / Paradela Plant for "EDP - Gestão de Produção de Energia, S.A.".

The contract for Expansion of the Zinc Plant, including the upgrade of equipment, was carried out for "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.". This contract, where technical rigour combined with strict compliance of highly demanding planning were critical factors for the client, was successfully completed, contributing to the assure the client's production plan.

In the area of Mechanics, the natural collaboration with the Central Equipment Department and other Group companies was continued, where the collaboration with "E.P.O.S., S.A." was significant in the maintenance of mining equipment.

Also in the area of repair of mining equipment, the technical assistance contract with "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A." was maintained, through which a large part of the mobile mining exploration equipment of this client was assured.



ANESRIF
Modernisation of the Thenia/Tizi-Ouzou railway line
and its electrification up to Oued Aissi - PK 36
Thenia/Tizi-Ouzou | Algeria



VALE, S.A.
Replacement of the metallic bridge over the River
Piraqueçu
Aracruz | Brazil

In **Angola**, the construction of metallic structures for contracts undertaken by other Teixeira Duarte Operating Centres continued, particularly in "CLOD - Luanda Logistics and Distribution Centre", as well as for other works involved in the expansion of the "MAXI" supermarket chain, belonging to companies of the Teixeira Duarte Group.

Also in Angola and under a contract that Teixeira Duarte is executing on the bridge over the River Kwanza, for "INEA - Instituto de Estradas de Angola", work was started for "Provisional Reinforcement - 2nd phase, of the suspension cables".

For 2015, there are strong expectations of signing a contract for assembly of large-scale structures, at a Hydroelectric Development Plant, of a considerable value, which should enable an optimistic outlook for Mechanical Engineering activity in this market next year.

In **Algeria**, the assembly of the "metallic structure of the viaduct at pk 36 Thenia/Tizi-Ouzou Line" was completed; having been included in the contract carried out for "ASNERIF - Agence Nationale d'Études et Suivi de la Realization des Investissements Ferroviaires". This is a large-scale structure, with four spans of 128 m each, covering a total length of 512 m, whose execution of high technical complexity progressed normally, with the demanding quality requirements having been met without deviations from the deadlines.

For 2015, Mechanical Engineering will execute the metallic structure of a large building, in Algiers, which Teixeira Duarte is constructing for the new head office of the "AGB - Algerian Gulf Bank", composed of two semi-separate towers with 15 floors above ground level and 5 basements, united by a central core of elevators.

In line with the forecast growth of the Teixeira Duarte Group's activity in this market, Mechanical Engineering has high expectations of having the opportunity to accompany this increase.



CFM - Caminhos de Ferro de Moçambique
Ressano Garcia Railway Line - Assembly of a metallic bridge
Ressano Garcia | Mozambique



Bolipuertos
Expansion and modernisation of the Port of La Guaira
La Guaira | Venezuela

In **Brazil**, the contract for replacement of three bridges along the Vitória - Minas Railway was continued, for the company "VALE, S.A.", where the Bridge over the River Corrente (Governador Valadares) and Piraqueçu Bridge (João Neiva) are already completed, and the assembly of Santa Maria Bridge (Cariacica) is underway.

In **Mozambique**, the metallic decks of the Ressano Garcia line bridge were executed, at km 74+100, for "CFM - Portos e Caminhos de Ferro de Moçambique, E.P".

For 2015, as a result of careful follow-up of the competent entities involved in the development of new bridge rehabilitation and construction projects in this market, it is expected that Teixeira Duarte will be awarded a contract for the rehabilitation of a suspension bridge with a length of 870 metres, with five spans, which shall require a relevant component of intervention in the Mechanical Engineering area.

In **Venezuela**, Mechanical Engineering intervened for the first time in 2014, in the context of the Porto de La Guaira work, executing 17 metallic buildings to support/access the refrigerated containers and a central workshop building for equipment maintenance with an area of 3,400 m².

For **UNDERGROUND WORKS**, apart from TD-EC itself, the Teixeira Duarte Group is also supported by "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A." (E.P.O.S., S.A.), a company with over thirty years of experience, with the most advanced technology and equipment for the execution of this type of work, operating both in the field of civil engineering as well as in the mining area, and in particular in this context, in the execution of mines, tunnels and instrumentation.

In 2014, "E.P.O.S., S.A. achieved a turnover of 72,196 thousand euros, a value slightly lower than that recorded in the previous year, but even so, in line with the outlook established for this year.



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



EP - Estradas de Portugal
Design and construction of Marão Tunnel
Vila Real | Portugal

In **Portugal**, industrial activity has declined, with this country now accounting for 56% of total income. This value, compared to that recorded in the previous year, reflects the implementation of the diversification strategy at "E.P.O.S., S.A.".

In this market, the production of this participated company was distributed between works conducted for various mining entities and civil engineering works, in the hydroelectric and road sectors, where reference should be made of the following works during the year under review:

- At Neves Corvo Mine, continuation of the contracts concluded with "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.", aimed at the development and rehabilitation of mining infrastructure, with 6 km of tunnels and galleries having been excavated and 32 thousand m³ of shotcrete and 96 thousand nailings applied. At the same time, the contract for the dismantlement and transport of ore continued, with total production having exceeded 580 thousand tons;
- The Construction of Cerro da Mina Reservoir was completed in the month of July, where this contract was also awarded by "SOMINCOR - Sociedade Mineira de Neves Corvo, S.A.", but this time in consortium with TD-EC;
- Completion of the contract carried out at Aljustrel Mine for "ALMINA - Minas do Alentejo, S.A.", where the total steel cable anchorage applied exceeded 18 thousand metres;
- The general construction contract for the Reinforcement of the Power Output of Salomonde - Salomonde II, signed with "EDP - Gestão da Produção de Energia, S.A.", through its participation in "Construsalomonde, ACE", continued with the important work of concreting the different structures of the hydraulic circuit, plant and supporting building;
- The contract for the construction of the Marão Tunnel IP4 (A4) was resumed (under a design/construction scheme), to be carried out in consortium with TD-EC, for "EP - Estradas de Portugal, S.A.".



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



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

Although the works only restarted in September, due to the need to install all the indispensable infrastructure for work of this nature, it was possible to excavate 420 metres of tunnel by the end of the year.

In **Angola**, where "E.P.O.S., S.A." started its action in 2014, important work was contracted integrated in the hydraulic circuit of Laúca Hydroelectric Development, in Kwanza Norte, which shall be outsourced to "Odebrecht Angola Construção e Projectos de Engenharia, Lda." This work, which started in the month of May, involves the excavation of a total of 8,000 metres of large-section tunnels and various wells with a diameter of 8 metres, reaching a length of 480 metres. By the end of the year, 1,080 metres of tunnel and 120 metres of well had been executed.

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

In **Spain**, the activity continued focused on the mining sector where, after the completion of the contract for construction of geotechnical galleries in Aguablanca Mine, owned by "Rio Narcea Recursos, S.A.", a new contract was assured covering the construction of 1,500 metres of new galleries.

Also in this area, an intervention contracted with "Mina de Aguas Teñidas, S.A.U." started in October, aimed at long drilling in this mine.

In **Venezuela**, the construction work of Baralt Tunnel continued, which involves a complex and extensive road section leaving Caracas in direction of the airport, in which "EPOS, S.A." intervenes as subcontractor of the "Boyacá - La Guaira Consortium", for the tunnel component. During 2014, the excavation work progressed along the different openings of the tunnel, with an advance of approximately 820 metres.

"E.P.O.S., S.A." is also dedicated to the area of instrumentation and structural monitoring, with interventions having been carried out in contract works that the company has in progress in Portugal and other external markets in which it operates.

Apart from these works, we highlight the advisory services provided to the consortium constructing the "Nueva linea de tren ligero entre los municipios de Zapopan, Guadalajara y Tlaqueque", in Mexico, aimed at implementing in the field a plan for monitoring and instrumentation of the parts of this project to be developed as underground work.

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

The Group has progressively consolidated its operational action, which is currently concentrated in Portugal, Algeria, Morocco, Brazil, France and Mozambique, and has been developing a process to optimise its action in these countries, where it works with 4 different track gauges.

In 2014, "SOMAFEL, S.A." practically tripled the turnover of that achieved in 2013, influenced by the activity in its two principal markets: Portugal and Algeria.

In **Portugal**, the activity of "SOMAFEL, S.A." was essentially concentrated on the maintenance of railway infrastructures for "Rede Ferroviária Nacional - REFER, EPE", in particular:

- The provision of multi-annual service of "Track Maintenance and Catenary Work of Lot 5", involving the entire Central Zone of the national railway network (Northern Line between Entroncamento and Pampilhosa, Beira Baixa Line, Beira Alta Line, Eastern Line and Western Line);
- The "Provision of Track Appliance Maintenance Services for the National Railway Network, Broad Track", at Entroncamento and Coimbra Centres;
- Concerning the construction of new railway infrastructures, we highlight the execution of the contract for "Construction of the new Technical Station, at km 118+500 of the South Line".

For 2015, the same level of turnover is expected in Portugal, and the year should also be characterised by studies and proposals prepared under new railway tenders forecast to be launched pursuant to the Transport and Infrastructures Strategic Plan which might bring in more work for 2016.

In **Algeria**, the volume of activity showed a strong increase and consolidated this market as strategic and primary for this Construction area of the Teixeira Duarte Group.

Indeed, we highlight the strong development carried out in the following projects during 2014:

- Modernisation of the Thenia/Tizi-Ouzou Line and electrification up to Oued Aissi", covering a total length of 75 Km, for "ANESRIF - Agence Nationale d'Études et Suivi de la Realization des Investissements Ferroviaires";
- Track and 3rd Supporting Rail Assembly of the contract "Extension A - La Place Emir Abdelkader et la Place des Martyrs - Metro d'Alger", with the work executed by the GMAC enterprise group (Groupment Metro d'Alger Centre / Andrade Gutierrez - Teixeira Duarte - Gesi TP - Zagope), for Algiers Metro.

The commercial activity increased significantly in relation to that developed in 2013, with important railway proposals having been studied together with the TD-EC teams, which have up to date resulted in the award of the contract "L'achèvement des travaux de montage et mise en service de la caténaire 3000V Courant Continu de la Ligne Minière Est-Zone de Annaba" to a consortium led by "SOMAFEL", under the international tender launched by "ANESRIF - Agence Nationale d'Études et Suivi de la Realization des Investissements Ferroviaires".



REFER
Construction of the New Technical Station,
at km 118+500 of the Southern Line
Grândola | Portugal



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

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

In 2014, the second contract for Provision of Electrical Welding Services in stonemasonry (5,274 units) was completed for "SUPERVIA – Concessionária de Transporte Ferroviário, S.A.", in the city of Rio de Janeiro, as well as the contract for construction of crane rolling tracks in the Port of Açú, for "Anglo Ferrous Minas – Rio Mineração, S.A.".

This year of 2014 was also marked by the start-up of three new contracts in Brazil:

- For the replacement of crane transfer tracks for "Yara Brasil Fertilizantes, S.A.", in the State of Rio Grande do Sul;
- For the construction of a new section in lot 3 of "Ferrovia de Integração Oeste Leste – FIOL", covering 130 km, for the "TORC / IVAI / CAVAN" consortium, in the State of Bahia;
- For the assembly of crane rolling tracks in Aracruz, in the "Jurong Port", for in Aracruz, Espírito Santo, for the consortium between "CR Almeida" and the company of the Teixeira Duarte Group "EMPA, S.A.", in the State of Espírito Santo.

In addition to these new contracts and in view of the number of proposals currently under study and negotiation, the outlook for 2015 is of a considerable increase in the volume of work in Brazil.

In **France**, the activity of "SOMAFEL, S.A." has remained constant, essentially being characterised by the implementation of catenary work under outsourcing in the "SNCF – Société Nationale des Chemins de Fer" network, where reference is made to those carried out under the following contracts:

- "Ligne à Grande Vitesse Bretagne Pays de Loire Raccordement SABLE, Etape 2 ";

- "Chalons en Champagne / Oiry, Travaux connexes GOP 2014, Etudes et Travaux caténaires";
- "Modernisation de la ligne calais - Dunkerque, Electrification des équipements caténaires, Etudes, fournitures et travaux caténaires";
- "Ligne à grande vitesse Bretagne Pays de Loire, Raccordement de Rennes phase 1 à 3 - Etudes et travaux caténaires";
- "Ligne 204 000 - Mohon Thionville, régénération caténaire, etudes et travaux du km 158,831 au km 176,563";
- "Ligne à grande vitesse Bretagne Pays de Loire, Raccordement de la Milesse Phase 2 - La Milesse VOYAGEUR - Etudes et travaux caténaire";
- "Ligne à grande vitesse Bretagne Pays de Loire, jonction de Connerre Fret, etudes et travaux caténaire".

In **Morocco**, 2014 was marked by the restarting of production in this country through the contract for "Railroad Studies and Works, Civil Construction and Catenary Work, at the Terminal Facilities of Kenitra - High Speed Link between Tangier and Kenitra", for "ONCF - Office National des Chemins de Fer". The outlook for 2015 is a slight increase of activity.

In **Mozambique**, the work of the contract continued for the provision of services for heavy mechanical impact on the track, for a similar company, under the execution of the Infra and Superstructure Rehabilitation Works of the Nacala Corridor Railway.

Railway track works were also executed in the Reconstruction of the Bridge at km 74+100 of the Ressano Garcia Line, for "CFM - Portos e Caminhos de Ferro de Moçambique, E.P".

In view of the commercial action and studies developed, it is expected that negotiations will be completed during 2015 for important maintenance contracts for various railway lines of the country, with the inherent increased turnover.

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

The Group has progressively consolidated its operational action, which is currently concentrated in Portugal, Algeria, Brazil, Cape Verde, Mozambique, Venezuela and Angola.

In **Portugal**, due to the crisis and consequent reduction of public and private investment, "OFM, S.A." recorded a heavy decline of income in relation to 2013.

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

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



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



Penta-Ocean Construction
Rehabilitation of the Port of Nacala
Nacala | Mozambique

For 2015, in view of the prospect of the launching of various tenders in this maritime area, the outlook is for increased activity in Portugal, with the consequent rise of turnover.

Due to its long-term commercial action, in 2014 "OFM, S.A." started its activity in Angola, through the execution of the contract for "Construction of Line Protection Infrastructures and a GQSA Sump", in Soyo, for "SOMOIL - Sociedade Petrolífera Angolana, S.A.", which was completed at the end of this year.

In **Algeria**, the activity developed in 2014 was restricted to market follow-up at a commercial level, with the preparation and submission of proposals for various tenders, with a view to the achievement of new work.

Considering the current stage at which some of the submitted are, it is expected that some of these contracts will be awarded during the year in course, with the consequent recovery of productive activity in this market.

In **Brazil**, 2014 corresponded to the start-up of productive activity in the maritime area, through the Dredging and Slope Reprofilling of the South Pier at "Jurong Aracruz Shipyard", in the State of Espírito Santo, awarded in the previous year by the consortium composed of the "CR Almeida Group" and participated company of Teixeira Duarte, "EMPA, S.A".

During 2014, this same consortium was awarded the works of dredging and slope reprofilling of the extension of the South pier, which started in December, with completion forecast for the second quarter of 2015.

The existing machinery in this market was also strengthened, with the mobilisation of equipment that already belonged to "OFM, S.A." and through the acquisition of a new tracked excavator with a long reach arm.

In close cooperation and making the most of synergies with "EMPA, S.A.", the commercial activity was pursued among private concessionaire companies operating in port areas, with various joint studies and commercial proposals having been prepared, which has enabled greater exposure on the Brazilian market of the Group's services and areas of competence.

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

In 2014, further work started, also under a consortium, for "Enacol – Empresa Nacional de Combustíveis, S.A.", involving the Expansion and Rehabilitation of Enacol Quay and the Construction of a Landfill Contiguous with the Enacol Premises, both in Mindelo, Island of São Vicente.

For 2015, in addition to the completion of the contracts underway, no new work is foreseen, especially in view of the depletion of all the funds provided under the Portuguese Cooperation in the area of port infrastructures, which will imply a strong reduction of turnover in this market.

In **Mozambique**, intense commercial activity was developed in 2014, namely through the study of a number of projects and submission of various proposals, which has led to the consolidation of "OFM, S.A." in this market.

During 2014, "OFM, S.A." achieved considerably higher operating income than that of the preceding year, with work having started for the "Urgent Rehabilitation of the Port of Nacala", for "Penta-Ocean Construction, Lda.", which should be completed by the end of 2015.

For 2015, it is expected that the turnover of the year under review will be maintained or even moderately increased, in view of the various proposals that have been submitted and are under negotiation.

In **Venezuela**, "OFM, S.A." completed, in the first half of 2014, the works it had been executing under the contract "Ampliación y Modernización del Puerto de La Guaira, Sector Oeste". The outlook for 2015 is that the action will be limited to the conduct of studies and submission of the corresponding proposals.

The **SHUTTERING AND PRESTRESSING OPERATING CENTRE** is the Operating Centre responsible for the management and development of the area of shuttering and falseworks and which coordinates the action of Teixeira Duarte's Materials Laboratory.

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

In **Portugal**, the activity focused on continuing the shuttering and falseworks of the work to reinforce the Power Output of Salomonde Dam.

In **Angola**, the shuttering was executed for the foundations and walls of the Luanda's Logistic and Distribution Centre in Viana, and structure of a "Dyéji" residential building on the Island of Luanda

In **Algeria**, the supplementary work was completed of the execution of shuttering for the construction of the viaduct to the Pk 36+600, integrated in the contract to modernise the Thénia-Tizi Ouzou railway line, and the execution was started of the shuttering for the interior structures of the Line and Stations of the Place Emir Abdelkader – Place Des Martyrs section, for "GMAC – Groupement Metro D'Alger Center".

In **Brazil**, the execution of prefabricated and concreted beams "in situ" was continued, for the construction of the "Jurong Aracruz Shipyard", in the State of Espírito Santo, for the consortium composed of the "CR Almeida Group" and participated company of Teixeira Duarte, "EMPA, S.A.". the shuttering work of a "Safe Harbour" Structural Gallery, in São Paulo, was started.



GMAC – Groupement Metro D’Alger Center
Access Gallery to the PV1, Place des Martyrs Station
Algiers | Algeria



CR Almeida / EMPA Consortium
Beam and slab prefabrication plant
Aracruz | Brazil

In **Mozambique**, the falseworks and shuttering of the structure of an office and residential building on Avenida Julius Nyerere, number 130, in Maputo, was executed for a Group company.

The Shuttering and Prestressing Operating Centre also participated in the execution of the works to upgrade road and railway bridges, namely concerning Chicumbane Bridge in Xaixai, and the bridges at km 61 and 74 of the Ressano Garcia railway line.

The **MATERIALS LABORATORY** (LM) has been accredited since 1996 and installed at the "Teixeira Duarte Operating Centre", in Montijo since 2011.

In **Portugal**, support was continued to the tests in the Work of the Reinforcement of the Power Output of Salamonde Development II and testing for the "Contract for Construction of the Calijos-Pias Hydraulic Circuit of the Alqueva Multi-purpose Enterprise", which was awarded by the Owner of the Work, EDIA - Empresa de Desenvolvimento e Infra-Estruturas do Alqueva, S.A., to Ferrovial Agroman.

In **Angola** and **Mozambique**, the Integrated Management of the laboratories continued under the technical responsibility of the Materials Laboratory in Lisbon, followed by documental standardisation and verification of the development of the management system pursuant to the reference documents NP EN ISO/IEC 17025 and the Guide OGC001, with the technician in charge having visited the laboratories. New tests were implemented and training ministered on recent regulatory documents on testing (EN) to the local technical personnel. We highlight the training actions in the area of concrete control (EN 206-1) and steel rod control (EN 13670) given to the company's production personnel.

In **Angola**, reference should be made of the deployment of a technician to support the formulation of concrete studies, to support the Aggregates Production Centre (CPA), pursuant to standard EN 12620, and the Concrete Production Centre (CPB), pursuant to standard EN 206-1.

Assessments of resistance to compression, typical of concrete, were made onsite both for Brazil and Algeria.

The **CENTRAL EQUIPMENT DEPARTMENT**, based at the "Teixeira Duarte Operating Centre" in Montijo, concentrates all the Group's equipment management processes, as well as assuring the implementation and standardisation of the technical procedures of the equipment maintenance management in the different markets.

In 2014, various training programmes were developed for technical staff who operate in the different geographic locations in which Teixeira Duarte operates, in particular regarding the training of employees, namely machinery drivers.

The investment in equipment in this Construction sector includes that made under the management of this Department, as well as that carried out by other structures of the Group, having reached the total value of 57,171 thousand euros. Of this overall figure, 11,299 thousand euros were invested in Portugal, 14,612 thousand euros in Angola, 9,142 thousand euros in Mozambique and 12,563 thousand euros in Venezuela.

IV.2. CONCESSIONS AND SERVICES

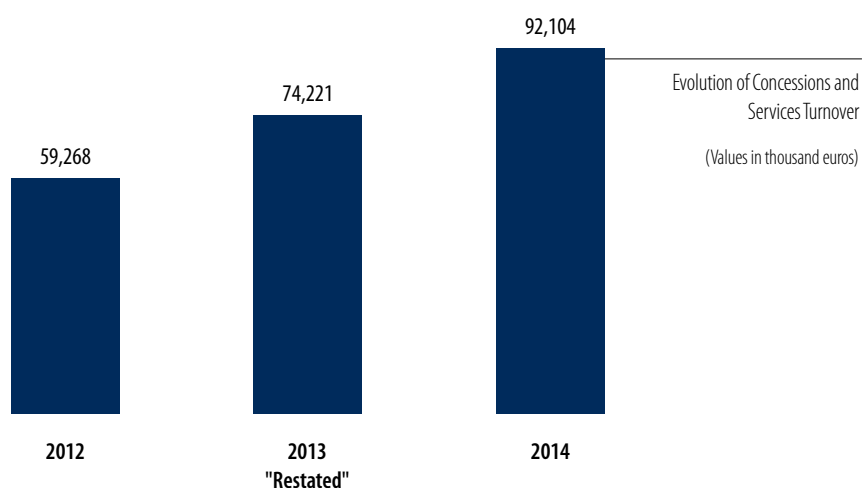
The Teixeira Duarte Group began its operations in this area in 1984, in Macau, through a holding in CPM - Companhia de Parques de Macau, S.A. which it still owns and to which it has added, others in Portugal, Angola, Brazil, Spain and Mozambique.

Currently, the Group's companies focus on different business areas, in particular Facilities Management, Facilities Services and the Environment.

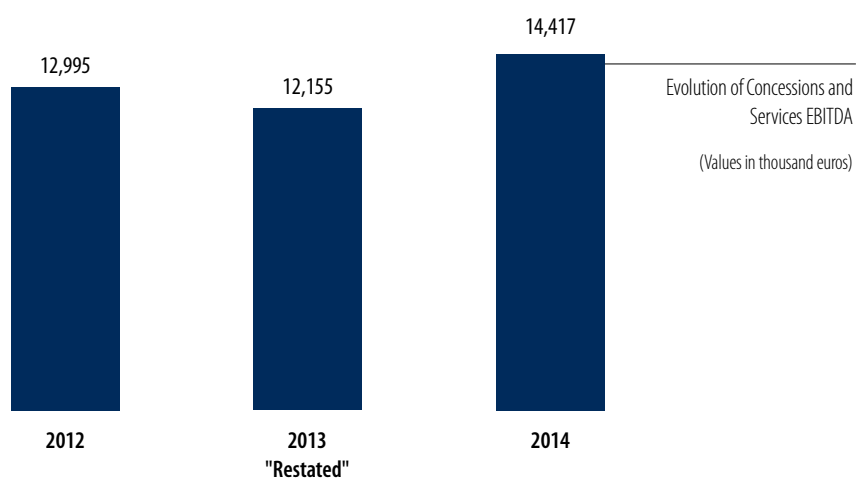
In this sector, Teixeira Duarte also holds several non-controlling interests in other companies whose management is not conducted by the Group's structures and which, in almost all cases, are not included in its consolidation perimeter. Various notes are also presented at the end of this chapter on the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

— CONTRIBUTION OF THIS SECTOR TO THE GROUP

In Concessions and Services, Turnover grew by 24.1% year-on-year, with good performance in all the markets in which the Group operates, especially in Portugal and Angola, where the attraction of new customers, essentially in the area of Facilities Management, enabled an increase of 16.2% and 39.4%, respectively, in comparison to 2013.



The EBITDA in this sector of Concessions and Services increased by 18.6%, with good performance in all the markets in which the Group operates.



– ACTIVITY DURING 2014

In non-consolidated terms and in order to provide an overall view of the total activity during 2014, we disclose that the Group's operating income in the Concessions and Services sector reached the total value of 124,276 thousand euros, 60% of which referred to the activity developed abroad, and where these figures reflect an overall increase of 20.1% in relation to 2013.

IV.2.1. COMPANIES CONTROLLED BY THE TEIXEIRA DUARTE GROUP

– FACILITIES MANAGEMENT / FACILITIES SERVICES

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

Currently, TDGI's main areas of action are (i) Integrated Management of Hard and Soft Services; (ii) Technical Maintenance; (iii) Analysis, Diagnosis and Energy Solutions; and (iv) Management of Places and Construction Sites.

As a result of the expansion of its scope of action in this sector, TDGI currently also operates in the Collective Restaurant area under the trade name *Smartfood*, in the Management of Car Parks under the trade name *AutoPark*, in Business Condominium Management under the trade name *SpacePartners*, as well as in IT Solutions to support Facilities Management under the trade names *Glose EAM*, *Inergy* and *Controlo 24*.

At **TDGI Portugal**, in spite of still being in a difficult economic context, 2014 followed the trend of previous years and once again, against the market cycle, ended up by being frankly positive, with turnover having increased.

In the areas of Integrated Management of Hard and Soft Services and Technical Maintenance, which continue to be TDGI's core business, performance also improved during 2014, in particular due to the reinforcement of various existing contracts, namely with DECATHLON (where TDGI has now taken over the maintenance of almost all the shops), as well as the conclusion of new contracts, especially with "EMEF - Empresa de Manutenção de Equipamento Ferroviário, S.A.", "FERTAGUS - Travessia do Tejo, Transportes, S.A.", "Grupo Porto Bay Hotels, S.A.", "Rede Record de Televisão - Europa, S.A.", "Manuel Rui Azinhais Nabeiro, Lda." (Delta Cafés), "SODEXO ESPAÑA, S.A." and, in the Autonomous Region of Madeira, the Regional Archive of Madeira, for the Regional Directorate of Cultural Affairs.

The start-up of the Contract for the Overall Management of Medical Facilities and Equipment of various hospitals of the "Lusiadas Saúde Group" and "Hospital de Cascais" was particularly important in this sector. This contract signifies the presence of TDGI in the Maintenance of Medical and Hospital Equipment.

This focus on such a specific area and of enormous responsibility implied a considerable investment, both in terms of human and material resources, with TDGI continuing keen to position itself as a reference service provider.

The area of Analysis and Diagnosis/Energy Solutions there was a significant increase of the volume of work and turnover, to a large extent underpinned by the participation in larger scale projects and by the involvement in energy certification processes through computer dynamic simulation exercises.

The year of 2014 was largely dedicated to the energy consulting project for "Banco Comercial Português, S.A.", at "Taguspark", in Oeiras, which consisted of the very thorough estimation of the energy behaviour of 12 buildings, in order to enable formulating proposals of optimisation measures and improvement of energy use.



Grupo Lusíadas Saúde
Maintenance of medical equipment
Lisbon | Portugal



Price WaterHouse Coopers
Brazil

For companies of the industrial branch, reference is made to the work developed at the "SOPLAST - Moura, Moutino & Morais, Lda." factory, involving technical analysis and audit, and consequent incorporation of solutions to correct the power factor, which shall contribute to a significant reduction of energy bills.

We also highlight the Energy Certifications, Technical Audits and Analyses of Indoor Air Quality carried out, among other places, at "Hotel Almirante", "Padaria Portuguesa" shops, various "DECATHLON" shops, the different "Lusíadas Saúde" hospitals, Casa da Moeda as well as Sintra Palace and Queluz Palace.

The year of 2014 was also very positive in the area of Management of Places and Construction Sites, with the income level of the preceding year having been maintained.

As a consequence of the overall economic circumstances, many companies are seeking to ensure that their facilities have more optimal layouts. Hence, TDGI has increased its service level by strengthening its team of Interior Architecture and Adaptation Works, with a view to the development of projects to re-adapt existing spaces.

Among the projects that have been developed, reference is made to those carried out for "EPSON IBÉRICA, S.A. (Branch in Portugal)", "RUBIS - Energia de Portugal, S.A." and "OCD - Clinical Diagnostics Portugal, Unipessoal Lda.", as well as for "EFACEC - Engenharia e Sistemas, S.A.", in the context of its move of premises to "Lagoas Park", in Oeiras, where a modern workplace has been created for around 300 employees in an office area of 3,000 m².

With a more encompassing scope of action, including speciality work, we highlight those developed under outsourcing at the facilities of "SAP PORTUGAL - Sistemas, Aplicações e Produção Informática, Lda.", "VOLVO CAR PORTUGAL, S.A." and "ABS Europe, Ltd".



PFIZER
Madrid | Spain



BIM
Maputo | Mozambique

Note should also be made of the completion of the work to replace chillers in various buildings of "Lagoas Park", as well as a significant amount of relamping work, carried out in partnership with "PHILIPS Portuguesa, S.A.", for clients such as "SONAE, S.A.", "B.C.M – Bricolage, S.A." (Leroy Merlin) and "SPDAD – Sociedade Portuguesa de Distribuição de Artigos de Desporto, Unipessoal, Lda." (Decathlon).

For **TDGI Angola**, 2014 was a year of surpassing expectations and consolidation of the trade name on the market, where the performance achieved during the year corresponds to 29% growth relative to 2013 and close to 100% growth compared to 2012.

2014 saw the start-up of the first major contract for provision of integrated services for a building outside Luanda, the "Urbisoyo Building", consisting of a residential complex with 92 apartments with a leisure centre, created for "Angola LNG" employees, in Soyo.

Reference should be made to the increased services rendered in the area of Oil and Gas with the reinforcement of the contracts with CHEVRON and TOTAL, as well as the start-up of management and maintenance services at the new buildings of the National Assembly.

All this growth was accompanied by an increased number of employees operating in Angola, which has already exceeded the threshold of 400 people, implying follow-up of the integration of this new personnel in terms of their duties and a simultaneous focus on their training, where, regarding this aspect, we highlight the start-up of action of the "TDGI Academy": an organisational structure aimed at attracting new personnel and the capacity-building of existing personnel, in order to optimise the human and technical development of its staff, as well as the identity of TDGI, its values of action and brand image. The main premises of the TDGI Academy are integrated in Teixeira Duarte's Professional Development Centre, in Talatona.

At **TDGI Brazil** the trend of the preceding year continued, with its turnover having doubled, to reach 1.9 million euros, as a result of the award of new contracts and, above all, the strengthening of the existing contracts with its main clients, namely "Porto Seguro", "Price WaterHouse Coopers" and "DECATHLON".

In 2014, the important commercial effort was pursued with the approach and start-up of relations with other major national and international brands, with which activity is expected to start in 2015, enabling growth in São Paulo, Rio de Janeiro and in the south of the country.

As a result of intense commercial work developed throughout 2013, **TDGI Belgium** was incorporated in April 2014, which during this same year already concluded its first contracts to provide services to the European Parliament, Monnet Centre and Permanent Representation of Portugal at the European Union.

A framework contract was concluded with the European Parliament of approximately 3 million euros, covering four years, for the management and organisation of facilities.

The Monnet Centre, situated in Louvain-la-Neuve, is a large-scale business enterprise, endowed with complex technical infrastructure where TDGI provides Facilities Management services.

The maintenance contract with the Permanent Representation of Portugal at the European Union involves the first building in which TDGI started its operation in Belgium through a technical assistance intervention in 2013.

In **Spain**, TDGI showed strong growth, where, in spite of the climate of economic containment, the results of long-standing commercial action were evident not only in the consolidation of relations with existing customers, but also in the achievement of new contracts.

Special note should be made of the contracts for hard and soft services at the buildings of the Head Office and Delegations of "PFIZER", derived from the tightening of the ties of confidence with our final customer and with "CBRE". Note should also be made of the Full Maintenance of the Agent for the Tobacco Market, where the quality work and commitment shown led to the renewal of the contract for 2015, as well as the start-up of the provision of services to "ZOETIS", a leading international company in the area of animal health.

Due to this growth and in order to optimise the provision of services to customers and, at the same time promote commercial expansion in Spain, a delegation was created in Andalusia and another in Catalonia.

Currently, **TDGI Mozambique** is a recognised trade name and respected for its work, especially in Maputo, which is reflected in the maintenance of various contracts with reference companies and the attraction of new customers in 2014, in particular "Millennium BIM" and "ENI East Africa".

This growth has implied the expansion, by approximately 30%, of its technical staff, with various initiatives having been promoted to optimise the operation, such as the creation of a TDGI Operating Centre, which centralises its warehouses of materials and items, workshops and machinery and the "Academia TDGI". All these initiatives also enable better positioning for the rendering of services in the Banking, Oil and Gas sectors.

Continuing its internationalisation strategy, 2014 was the year that TDGI started prospecting the market in Algeria, creating TDGI Algeria and deepening its knowledge of the country, with the support of the Group's other structures which have been operating there for a number of years.

This was also the year that TDGI started its productive activity, through various specific technical works for "AGB - Gulf Bank Algeria" as well as the provision of management and maintenance services for Teixeira Duarte's Life Base, in Zeralda.

During this first various commercial contacts were developed with possible future clients and partners, with several proposals having been submitted.



Garden Maintenance
Lisbon Airport
Lisbon | Portugal



Urban Cleaning
Coimbra | Portugal

— ENVIRONMENT

In the area of the environment, the Teixeira Duarte Group essentially operates through its 100% held companies "RECOLTE - Serviços e Meio Ambiente, S.A." (RECOLTE), "RECOLTE - Servicios y Medioambiente, S.A.U" (RECOLTE S.A.U), "INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A. (INVICTAAMBIENTE) and "VALYGERSA, Valorización y Gestión de Resíduos Sanitários S.L" (VALYGERSA).

During 2014, the Group's activity in this area showed sustainable growth, with the overall turnover having reached around 40 million euros, corresponding to 0.9% growth in relation to 2013.

In **Portugal**, RECOLTE operates in the areas of design and operation of cleaning and urban hygiene systems, in urban and industrial solid waste management systems, in the construction and maintenance of gardens and green areas, construction of equipment and plants for the treatment and management of waste, and also in the cleaning of beaches and coastal zones.

During 2014, the activity primarily consisted of the continuation of existing service contracts, the majority of which are multi-annual, which confers great stability to this activity in terms of turnover and regarding the management of its means and resources.

Indeed, in view of the specificity of the activity developed and since most of the potential customers are public entities or equivalent with known limitations in terms of their capacity to embark on new investments, it has proved difficult to conclude new contracts with sustainable operating margins. Even so, it has been possible to expand and diversify the customer base, with the conclusion of various new contracts.

In 2014, RECOLTE achieved a turnover of 10.4 million euros, in line with the value recorded in the preceding year.



Collection of Urban Solid Waste
Morrazo | Spain



Beach Cleaning
Puerto de Santa María | Spain

Through its Branch in Portugal, RECOLTE S.A.U. it continued its existing contracts with "Cascais Ambiente E.M., S.A." and with the municipality of Oeiras, having reached a turnover of around 1.6 million euros. During the year under review, these contracts were subject to operations of assignment of contractual position in favour of RECOLTE in order to facilitate their operability and management.

INVICTAAMBIENTE is a specific purpose entity, 100% held by RECOLTE S.A.U., whose sole object is solid urban waste collection and urban cleaning covering a significant part of the city of Porto. In 2014, it achieved a turnover of 3.9 million euros, in line with the figure for the previous year, since this is a contract with no fluctuations in its object up to its termination.

Most of the operating income of these three companies, received above all in the sphere of local government and municipal companies, were derived from the continuity of contracts for Solid Urban Waste Collection (RSU) and Street Cleaning carried out in the municipalities of Alenquer, Cascais, Coimbra, Figueira da Foz, Lagoa (Azores), Ponta Delgada (Azores), Porto, Ribeira Grande (Azores), Santa Cruz (Madeira), São João da Madeira and Vila Franca do Campo (Azores), among others. Among the private companies, reference is made to the first contract concluded with "BRISA S.A." for cleaning and maintenance of part of the A2 motorway.

Among the main works for the Maintenance of Gardens and Green Areas carried out in 2014, we highlight those done for the municipalities of Cascais, Lisbon, Matosinhos, Oeiras and Vila Franca de Xira, for the parishes of Algueirão – Mem Martins and Benfica, for various public and private companies such as "ANA – Aeroportos de Portugal, S.A.", "TagusPark, S.A.", "EMEF – Empresa de Manutenção de Equipamento Ferroviário, S.A.", "Instituto Nacional de Aviação Civil, I.P.", "SIMAS de Oeiras e Amadora", as well as for several companies of the Teixeira Duarte Group. In this context, we highlight the work carried out in the "Lagoas Park" enterprise and for the preventative maintenance of slopes located along the railway lines of the North, Beira Alta and Oeste, for "SOMAFEL, S.A."

Reference should also be made of the conclusion of RECOLTE's first contract with "VALORAMBIENTE, S.A.", for the treatment of Hazardous Hospital Waste.

For 2015, in Portugal, in spite of the additional difficulty arising from the significant reduction of the values placed under tender for new Provisions of Services and the strong increase of competition, the outlook points to growth of operating income in relation to that observed in 2014.

In **Spain**, the activity linked to the environment is developed through "RECOLTE S.A.U.", namely in the provision of various services in the overall management of urban, industrial and hospital solid waste, washing and disinfection of urban solid waste containers, urban street cleaning, design, construction and maintenance of gardens, cleaning and maintenance of beaches and coastal zones, as well as operations of cleaning and maintenance of woods and communication routes.

During 2014, this market recorded a total turnover of 24 million euros, representing 5.8% growth in relation to the previous year.

Among the various operations underway during 2014, we highlight, in the area of Solid Urban Waste Collection, Street Cleaning and Management of Ecocentres, those developed in Comunidade de Madrid (Ayuntamientos de San Lorenzo de El Escorial, Griñón and Torrejón de la Calzada), in Comunidade de Andaluzia (Ayuntamiento de Benalmádena, Cartaya, Mairena and La Carolina, where this last one started in 2014) and in Comunidade de Galiza (Mancomunidad dos Concellos do Morrazo, which includes the Ayuntamientos de Cangas, Bueu y Moaña).

Regarding the Ayuntamiento de San Lorenzo de El Escorial, it should be noted that RECOLTE S.A.U. concluded a new contract, up to November 2026, with an overall turnover for this period of approximately 25 million euros.

During 2014, a new contract was also concluded in Catalonia, with Ayuntamiento de Arenys de Mar, for a total value of close to 3 million euros.

Also concerning Maintenance of Gardens and Green Areas, the main services underway were continued in Comunidade Andaluzia (Ayuntamiento de Algeciras) which were extended up to November 2019.

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

As in previous years, the appropriate and necessary investment in the fleet was made, which, during the year under review, amounted to approximately 3 million euros, which primarily corresponded to the acquisition of the equipment required for new contracts and replacement of obsolete equipment.

In the technical commercial activity, more proposals were submitted for public and private tenders, to a total value of approximately 256 million euros. This figure is around 100% higher than that of the preceding year, reflecting the concentrated effort that has been made by RECOLTE S.A.U. in this areas in Spain.

The current situation of the Environment business area in the Spanish market is characterised by strong competitiveness, as one of the effects of the economic crisis has been the focus of the major Spanish corporate groups on the Service sector and, in particular, on public services of the Environment area.

In order to develop and consolidate its activity in the environment area in Spain, in 2014 RECOLTE S.A.U. acquired VALYGERSA, a company dedicated to hazardous hospital waste management and treatment, an area of great potential growth, which the Group also intends to extend to other countries in which RECOLTE operates.

For this purpose, this subsidiary has equipment for the treatment of hazardous waste derived from hospitals, and has concluded an agreement for the exclusive representation and distribution of the most recent equipment for the treatment/recycling of this type of waste, for Portugal, Spain, Angola, Mozambique and Cape Verde.

In **Angola**, RECOLTE has pursued the prospecting and study of various business opportunities in the Environment area.

During 2014, the activity focused on Construction and Maintenance of Gardens and Green Areas for various clients, in particular the contract for the "Construction of the Gardens and Green Areas of the New National Assembly of Angola".

RECOLTE continues attentive to this market, where a high number of business opportunities are identified.

SATU-OEIRAS - Sistema Automático de Transporte Urbano, E.M., S.A. is a municipal company in which the Group has a stake of 49%, that fully operates the Oeiras SATU Transport System, having recorded an operating income of 1,801 thousand euros in 2014.

On 23 April 2015, the General Meeting deliberated the winding-up of this company whereupon, with the stoppage of this system operated by the Teixeira Duarte Group, there will no longer be any costs related to this holding.

"TDHOSP - Gestão de Edifício Hospitalar, S.A." is a company 100% owned by Teixeira Duarte - Engenharia e Construções, S.A., the object of which is the management of Cascais Hospital for a period of 30 years, covering the design, project, construction, financing, conservation and maintenance activities.

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

During 2014, various improvement works were carried out in the building, which were previously approved by the partner "LUSÍADAS - Parcerias Cascais, S.A." and Contracting Public Entity.

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

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

Adopting the Constructivist/Positivist Education Model, complying fully with the Portuguese Curriculum and intended for students from the Infant Section up to Secondary Education, this college seeks to offer education for a demanding and culturally diverse group of citizens of a Portuguese-speaking community, always with the objective of ensuring excellence in the dissemination of the Portuguese language and culture. During 2014, CSFA Luanda Sul continued to develop its educational activity with Pre-School, 1st, 2nd and 3rd Cycles of Elementary Education (CEB).

Reference should be made to the operational start-up of the 10th schooling year of Secondary School with the Courses of Science and Technologies, and Languages and Humanities.

By the end of 2014, CSFA Luanda Sul reached the number of 606 students with an annual average of 591 students.

This year represented the best performance of CSFA Luanda Sul, due to careful cost control and a 13% increase of turnover.

The outlook for 2015 points to lower growth than that achieved over the past few years, but even so, with an increased number of students.

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

In 2014, Teixeira Duarte undertook the intention to dispose of these assets, with procedures being underway for this purpose in the market.

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

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

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

During 2014, Teixeira Duarte continued the process of divestment of this holding.

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

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

During 2014, with all the construction works completed and the entire route operational, procedures were pursued with a view to closing the construction contract.

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

During 2014 there was a marginal 0.1% increase of traffic, with good service having been provided to the customer, as confirmed by the customer questionnaire data, where the satisfaction rating, on a scale of zero to five, reached 3.75 for Vasco da Gama Bridge.

For 2014, this participated company reached EBITDA of 57,899 thousand euros, representing a 2.45% increase relative to 2013.

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

In 2014, as in previous years, it continued its successful action within the specific parameters of the market, having achieved positive earnings of 1,936 thousand euros.

IV.3. REAL ESTATE

The Teixeira Duarte Group's action in this sector goes back to the beginning of the 1970's and currently includes a vast group of companies operating in Portugal, Angola, Brazil, Spain and Mozambique.

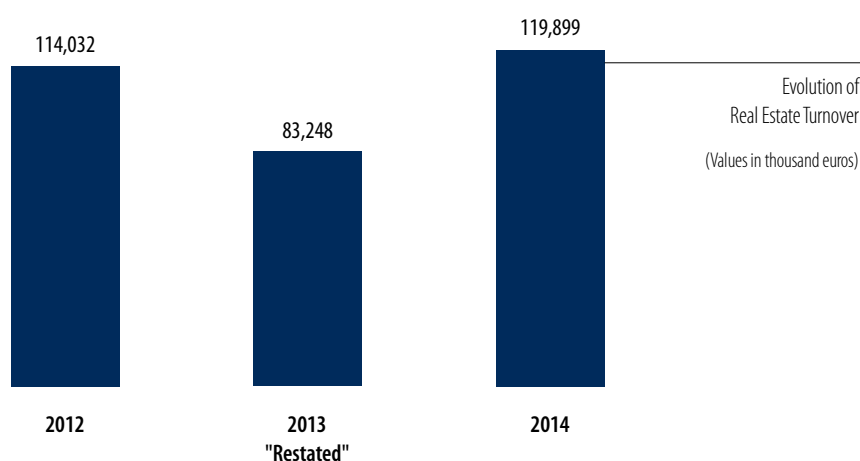
Over its long years of activity, the Real Estate sector has developed a huge number of projects from the design of master plans to the rehabilitation of constructed heritage in historic centres. The know-how acquired by these multidisciplinary teams, driven by the highly demanding requirements and the ongoing search for the most efficient technical solutions, has endowed the sector with tremendous experience in the residential, office, shopping area, hotel, health and leisure, industrial/logistics and public car park segments.

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

— CONTRIBUTION OF THIS SECTOR TO THE GROUP

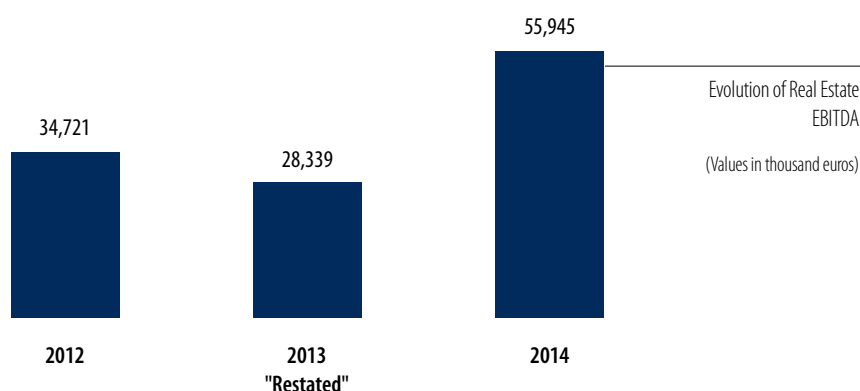
Real Estate Turnover showed an overall increase of 44% relative to the same period of 2013; while in Portugal it decreased by 10.2% year-on-year, this figure increased in Angola and Brazil, respectively, by 30.4% and 115.9% in relation to 2013.

If the foreign exchange devaluation is excluded, the increase would have been 30% in Angola and 134% in Brazil, in this case due to the strong investment in the enterprises in São Paulo.



EBITDA in the Real Estate sector increased by 97.4% year-on-year. This is considered very positive in view of the current circumstances of this sector, especially in Portugal, where the Group's strategy involved the divestment of various assets with considerable discounts.

In the markets abroad, we highlight the good performance in Angola and particularly in Brazil.



— ACTIVITY DURING 2014

In non-consolidated terms and in order to provide an overall view of the total activity during 2014, we disclose that the operating income of the companies of the Group in the Real Estate sector reached the total value of 155,934 thousand euros, corresponding to an increase of 40.6% relative to 2013. The markets abroad now represent 65.2% of the activity and Portugal accounts for 34.8%.

In **Portugal**, 2014 was a year of market recovery, especially in the office segment in the Greater Lisbon region, which experienced growing interest by international investors, as well as a greater buoyancy of companies which led to the placement of over 120,000 m².

In the Office segment, reference is made to the "Lagoas Park" enterprise which maintained a very positive performance, reflected in the placement of 10,500 m² of office space, namely through the attraction of new clients such as "Volvo Car Portugal, S.A.", "Epson Ibérica, S.A. (Branch in Portugal)", "Fiat Group Automobiles Portugal, S.A.", "EFACEC - Engenharia e Sistemas, S.A." and "Canon Portugal, S.A."

By the end of 2014, the occupancy rate of "Lagoas Park" had reached 90%, with the construction of Building 9 having started in October, which shall enable the offer of a further 4,900 m² of new office areas and respective parking, and whose finalisation shall complete the enterprise.

During this year, note should also be made of the sale of two plots of land, for commercial and service purposes, located in the municipality of Oeiras with a construction capacity above ground level of approximately 4,500 m², which shall be an integral part of the Oeiras Prime project.

In the Residential segment, for Teixeira Duarte, the year was marked by a low sales volume, although there was some recovery of average prices.

It was in this scenario that, in the "Santa Marinha Design District", in Vila Nova de Gaia, almost all the housing units on sale were sold, with only four units remaining free for 2015. While in "Villa Park", in Amadora, the year ended with 23 units in stock out of the total 99 apartments of the enterprise.

The achievement of these results was influenced by the recognised construction quality and confidence in the Teixeira Duarte trade name, as well as the commercial effort in terms of the strengthening of partnerships with mediation companies and offer of good financing conditions to customers.

During 2014, the construction of a building in Lot 5 of the "Forum Oeiras" enterprise was started, which shall have 18 housing units and 2 shops, with their marketing expected to begin in the second half of 2015.

In the Commerce segment, "Shopping Cidade do Porto", which has suffered from the widespread effect of the retail market contraction over these past few years, is already showing signs of recovery of visits and sales.

In the Logistics segment, during 2014, it was possible to maintain a good occupation rate in "Abrunheira Park", due to the contracting of new areas which reached a total of 3,000 m², while in "Lezíria Park", the contracting of a warehouse with 1,600 m² enabled the full occupation of all the available spaces.

Regarding the Portfolio of Land, various urban processes were followed, such as the "Vila Rio" residential project, located in Póvoa de Santa Iria, which shall be implanted on a plot of land of around 17 hectares and involves the construction of 600 housing units plus 32,200 m² of areas for commerce and services.

During 2014, measures were also taken with a view to the issue of the land parcelling license of the "Villa Simões" residential enterprise, located in Benfica, Lisbon, which foresees the construction of approximately 48,000 m² above the ground.

In **Angola**, the real estate activity was essentially marked by the management of income-earning assets, the development of projects and respective licensing procedures for construction on the land in the portfolio, and the development of projects related to the expansion of the Group's other activity sectors.

Regarding the Management of the Group's Income Earning Assets, we highlight the general maintenance of excellent occupancy rates for all assets.



Altavista Enterprise
São Paulo | Brazil



Verum Mooca Enterprise
São Paulo | Brazil

In the Office and Commerce segments, reference is made to a project in Talatona with a gross construction area above the ground of 3,200 m², as well as the approval of the "Centro Sul" project, also in Talatona, with a gross construction area above the ground of 60,000 m².

In the Residential segment, we highlight the completion of a series of 46 detached villas in the "Villa Sul" enterprise, located in Talatona, which shall be entirely for rental, as well as the finalisation of the licensing procedures for the "Spazio" and "Rainha Ginga" projects, in the city of Luanda. At the same time, and following the investment in this activity sector, important plots of land have been acquired in the cities of Luanda and Lubango, intended for essentially commercial projects.

In **Brazil**, the downward trend of the volume of transactions in the residential property market observed during the previous year in the city of São Paulo continued in 2014, implying that most of the major real estate property developers closed the year with surplus stock.

During the year under analysis, the Teixeira Duarte Group companies launched two undertakings in the city of São Paulo and one in Jundiaí, State of São Paulo, involving a total of 403 units.

Of the 1,819 units launched in this market by the Teixeira Duarte Group, 1,580 have already been sold or their sale is promised, of which 209 were contracted during 2014. This good commercial performance essentially derives from the recognition attributed by the market to the quality and technical rigour of the projects promoted by the Group.

In Jundiaí, the construction of the "Alta Vista Premium" enterprise was continued, with a construction area of approximately 49,000 m², and likewise the "Alta Vista Prestige" enterprise, with approximately 54,000 m² of construction area. In the eastern region, construction continued for the "Verum Mooca" enterprise, with around 23,000 m² of construction area, and in the northern region, the "My Place Casa Verde" with around 23,000 m² of construction area. In the southern central region, construction also started at the "Don Klabin" enterprise, with approximately 10,000 m² of construction area.

In Porto de Galinhas, in the State of Pernambuco, the promotion of the "Casa do Governador" enterprise continued during 2014. This is a large-scale and high quality project which is expected to be structural for the entire region, with the execution of various projects and procedures of the respective licenses being pursued.

In **Spain**, after years of severe recession which affected the different segments in a transversal manner, the real estate market has started to show some signs of recovery.

The Group's real estate activity in this country is concentrated in the Madrid region, on the marketing of the residential building "Amália", situated close to Paseo de la Castellana and Plaza Castilla, where four units are still available for sale, and on the management of the administrative concession contract for "Parking Europa", a car park and respective shopping gallery, situated on Avenida de Europa, in San Sebastián de los Reyes.

In **Mozambique**, in the city of Maputo, there are various construction projects that will contribute to increasing the residential and office offer.

In the Residential and Office segments, 2014 was marked by the construction of a mixed-purpose building "Julius Nyerere 130", with seventeen floors for housing purposes, four floors for offices and one commercial area on the ground floor, in addition to leisure spaces for the exclusive use of the residents.

In the Commerce segment, we highlight the good occupancy rate of "Polana Shopping Center".

During 2015, the action will be continued, in the different markets, concerning prospecting for land, the procedural measures required for the development of current projects, asset management and careful commercial action. The outlook for 2015 points to overall growth of income, primarily due to the maturity of the enterprises underway in the State of São Paulo, in Brazil.

IV.4. HOTEL SERVICES

After a first experience in 1974 in the Algarve, the Teixeira Duarte Group resumed its activity in this sector in Sines in the 1990's, and currently operates ten hotels, four of which are located in Portugal, three in Angola and three in Mozambique, covering a total of 2,900 beds and 1,452 rooms.

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

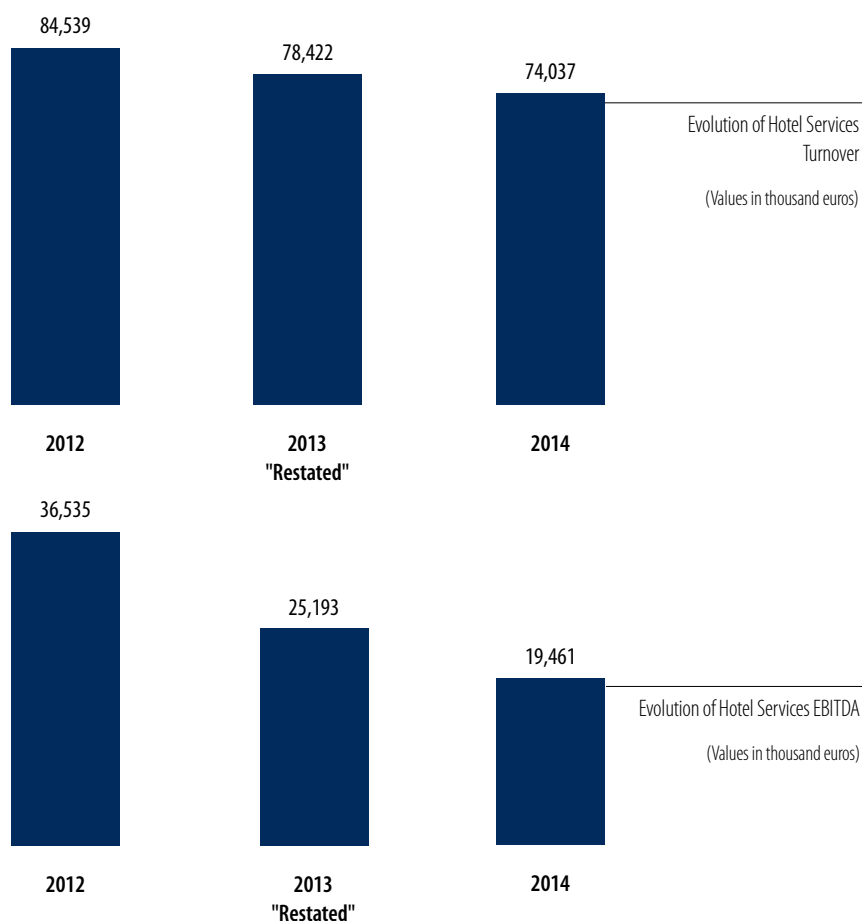
— CONTRIBUTION OF THIS SECTOR TO THE GROUP

Turnover of Hotel Services fell by 5.6%, as whole in relation to 2013, mainly penalised by the closure of "Hotel Trópico" in Luanda for remodelling works in the first semester of 2014.

In Mozambique, Teixeira Duarte recorded a decline of 6.5% year-on-year, while in Portugal the improvement of this market led to turnover having increased by 30.4% in relation to 2013.

EBITDA fell by 22.8% to stand at 19,461 thousand euros, reflecting the closure of "Hotel Trópico" during the first half of 2014.

Particular note should be made of the good performance recorded in the hotels in Mozambique, in spite of the alluded decline of turnover.



— ACTIVITY DURING 2014

In non-consolidated terms and in order to provide an overall view of the total activity during 2014, we disclose that the Group's operating income in the Hotel sector reached the total value of 89,243 thousand euros, corresponding to a reduction of 16% relative to 2013. In this business area, the markets abroad now represent 78% of the activity and Portugal accounts for 22%.



Hotel Eva
Faro | Portugal



Hotel Trópico
Luanda | Angola

In **Portugal**, the Group's companies operating in this sector offer a total of 1,022 beds and 511 rooms, distributed over four hotels, as detailed below:

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

Overall, the occupancy rate increased by 5% in this market, essentially due to the higher demand of the corporate and online market, simultaneously with the increase of approximately 4% in the average price. Therefore, the operating income of the hotels in Portugal increased by 9% relative to 2013.

In the Fitness area, the average number of active members of the different "CLUB L" units increased by 4% in relation to 2013, with the value of the average monthly instalment falling by 3%. Although the operating income of the "CLUB L" units fell by 1% relative to 2013, there were improvements in certain services, such as for example personalised training, which evolved positively in various units, and increased by 13% in relation to the previous year.

In **Angola**, the Group's companies operating in this sector offer a total of 1,236 beds and 620 rooms, distributed over three hotels, as detailed below:

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

HOTEL TRÓPICO closed for works and reopened in June 2014, fully remodelled. During the second half of 2014, this hotel showed a favourable evolution of its occupancy rate and average price indicators.

The operating income of HOTEL ALVALADE increased by 9%, influenced by the 10% higher occupancy rate in relation to 2013.

In turn, HOTEL BAÍA, inaugurated in 2011, consolidated its position as a reference hotel in Luanda, achieving an occupancy rate of 85%.

Regarding other related activities, we highlight the "Nilo" pastry shops, a long-standing reference in the Pastry and Bread-making market in Luanda. As a whole, there are 11 shops, which have been subject to remodelling and modernisation over these last few years.

In **Mozambique**, the Group's companies operating in this sector offer a total of 642 beds and 321 rooms, distributed over three hotels, as detailed below:

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

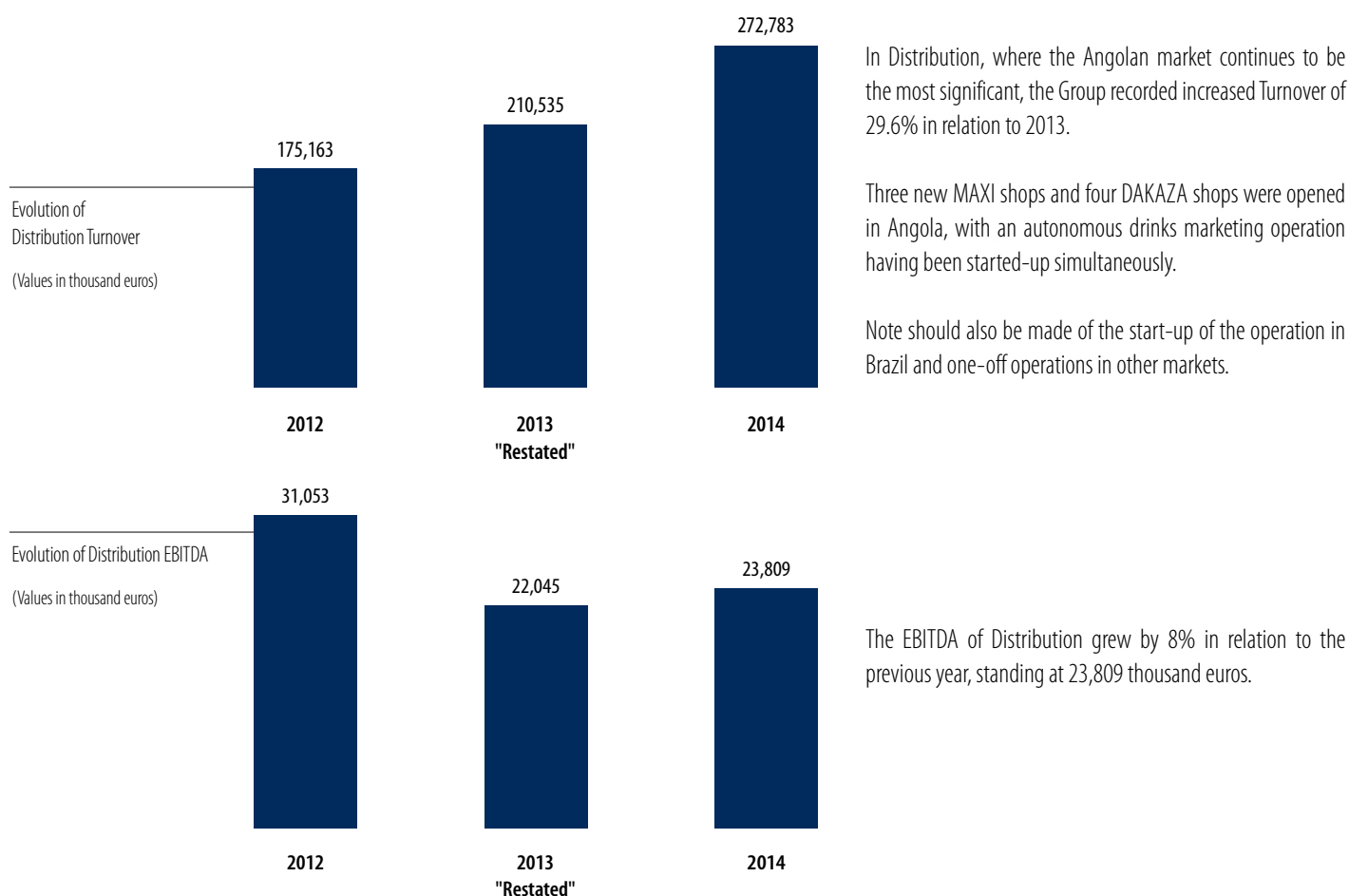
As was the case in 2013, the year of 2014 was characterised by a minor slowdown of activity as a result of the lower number of visitors to the city of Maputo and, primarily, to the city of Beira, as well as the increased competition and continuous renovation of local hotels positioned in the same segment. Therefore, the occupancy rate and the average price declined by 8% and 1%, respectively, although careful management enabled upholding the good operating performance.

IV.5. DISTRIBUTION

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

The reinforcement of the structure of the "Procurement Centre", pursued over the last few years, has enabled intense and systematic procurement of the best solutions in various geographic regions of the world which, firmly based on an optimised logistics operation, has endowed this sector with an extensive range of quality products at competitive prices.

— CONTRIBUTION OF THIS SECTOR TO THE GROUP



— ACTIVITY DURING 2014

In non-consolidated terms and in order to provide an overall view of the total activity during 2014, we disclose that the Group's operating income in the Distribution sector reached the total value of 380,771 thousand euros, corresponding to growth of 18.2% relative to 2013.

In **Portugal**, and through the company "Teixeira Duarte - Distribuição, S.A.", the Group continued to focus on the optimisation of processes, strengthening its partnership relations in the representation of trade names, and intensified the procurement of a greater diversity of suppliers and products.



Samba Bom Preço Shop
Luanda | Angola



Morro Bento DAKAZA Shop
Luanda | Angola

Along with an experienced commercial team which stimulated and manages the procurement and management of stocks, in Portugal there is also a competent supporting structure in the area of logistics, management control, information technologies and marketing.

In order to meet the customers' requirements, the project to design the Group's own brand "EXTRA" started in 2014, which was developed in partnership with a selected group of national and foreign suppliers with a view to marketing a diversified range of products with an excellent quality-price relationship. In the accomplishment of this challenge, 147 products of various categories have been created.

In **Angola**, the Group operates in Food Retailing through the company "CND - Companhia Nacional de Distribuição, Lda.", under the insignias "MAXI" and "bompreço". In Specialised Retailing in the area of Furniture and Decoration, Teixeira Duarte operates under the insignia "DAKAZA", and in 2015 started its action in the Health and Well-being area under the brand "Farmácia Popular".

In the market of Distribution of Exclusive Products, the Group operates through "DCG - Distribuição e Comércio Geral, Lda.".

The wholesale marketing of beverages began in 2014 through the company "OCC - Operador Central de Comércio, Lda.".

In retail operations, the search has continued for new locations for points of sale and the general improvement of the conditions of the different existing outlets, making the atmosphere of the shops more attractive and with more services for customers, contributing to the commercial success of the brands with which the Group operates.

Reference should be made to the opening of three new shops, with the insignias "MAXI" and "bompreço", two in the city of Luanda and one in the city of Benguela, as well as the expansion of the sales area of the Zango shop from 800 m² to 1,800 m². This implies that the total food retail area is now 35,000 m², distributed over the metropolitan zone of Luanda and the provinces of Benguela and Kwanza Sul.

In addition to the investment made in terms of the shops, the development of a greater offer of goods and services continued in 2014, in particular through the intensification of the range of groceries and beverages, the increased offer of light and heavy goods, and the extension of a series of services, in various shops, such as a butcher, fishmonger and ready-to-eat-food.

In Specialised Retail, in the Furniture and Decoration area, we highlight the new insignia "DAKAZA", which has been repositioned due to the extinction of "Casa Decoração" with a new format and offering quality products at more competitive prices. Under this renovated brand, four new shops have already been opened in the metropolitan area of Luanda, in the regions of Rocha Pinto, Mulemba, Cacucaco and Morro Bento, as well as a new shop in the city of Benguela.

Also in Specialised Retail in the area of Health and Well-being, the projects and works of three pharmaceutical establishments with the "Farmácia Popular" brand were developed, with two having opened in 2015.

Regarding the Distribution of Exclusive Products – Beverages and Impulse, where the Group operates through the company "DCG – Distribuição e Comércio Geral, Lda.", the year was marked by the strong specialisation of the business model and increased complexity of operations.

In the Self-sale – Impulse unit, which includes among others the representation of *Matutano* brand products, in spite of the notably heavier customs duties and increasingly stronger competition, even so, it has been possible to maintain the good sales levels and profitability of this business unit.

A new activity started up in the beer, carbonated drinks and water wholesale area in mid-2014 with the acquisition of an operation with long-standing experience in the market, which operates through five retail outlets in the metropolitan area of Luanda.

"Fazenda Maxi", a partnership programme established with Angolan farmers since 2012, continues to be the major focus in the national procurement of fruit and vegetables for the shops, and already represents 60% of this category. Over 3,000 tons of fresh products were supplied under this partnership in 2014, which were sold in the "MAXI" shops.

A renovated dedicated sales channel has been implemented for the attendance of professional clients, the Professional Sales Channel, which involves a commercial team focused on the increasingly closer follow-up of major customers, establishing a preferential partnership for the development of their business.

A new project was also implemented in 2014, called "Kitandinha", which consists of a programme of partnerships with small and medium-sized food retail shops in order to boost their business and consequently contribute to the development of formal trade in Angola.

In **South Africa**, where the Group operates through the company "GND – Global Net Distributors (PTY) Ltd.", the intensification of commercial relations with various partners and local producers continued to be pursued.

In **Brazil**, an operation started up in the State of São Paulo to distribute "Herdade do Sobroso" wines and olive oil, where the commercial work that has already been developed has led to the creation of a network of customers and the attraction of a sub-distributor in the State of Rio de Janeiro.

The increased activity of this sector of the Teixeira Duarte Group in Angola, as well as the more demanding market and ongoing goal of maintaining an available, efficient and quality service, has, for a very long time, implied Teixeira Duarte's investment in human resources. In this regard, we highlight the following in 2014:

- The implementation of selection and recruitment policies, aimed at attracting and recruiting the best professionals;
- The development of an ambitious training plan, with general and specific actions, for the activity of the central structure and different insignias;

- The continued focus on the "Fazer Pescar" training project, started in 2012, which, during the year under review, enabled the integration of 31 young employees in different areas of Operations, Logistics, Procurement and Information Systems.

The outlook for 2015 suggests some reservations relative to the development of retail activity in Angola, namely due to the expected slowdown of economic activity and its impact on the purchasing power of the Angolan population. Therefore, notwithstanding the Group's continued focus on this sector, an overall growth of income is not foreseen.

IV.6. ENERGY

The Teixeira Duarte Group began to operate in this sector in Portugal in 1996, with its current operations in the national market being through "TDARCOL - SGPS, S.A." in the areas of Liquid Fuel and Lubricants, Gas and Solar Energy.

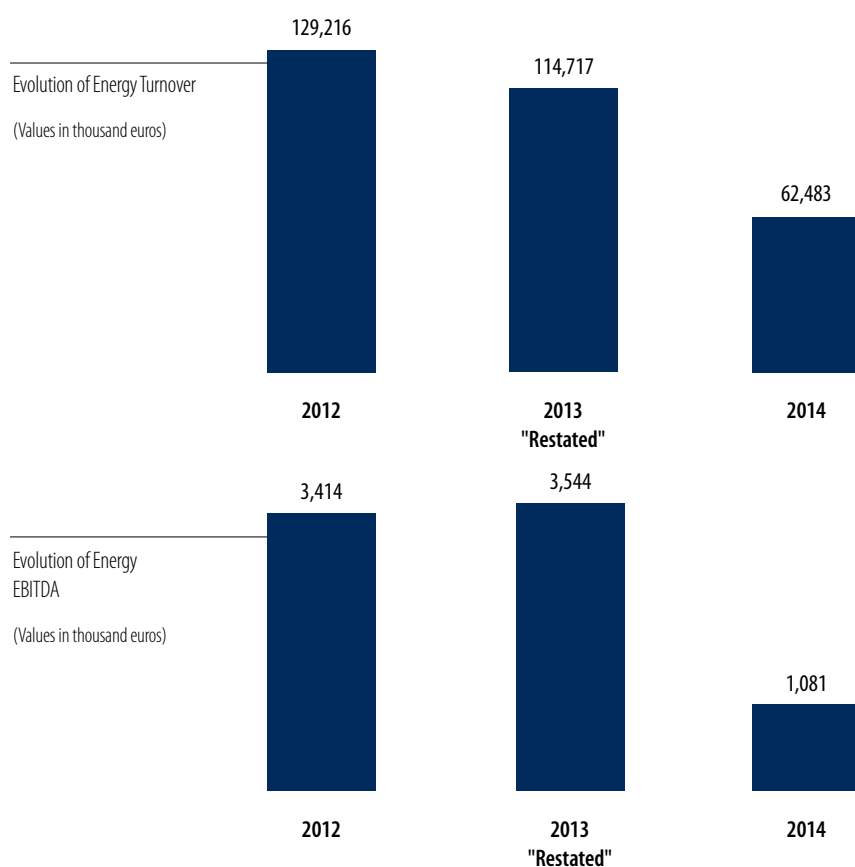
In fuel, Teixeira Duarte operated, directly or through concessions, 60 fuel stations, under the trade name "AVIA", in 2014.

In 2015, Teixeira Duarte sold its stake in "PETRIN - Petróleos e Investimentos, S.A.", an entity through which the Group distributed the aforesaid liquid fuel and that generated consolidated operating income of 48 million euros in 2014.

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

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

— CONTRIBUTION OF THIS SECTOR TO THE GROUP



In Energy, the Group's Turnover fell by 45.5% year-on-year, as a result of the strong reduction of liquid fuel sales in large outlets.

In Energy, EBITDA declined by 69.5% in relation to 2013.



PPS – LPG Dispatch
Port of Aveiro | Portugal



PPS – LPG Reception Operation
Port of Aveiro | Portugal

— ACTIVITY DURING 2014

In non-consolidated terms and in order to provide an overall view of the total activity during 2014, we disclose that the Group's operating income in the Energy sector reached the total value of 73,274 thousand euros, corresponding to a reduction of 42.1% relative to 2013.

In the area of fuel, 2014 was characterised by the exacerbation of the adverse economic circumstances and by the aggravation of the austerity measures implemented in Portugal, with consequent negative impact both on private consumption and investment. In this context, there was a reduction of the consumption of oil products, reflected on the activity which recorded a decline in the quantities of liquid fuel sales of 55.31% in relation to the previous year, with Turnover having stood at a total of 47,359 thousand euros, essentially as a result of the strong reduction of liquid fuel sales to large-scale outlets.

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

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

The projects for the terminal and tank facilities in the port of Aveiro were completed, with the first ship having been received in December, and distribution of the new Digal butane gas bottle called "ASA" started.

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

IV.7. AUTOMOTIVE

Teixeira Duarte began its action in the Automotive Sector in 1991 in Angola, and currently pursues its activity through a group of companies which represent various international manufacturers, in particular the companies TDA and VAUCO, operating in the following market segments:

Light: Nissan, Renault, Peugeot, Mahindra, Honda, JMC, Ssangyong, Chevrolet and Isuzu;

Heavy: Renault Trucks, UD Trucks and Randon;

Motorcycles: Honda, Piaggio, Vespa, Gilera, Derby and Hyosung;

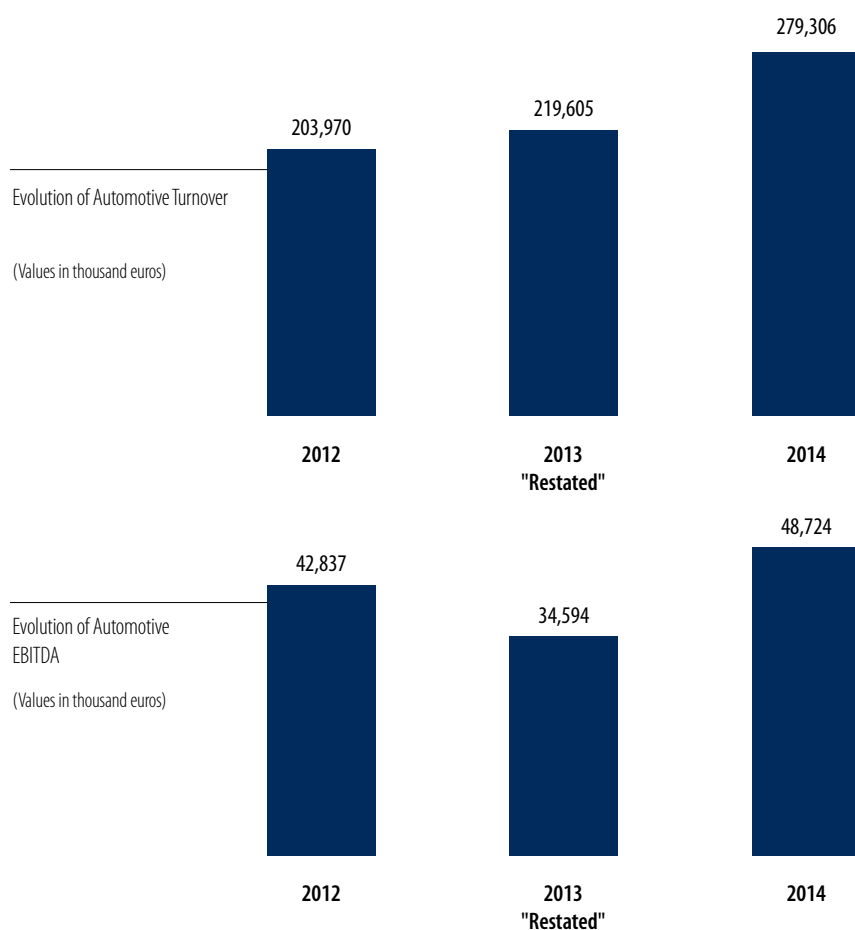
Equipment - Energy: Denyo, Pramac, Honda Power Products and Powermate;

Equipment - Lifting and Civil Construction: Nissan Forklift, Heli and Wacker Neuson;

Tyres and Lubricants: Continental, Infinity and Avia.

At the same time, activities are developed in Specialised Retail through the network of TDA Shops, which market a broad range of goods and services predominantly for motor vehicles.

— CONTRIBUTION OF THIS SECTOR TO THE GROUP



The Turnover of the Automotive sector increased by 27.2% in relation to December 2013, where, excluding the foreign exchange effect, activity grew by 26.8% year-on-year.

In 2014, a 30% increase was recorded in the light vehicle segment and a 14% increase in after-sales technical assistance.

Contributing to this effect in a relevant fashion was the consolidation of the concession network in the provinces of Luanda, Benguela, Huíla and Huambo.

The EBITDA of the Automotive sector grew by 40.8% in relation to the previous year, to stand at 48,724 thousand euros.



Mulemba TDA Shop
Luanda | Angola



Vauco Catumbela
Lobito | Angola

— ACTIVITY DURING 2014

In non-consolidated terms and in order to provide an overall view of the total activity during 2014, we disclose that the Group's operating income in the Automotive sector reached the total value of 468,388 thousand euros, corresponding to growth of 26.6% relative to 2013.

2014 was marked by the enforcement of the new customs tariff in Angola, which primarily penalised the Double Cabin Pickups segment.

Despite this fact, the market recorded intense activity, especially the Light segment, with a considerable increase of sales of the main trade names operating in Angola, that reached the total of around 40,000 units, of which 10,800 were trade names represented by Teixeira Duarte.

In view of the particularities of the market and the available line-up of each manufacturer, in general, the trade names showed a positive performance, especially Renault and Chevrolet, which, for the first time, exceeded sales of 3,000 units in a single year, as well as Nissan with over 2,000 vehicles having been sold in the period.

Renault, with 3,700 units sold and impressive growth of 62% in relation to 2013, closed the year in the fourth place of the ranking of the trade names most sold in Angola, with a market share above 8%.

In 2014, the development of the network of points of sale and technical assistance continued, both through the implementation of its own outlets and through new sub-distributors. In this regard, we highlight: the expansion of the number of mechanical stalls in the TDA Talatona and TDA Coqueiros Centres; the upgrading of the TDA Viana Centre workshop; the enlargement of the Vauco Ho Chi Min Showroom in the city of Luanda, for Chevrolet and Isuzu; the inauguration of the new Vauco Lobito Showroom, also for Chevrolet and Isuzu; the new Luanda Showroom for Mahindra; and the new Luanda Showroom for Ssangyong.

Together with the network of sub-distributors, the trade names represented in the Light segment covered various Angolan cities by the end of the year, namely Luanda, Talatona, Viana, Lobito, Benguela, Lubango, Huambo, Menongue, Kuito, Luena and Uíge.

In the area of Technical Assistance of Light vehicles, the Teixeira Duarte group recorded 15% growth of turnover in spite of the appearance, throughout the year, of various independent multi-brand workshops which accentuated the competition in this aspect of the business.

In the Heavy segments, there was impressive growth of 36% in the principal insignia, "Renault Trucks", with a total of 202 units having been sold. Reference should be made to the presence of the workshop network of this segment in the cities of Talatona, Viana, Lobito, Lubango and Huambo.

In the Motorcycle segment, 3,269 units were sold, equivalent to a 17% reduction in the number of units sold in 2013, essentially due to the discontinuation of production of the *Honda Today* model, which had been a top seller in 2013, and the implementation of the new customs tariff, which significantly aggravated the costs associated to the import of scooters, with particular impact on the *Piaggio* trade name.

In the Equipment segment, during 2014, the Energy area maintained its focus on improving the skills of the different Technical Assistance teams, the customer base in this activity was diversified, and the income of the maintenance activity increased by around 30%.

In the Lifting area, we highlight the start-up of the representation of the insignia *Heli*, with a very broad range, well suited to the strong logistic development that is taking place throughout the country.

In the Tyres and Lubricant segment, the year was marked by the start-up of the representation of the *Continental* tyre brands in the premium section, and *Infinity* in the budget section, as well as the start-up of marketing lubricants of the *AVIA* brand.

In Specialised Retail, the insignia "*Loja TDA*" inaugurated two new points of technical assistance and sale during the first half of the year, in the MAXI Cacuaco and Mulemba shopping galleries, with a new type of concept that includes a workshop for changing tyres and fast maintenance.

The increased activity of this sector of the Teixeira Duarte Group in Angola, as well as the more demanding market and ongoing goal of maintaining an available, efficient and quality service, has, for a very long time, implied Teixeira Duarte's investment in human resources. In this regard, we highlight the following in 2014:

- The implementation of dynamic and careful selection and recruitment policies, aimed at attracting and recruiting the best professionals;
- The implementation of an ambitious training plan, with general and specific actions, for the activity of the central structure and different business segments;
- The continuation of the "Fazer Pescar" project, transversal to the Group's different areas, aimed at developing skills and creating opportunities for young people in vulnerable socio-economic family circumstances. Two more editions were held this year, with the consequent integration of a further 32 young employees in this automotive sector, placed in various areas of Mechanics, Sales Administration and Information Systems.

In this sector, 2015 is likely to be marked by lower imports in Angola, which shall imply a widespread contraction of the different business areas, especially in the Light, Heavy and Equipment segments. Therefore, Teixeira Duarte should give special attention to the careful management of stock levels, adjusting the line-up of the different trade names according to the expected reduction of sales, as well as to Technical Assistance, pursuing the capacity-building of the different teams and intensifying the workshop organisation processes.

V. HOLDINGS IN LISTED COMPANIES

— BANCO COMERCIAL PORTUGUÊS, S.A.

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

In 2014, the Teixeira Duarte Group maintained a holding in "Banco Comercial Português, S.A.", classified as financial assets available for sale, having reduced its corporate holding to 1.15% of the share capital and voting rights.

As at 31 December 2014, the book value of this holding, expressed pursuant to the IFRS, stood at 40,880 thousand euros, corresponding to a decrease of 18,525 thousand euros compared to the value of the stake held as at 31 December 2013.

— BANCO BILBAO VIZCAYA ARGENTARIA, S.A.

In 2014, the Teixeira Duarte Group maintained its stake in "Banco Bilbao Vizcaya Argentaria, S.A.", whose book value, expressed pursuant to the IFRS, stood at the total value of 22,855 thousand euros, and also continued its management of this holding, partially as a cash investment and partially as financial assets available for sale.

VI. SUBSEQUENT EVENTS

Teixeira Duarte pursued its activity in the different sectors and markets in which it operates, where note should be made of the following relevant fact which occurred after the closing of the financial year, and was disclosed in due time to the market:

Contract for the execution of work in Algeria, of the value of 204 million euros

The enterprise group, led by "Teixeira Duarte – Engenharia e Construções, S.A." with a 47.5% stake, received the contract and respective service order on 8 April from the "Agence Nationale des Autoroutes" of Algeria, for the execution of the "Réalisation de la Liaison Autoroutière Reliant le Port de Ténès à l'Autoroute Est-Ouest sur 22 kms (Wilaya de Chlef) en 2x3 voies".

The established execution period of this work is 24 months and its total value is 204 million euros, increased by VAT at the legal rate in force, where 38.3% will be paid in euros and the remaining 61.7% in Algerian dinar. Pursuant to its share in the aforesaid enterprise group, the Teixeira Duarte Group is entitled to receive 96.9 million euros.

VII. OUTLOOK FOR 2015

It is expected that in 2015 there will be growth of activity in various countries of importance in Teixeira Duarte's action abroad.

Thus, the Teixeira Duarte Group's Order Book for the construction sector reached the total value of 2,411,360 thousand euros as at 31 December 2014, reflecting an increase of 18.3% in relation to the end of 2013.

Therefore, and notwithstanding any new contracts that may arise, the Group has assured adequate business levels in construction in foreign markets which, in spite of the current adverse circumstances in the domestic market, has implied that, as a whole, Teixeira Duarte already has contracts to the total value of 904,808 thousand euros for 2015, 649,832 thousand euros for 2016 and 339,281 thousand euros for 2017, distributed as follows by the Group's markets of operation:

	2015	Contribution (%)	2016	Contribution (%)	2017	Contribution (%)
Portugal	122,876	13.6%	23,556	3.6%	33,124	9.8%
Angola	191,700	21.2%	98,144	15.1%	121,605	35.8%
Algeria	200,648	22.2%	197,731	30.4%	49,370	14.6%
Brazil	140,160	15.5%	81,220	12.5%	480	0.1%
Spain	4,944	0.5%	-	-	-	-
Mozambique	113,766	12.6%	97,482	15.0%	418	0.1%
Venezuela	115,372	12.8%	146,551	22.6%	134,284	39.6%
Other Markets	15,342	1.7%	5,148	0.8%	-	-
Total	904,808	100.0%	649,832	100.0%	339,281	100.0%

At this point, it is important to recall an issue referred to above that, in 2015, Teixeira Duarte sold its stake in "PETRIN - Petróleos e Investimentos, S.A.", an entity through which the Group distributed liquid fuel under the brand "AVIA" and that had generated operating income of 48 million euros in 2014.

For 2015, Teixeira Duarte expects to achieve consolidated operating income of around 1,600 million euros.

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

In view of the proposal undertaken in relation to the distribution, to the employees and members of the Board of Directors, of part of the net income for the year, and in compliance with the rules currently in force, this amount of € 1,500,000 (one million and five hundred thousand euros) was recorded as a cost for the financial year of 2014, with the consequent reduction of the net income heading recorded in the financial statements attached to this Report and also subject to approval at the General Meeting.

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

It should also be noted on this issue that its subsidiaries, namely TD-EC, are committed to distributing part of their net income for 2014 to the members of their boards of directors and employees, to a total of 5,938,000.00 euros, with these subsidiaries also having recorded this value as a cost for 2014, with the consequent reductions of the respective net income headings.

IX. PROPOSED APPROPRIATION OF NET INCOME

The net income, whose proposed appropriation is presented herein, corresponds to the amounts calculated as at 31 December 2014 plus the cost of € 1,500,000 (one million and five hundred thousand euros) which, being planned to be distributed to the employees and directors, was, in compliance with the applicable new rules, recorded as a cost of the actual financial year of 2014 in the financial statements which are an integral part of this Management Report and which, should they be approved, confirm, on the one hand the agreement of the Shareholders to distribute profit to the employees and members of the Board of Directors and, on the other hand, that the Net Income object of the proposed appropriation of net income is € 65,389,620.98 (sixty-five million, three hundred and eighty-nine thousand, six hundred and twenty euros and ninety-eight euro cents).

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

Considering these assumptions, the Board of Directors proposes that the net income of "TEIXEIRA DUARTE, S.A." for the financial year of 2014, amounting to € 65,389,620.98 (sixty-five million, three hundred and eighty-nine thousand, six hundred and twenty euros and ninety-eight euro cents), be appropriated as follows:

Reinforcement of the legal reserve	€ 10,500,000.00
Reinforcement of the free reserves	€ 49,219,620.98
Dividends to shareholders	€ 5,670,000.00

Lagoas Park, 29 May 2015

The Board of Directors,

Pedro Maria Calainho Teixeira Duarte

Manuel Maria Calainho de Azevedo Teixeira Duarte

Joel Vaz Viana de Lemos

Carlos Gomes Baptista

Diogo Bebiano Branco de Sá Viana Rebelo

Jorge Ricardo de Figueiredo Catarino

NUMBER OF SECURITIES OF THE MEMBERS OF THE GOVERNING BODIES

In compliance with the duties of information to which the Company is bound under various regulations in force, Teixeira Duarte, S.A. presents, below, the list of shares issued by the Company and by companies with which it is in a controlling or group relationship, held by members of the governing bodies, as well as all the acquisitions, encumbrances or transfers during 2014, specifying the amount, date of the fact and consideration paid or received:

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

	Name	Capacity	Company	Nr. of Shares
(a) 42,000 shares held directly and 1,170,550 shares held by the company controlled by him, PACIM - Gestão e Investimentos, S.A., which, in 2015, exchanged these shares for shares of Teixeira Duarte - SGPS, S.A.	Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	TEIXEIRA DUARTE, S.A.	(a) 1,212,550
	Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	TEIXEIRA DUARTE, S.A.	5,149,575
	Joel Vaz Viana de Lemos	Director	TEIXEIRA DUARTE, S.A.	433,862
	Carlos Gomes Baptista	Director	TEIXEIRA DUARTE, S.A.	62,671
	Diogo Bebiano Branco de Sá Viana Rebelo	Director	TEIXEIRA DUARTE, S.A.	31,160
	Jorge Ricardo de Figueiredo Catarino	Director	TEIXEIRA DUARTE, S.A.	180,000
(b) shares held under joint ownership with his wife	Óscar Manuel Machado de Figueiredo	Chairman of the Supervisory Board as of 7 November 2014	TEIXEIRA DUARTE, S.A.	0
	António Gonçalves Monteiro	Chairman of the Supervisory Board up to 7 November 2014	TEIXEIRA DUARTE, S.A.	0
	Mateus Moreira	Member of the Supervisory Board	TEIXEIRA DUARTE, S.A.	0
	Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	TEIXEIRA DUARTE, S.A.	(b) 10,000
	Horácio Lisboa Afonso	Alternate of the Supervisory Board up to 24 March 2014	TEIXEIRA DUARTE, S.A.	0
	Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	TEIXEIRA DUARTE, S.A.	0
	José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	TEIXEIRA DUARTE, S.A.	0
	José Pedro Poiães Cobra Ferreira	Secretary of the Board of the General Meeting	TEIXEIRA DUARTE, S.A.	0
	Mariquito, Correia & Associados, SROC	Chartered Accountant	TEIXEIRA DUARTE, S.A.	0

II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2014:

No transactions whatsoever were recorded with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2014:

III. Number of shares held by Members of the Governing Bodies as at 31 December 2014:

	Name	Capacity	Company	Nr. of Shares
(c) 42,000 shares held directly and 1,170,550 shares held by the company controlled by him, PACIM - Gestão e Investimentos, S.A., which, in 2015, exchanged these shares for shares of Teixeira Duarte - SGPS, S.A.	Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	TEIXEIRA DUARTE, S.A.	(c) 1,212,550
	Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	TEIXEIRA DUARTE, S.A.	5,149,575
	Joel Vaz Viana de Lemos	Director	TEIXEIRA DUARTE, S.A.	433,862
	Carlos Gomes Baptista	Director	TEIXEIRA DUARTE, S.A.	62,671
	Diogo Bebiano Branco de Sá Viana Rebelo	Director	TEIXEIRA DUARTE, S.A.	31,160
	Jorge Ricardo de Figueiredo Catarino	Director	TEIXEIRA DUARTE, S.A.	180,000
(d) shares held under joint ownership with his wife	Óscar Manuel Machado de Figueiredo	Chairman of the Supervisory Board as of 7 November 2014	TEIXEIRA DUARTE, S.A.	0
	António Gonçalves Monteiro	Chairman of the Supervisory Board up to 7 November 2014	TEIXEIRA DUARTE, S.A.	0
	Mateus Moreira	Member of the Supervisory Board	TEIXEIRA DUARTE, S.A.	0
	Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	TEIXEIRA DUARTE, S.A.	(d) 10,000
	Horácio Lisboa Afonso	Alternate of the Supervisory Board up to 24 March 2014	TEIXEIRA DUARTE, S.A.	0
	Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	TEIXEIRA DUARTE, S.A.	0
	José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	TEIXEIRA DUARTE, S.A.	0
	José Pedro Poiães Cobra Ferreira	Secretary of the Board of the General Meeting	TEIXEIRA DUARTE, S.A.	0
	Mariquito, Correia & Associados, SROC	Chartered Accountant	TEIXEIRA DUARTE, S.A.	0

SHAREHOLDERS WITH AT LEAST ONE TENTH OF THE SHARE CAPITAL

TEIXEIRA DUARTE, S.A. presents, below and pursuant to number 4 of article 448 of the Commercial Companies Code, the list of shareholders who, as at 31 December 2014 and according to the Company's records and the information received, hold at least one tenth of the share capital:

Company	Nr. shares as at 31.12.2014	% Share Capital
TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A.	203,520,000	48.46%
MIDINVEST, S.G.P.S., Sociedade Unipessoal Lda.	42,593,620	10.14%

LIST OF OWNERS OF QUALIFYING HOLDINGS AS AT 31 DECEMBER 2013

In compliance with the applicable legal and regulatory provisions, based on the Company's records and the information which has been received, TEIXEIRA DUARTE, S.A. herein discloses the list of owners of qualifying holdings in its share capital as at 31 December 2014, indicating the number of shares owned and corresponding percentage voting rights, calculated under the terms of article 20 of the Securities Market Code.

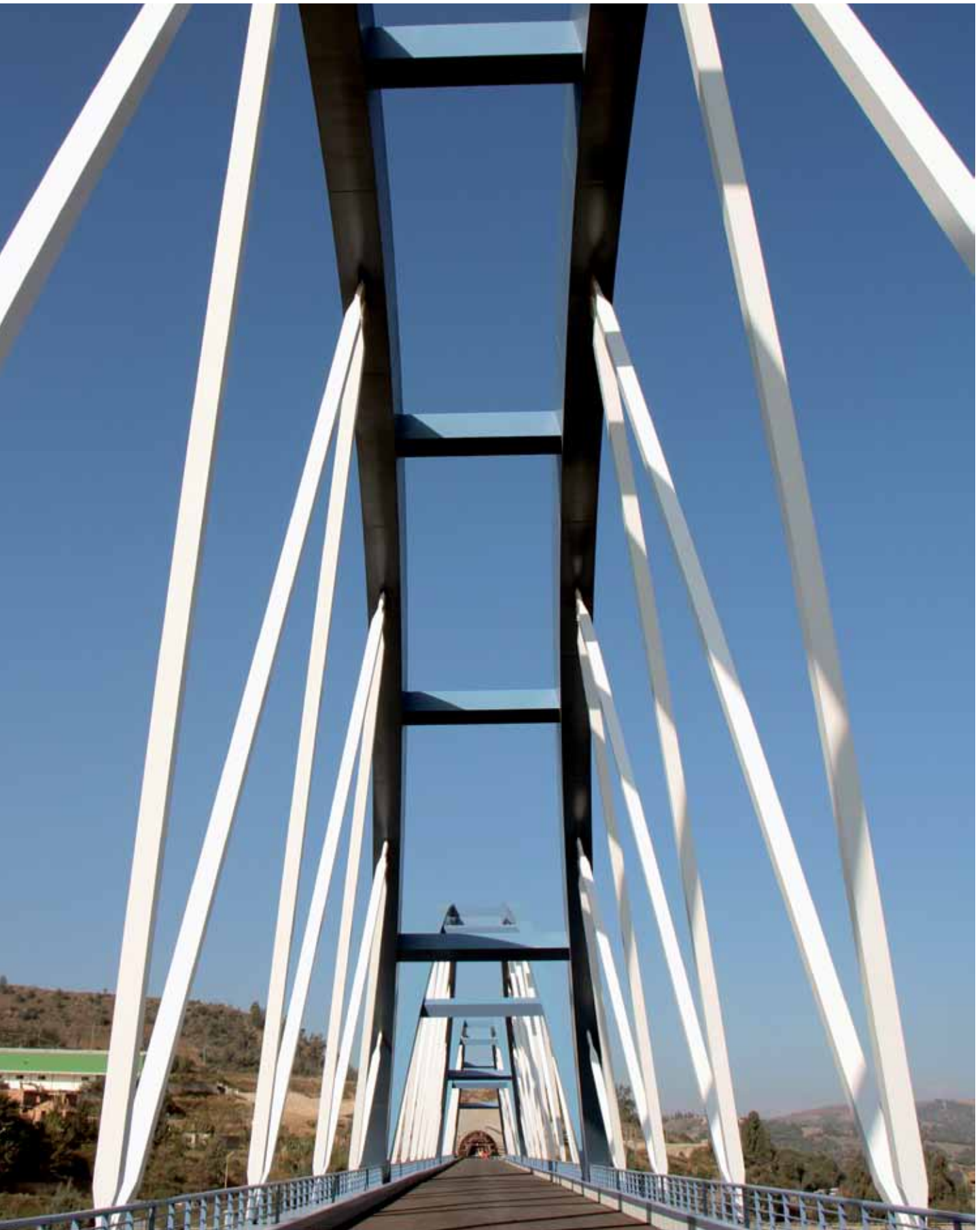
TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.	Nr. of shares	% Share capital with voting rights
Directly	203,520,000	48.46%
Through members of the Board of Directors of TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A. (none of which individually reach a qualifying holding)	9,507,685	2.26%
TOTAL IMPUTABLE	213,027,685	50.72%

Mr. Miguel Calainho de Azevedo Teixeira Duarte	Nr. of shares	% Share capital with voting rights
Directly	145,087	0.03%
Through the company controlled by him directly, MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda.	42,593,620	10.14%
TOTAL IMPUTABLE	42,738,707	10.176%

Banco Comercial Português, S.A.	Nr. of shares	% Share capital with voting rights
Directly	500	0.0001%
Through the Pension Fund of the Banco Comercial Português Group held by him	41,225,838	9.8157%
TOTAL IMPUTABLE	41,226,338	9.8158%

Mr. Pedro Pereira Coutinho Teixeira Duarte	Nr. of shares	% Share capital with voting rights
Directly	10,300,000	2.45%
TOTAL IMPUTABLE	10,300,000	2.45%

Corporate Governance Report **2014**



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

A. SHAREHOLDER STRUCTURE

I. Capital structure

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

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

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

According to the most recent information, the shares representing the share capital of TD,SA were, at the end of 2014, distributed over a total number of 5,413 shareholders, as follows:

Shareholders of up to 42,000 shares:	5,241
Shareholders of between 42,001 and 420,000 shares:	125
Shareholders of between 420,001 and 4,200,000 shares:	33
Shareholders of between 4,200,001 and 42,000,000 shares:	12
Shareholders of more than 42,000,000 shares:	2

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

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

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

There are no own shares.

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

There are no agreements with these characteristics.

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

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

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

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

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

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

II. Shares and Bonds held

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

It is disclosed that, as at 31 December 2014, the qualifying holdings, calculated under the terms of article 20 of the Securities Market Code, were as follows:

"Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A."	Nr. of shares	% Share capital with voting rights
Directly	203,520,000	48.46%
Through members of the Board of Directors of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A. (none of which individually reach a qualifying holding)	9,507,685	2.26%
TOTAL IMPUTABLE	213,027,685	50.72%

Mr. Miguel Calainho de Azevedo Teixeira Duarte	Nr. of shares	% Share capital with voting rights
Directly	145,087	0.03%
Through the company controlled by him directly, MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda.	42,593,620	10.14%
TOTAL IMPUTABLE	42,738,707	10.176%

"Banco Comercial Português, S.A."	Nr. of shares	% Share capital with voting rights
Directly	500	0.0001%
Through the Pension Fund of the Banco Comercial Português Group held by him	41,225,838	9.8157%
TOTAL IMPUTABLE	41,226,338	9.8158%

Mr. Pedro Pereira Coutinho Teixeira Duarte	Nr. of shares	% Share capital with voting rights
Directly	10,300,000	2.45%
TOTAL IMPUTABLE	10,300,000	2.45%

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

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

TD,SA presents, below, the list of shares issued by the Company and by companies with which it is in a controlling or group relationship, held by members of the governing bodies, as well as all the acquisitions, encumbrances or transfers during 2014, specifying the amount, date of the fact and consideration paid or received.

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

Name	Company	Capacity	Nr. of Shares	
Pedro Maria Calainho Teixeira Duarte	TD,SA	Chairman of the Board of Directors	(a) 1,212,550	(a) 42,000 shares held directly and 1,170,550 shares held by the company controlled by him, PACIM - Gestão e Investimentos, S.A., which, in 2015, exchanged these shares for shares of Teixeira Duarte - SGPS, S.A.
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD,SA	Director	5,149,575	
Joel Vaz Viana de Lemos	TD,SA	Director	433,862	
Carlos Gomes Baptista	TD,SA	Director	62,671	
Diogo Bebiano Branco de Sá Viana Rebelo	TD,SA	Director	31,160	
Jorge Ricardo de Figueiredo Catarino	TD,SA	Director	180,000	
Óscar Manuel Machado de Figueiredo	TD,SA	Chairman of the Supervisory Board as of 7 November 2014	0	(b) shares held under joint ownership with his wife
António Gonçalves Monteiro	TD,SA	Chairman of the Supervisory Board up to 7 November 2014	0	
Mateus Moreira	TD,SA	Member of the Supervisory Board	0	
Miguel Carmo Pereira Coutinho	TD,SA	Member of the Supervisory Board	(b) 10,000	
Horácio Lisboa Afonso	TD,SA	Alternate of the Supervisory Board up to 24 March 2014	0	
Rogério Paulo Castanho Alves	TD,SA	Chairman of the Board of the General Meeting	0	
José Gonçalo Pereira de Sousa Guerra Costenla	TD,SA	Deputy Chairman of the Board of the General Meeting	0	
José Pedro Poiares Cobra Ferreira	TD,SA	Secretary of the Board of the General Meeting	0	
Mariquito, Correia & Associados, SROC	TD,SA	Chartered Accountant	0	

II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2014:

No transactions whatsoever were recorded with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2014.

III. Number of shares held by Members of the Governing Bodies as at 31 December 2014:

Name	Company	Capacity	Nr. of Shares	
Pedro Maria Calainho Teixeira Duarte	TD,SA	Chairman of the Board of Directors	(c) 1,212,550	(c) 42,000 shares held directly and 1,170,550 shares held by the company controlled by him, PACIM - Gestão e Investimentos, S.A., which, in 2015, exchanged these shares for shares of Teixeira Duarte - SGPS, S.A.
Manuel Maria Calainho de Azevedo Teixeira Duarte	TD,SA	Director	5,149,575	
Joel Vaz Viana de Lemos	TD,SA	Director	433,862	
Carlos Gomes Baptista	TD,SA	Director	62,671	
Diogo Bebiano Branco de Sá Viana Rebelo	TD,SA	Director	31,160	
Jorge Ricardo de Figueiredo Catarino	TD,SA	Director	180,000	
Óscar Manuel Machado de Figueiredo	TD,SA	Chairman of the Supervisory Board as of 7 November 2014	0	(d) shares held under joint ownership with his wife
António Gonçalves Monteiro	TD,SA	Chairman of the Supervisory Board up to 7 November 2014	0	
Mateus Moreira	TD,SA	Member of the Supervisory Board	0	
Miguel Carmo Pereira Coutinho	TD,SA	Member of the Supervisory Board	(d) 10,000	
Horácio Lisboa Afonso	TD,SA	Alternate of the Supervisory Board up to 24 March 2014	0	
Rogério Paulo Castanho Alves	TD,SA	Chairman of the Board of the General Meeting	0	
José Gonçalo Pereira de Sousa Guerra Costenla	TD,SA	Deputy Chairman of the Board of the General Meeting	0	
José Pedro Poiares Cobra Ferreira	TD,SA	Secretary of the Board of the General Meeting	0	
Mariquito, Correia & Associados, SROC	TD,SA	Chartered Accountant	0	

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

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

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

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

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

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

It happens that for the past almost 30 years, the companies included in the Teixeira Duarte Group have maintained business relations with Banco Comercial Português, S.A. and its participated companies, under normal market terms and conditions, where, as at 31 December 2014, the total value of the loans taken out from this institution reached approximately 337 million euros, corresponding to 22.7% of the Group's total bank debt.

It is disclosed that the contracting of bank guarantees with "Banco Comercial Português, S.A." and its participated companies reached the total amount of 22 million euros, representing 2.7% of the total value of the guarantees contracted by the Group.

Finally, it is disclosed that the Group also has financial lease contracts with "Banco Comercial Português, S.A." and its participated companies, of a total value of 153 million euros, corresponding to 75.8 % of the total value of these types of contracts.

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

In view of the nature of the relations being those identified above and the fact that their scope is restricted to areas that are already highly regulated and supervised by various entities, it is deemed that there is no reason that would justify the supervisory body establishing necessary procedures and criteria for the definition of the relevant level of significant business with shareholders holding qualifying stakes, or with entities which are engaged with them in any of the relations established in number 1 of article 20 of the Securities Market Code, nor that the conduct of business of significant relevance should depend on the prior opinion of this body, pursuant to Recommendation number V2.

B. GOVERNING BODIES, COMMITTEES AND COMMISSIONS

I. GENERAL MEETING

a) Composition of the board of the general meeting

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

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

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

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

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

All the identified members of the Board of the General Meeting were elected at the General Meeting held on 21 May 2011, to perform duties in this body during the four-year period 2011/2014.

b) Voting and the exercise of voting rights

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

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

Furthermore, pursuant to article 13 of the Memorandum and Articles of Association, only shareholders with at least one voting right, on the registration date, corresponding to 0 hours (GMT) of the 5th business day prior to the date of the General Meeting, may participate in the General Meeting and discuss and vote therein.

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

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

TD,SA believes that the specific security requirements inherent to the voting process through electronic means are very significant, namely with respect to the technical means necessary to verify the authenticity of the corresponding explanations of vote, and guarantee the integrity

and confidentiality of the respective contents, and, likewise, recognises the high level of security and operational reliability required in the receipt of these explanations of vote.

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

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

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

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

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

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

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

II. MANAGEMENT AND SUPERVISION

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

a) Composition

15. Identification of the adopted governance model

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

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

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

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

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

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

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

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

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

Under article 17 of the Articles of Association, the Board of Directors should be composed of a minimum number of five and maximum of eleven members. Furthermore, when electing this Board, the General Meeting should determine the number of Directors which, within these limits, should comprise the Board for each term of office and appoint, among them, the member who will perform the duties of Chairman. The Articles of Association do not foresee the existence of alternate members.

Under the terms of number 2 of article 10 of the Articles of Association, the members of the governing bodies are elected for periods of four years, as noted above.

As at 31 December 2014, the Board of Directors was composed of the following members, all permanent:

Chairman:

Pedro Maria Calainho Teixeira Duarte

Directors:

Manuel Maria Calainho de Azevedo Teixeira Duarte

Joel Vaz Viana de Lemos

Carlos Gomes Baptista

Diogo Bebiano Branco de Sá Viana Rebelo

Jorge Ricardo de Figueiredo Catarino

The Chairman of the Board of Directors **Pedro Maria Calainho Teixeira Duarte** and the Directors **Manuel Maria Calainho de Azevedo Teixeira Duarte**, **Joel Vaz Viana de Lemos** and **Carlos Gomes Baptista** were appointed for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office.

At the General Meeting of 20 May 2011, they were all re-elected to their positions, to perform duties during the four-year period of 2011/2014.

The Director **Diogo Bebiano Branco de Sá Viana Rebelo** was elected for the first time at the General Meeting of 20 May 2011, to perform duties with all the other re-elected members for the term of office of 2011/2014.

The Director **Jorge Ricardo de Figueiredo Catarino** was appointed to the position for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office. He was not re-elected in 2011, having continued to perform duties in the Administration of other companies of the Group. At the General Meeting of 25 May 2013, he was once again elected to hold the position of Director at TD,SA, together with the other Directors, up to the end of the term of office in course (2011/2014).

18. Distinction between the executive and non-executive members of the Board of Directors and, regarding non-executive members, identification of members who may be considered independent, or, if applicable, identification of the independent members of the General and Supervisory Board.

18.1. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is appraised under the terms of the current legislation and, regarding the other members of the Board of Directors, members are considered independent when they are neither associated to any specific group of interests in the company nor in any circumstance which might affect the impartiality of their analysis or decision-making, namely due to:

- a. Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years;**
- b. Having, in the last three years, provided services or established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person;**

c. Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties;

d. Living in non-marital cohabitation or being the spouse, parent or family member in a straight line and up to the 3rd degree, inclusively, in a collateral line, of directors or natural persons who directly or indirectly hold a qualifying stake;

e. Holding a qualifying stake or representing a shareholder holding a qualifying stake.

The Board of Directors is exclusively composed of executive members, which is reflected in the effectiveness, operability and proximity of the matters entrusted to them.

TD,SA has chosen to maintain all its Directors in executive duties since the duties which would have been entrusted to any non-executive Directors – namely regarding supervision, monitoring and assessment of the activity of the executive members – are carried out by the Supervisory Board, Remuneration Committee and General Meeting.

In fact, the total independence and compatibility of the members of the Supervisory Board allows for impartial and useful intervention in the supervision of the Company's activity, not only from an accounting point of view – where it benefits from the regular intervention of the Chartered Accountants Firm – but also from a policy perspective, in this case with the appropriate limits and scope essential to safeguard compliance with the legal and regulatory rules in force, all with a view to achieving constant transparency and compliance with proper levels of disclosure of information to the market in general and to the shareholders, especially at the General Meeting.

In view of the adopted corporate model, the composition and mode of operation of its governing bodies – namely the executive character of the Board of Directors and the independence of the Supervisory Board and Chartered Accountants Firm, without their being any delegation of competence, either amongst them or to other Committees – TD,SA considers that the appointment of non-executive members to perform duties within the Board of Directors would not result in any significant benefits to the good operation of the adopted model, which has proved suitable and efficient.

This justifies TD,SA's decision not to include non-executive members in the Board of Directors for the monitoring, supervision and assessment of the activity of the remaining members of this board, as established in Recommendation number II.1.6. Therefore, considering that all the members of the Board of Directors perform executive duties, the present regulatory standard is not applicable to TD,SA's reality.

Nevertheless and on this issue, it is important to disclose, with respect to the independence of its members, that the Board of Directors considers that none are under any circumstances capable of affecting their impartiality in analysis and decision-making.

Particular note should also be made of the good interrelations between all the governing bodies, not only between the Chartered Accountants Firm and the Supervisory Board, which hold periodic meetings, but also between these bodies and the Board of Directors, whereby all the Directors have provided the information requested by the other members of the governing bodies in due time and in an appropriate manner.

It should also be noted that, pursuant to the principle of close collaboration between the governing bodies, for the effect of the provisions in Recommendation number II.1.9, the Chairman of the Supervisory Board is called to all the meetings of periodic nature and for the approval of the documents presenting the accounts, and is sent copies of the minutes of all the meetings of this board.

However, these documents are not sent directly by the Chairman of the Board of Directors, as indicated in this recommendation. These tasks are performed, through indication of the Chairman of the Board of Directors, by the Company Secretary who delivers copies of the minutes of the Board of Directors meetings to the Chairman of the Supervisory Board, after they have been duly signed.

Moreover, it should be added that, although the Chairman of the Board of Directors performs executive duties, since there are no non-executive directors, the Recommendation in number II.1.10 is not applicable to TD,SA. This recommendation notes that, if chairman of the board of directors performs executive duties, this board should indicate, from among its members, an independent director to assure the coordination of the work of the other non-executive members, and the conditions to enable them to take decisions in an independent or informed manner or find other equivalent mechanisms to assure this coordination.

19. Professional qualifications and other relevant curricular elements of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Chairman of the Board of Directors: Pedro Maria Calainho Teixeira Duarte

Licentiate degree in Business Administration from Universidade Católica Portuguesa in 1977.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 1987 (which was "Teixeira Duarte - Engenharia e Construções, S.A." until 2010).

As Chairman of the Board of Directors, he performs the following duties, among others:

- assures the operationality of this Board, namely the coordination of the performance of its members and holding of the respective meetings;
- monitors the Company's current business;
- coordinates the interaction of the members of the Board of Directors of "Teixeira Duarte, S.A." and the members of the Board of Directors of the 100% subsidiary, "Teixeira Duarte - Engenharia e Construções, S.A.";
- coordinates and monitors the activity developed by the Group's Delegates in the different countries.

He entered the staff of "Teixeira Duarte - Engenharia e Construções, S.A." in 1978, having been promoted in 1987 to Chief Executive Officer of this company which was, at the time, the Group's leading listed company, and has held his current position as Chairman of its Board of Directors since 2008.

In 2009 and on the occasion of its incorporation, he was, at the same time, appointed to the position of Chairman of the Board of Directors of TD,SA, which would later become the leading listed company of the Teixeira Duarte Group as of 2010. He currently also holds this position cumulatively with the equivalent position at "Teixeira Duarte - Engenharia e Construções, S.A.".

Outside the Teixeira Duarte Group, but within the sphere of its shareholder structure, he is Chairman of the Board of Directors of "Teixeira Duarte- Sociedade Gestora de Participações Sociais, S.A.", which, being held by members of the Teixeira Duarte family, controls the aforesaid leading listed company TD,SA with over 50%.

Throughout these years, he has performed many corporate positions in various other entities in which the Teixeira Duarte Group holds a stake, as indicated below:

- "CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.", where he was a member of the Board of Directors between 2001 and August 2009; and
- "Banco Comercial Português, S.A.", where he performed various duties in the Corporate Bodies between 1985 and 2013, in particular as Deputy Chairman of the Board of Governors, Deputy Chairman of the General and Supervisory Board, and Deputy Chairman of the Board of Directors.

Director: Manuel Maria Calainho de Azevedo Teixeira Duarte

Licentiate degree in Law from the Law School of "Universidade de Lisboa", in 1989.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

As a Director and notwithstanding the legal and statutory provisions which determine the collegial character of this body and the instituted practice of regular contact and interaction between all its members, this Director is currently responsible for supervising the activities developed by the Central Department of Finance and Accounting, as well as the Corporate Secretarial, Consolidation of Accounts and Internal Audit Services, and for supervising the action of the Hotel Services sector, monitoring the action developed in the Energy sector and monitoring the management of the financial holdings in companies.

He was a lawyer/legal adviser with his own office from 1989 to 1996.

He was Director of "TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.", from 30 June 1992 to 22 April 2005, with supervisory, control and investment decision responsibilities under the duties attributed to the members of the Board of Directors by the Commercial Companies Code and the Company's Articles of Association, as well as relations with the CMVM.

He has been part of the staff of the Teixeira Duarte Group since 1993, acting as a legal adviser and manager in various companies, in particular in the real estate sector.

He has been a member of corporate bodies of many of the Teixeira Duarte Group companies, and since April 2005 also became a member of the Board of Directors of the Group's leading listed company, at that time "Teixeira Duarte - Engenharia e Construções, S.A." and currently TD,SA, positions which he still holds, being responsible for various activity sectors and structures of the Group's Corporate Centre, including the Central Department of Finance and Accounting.

Outside of the Teixeira Duarte Group, he is also a Director of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.", a position to which he was appointed for the first time on 28 February 1991.

Director: Joel Vaz Viana de Lemos

Licentiate degree in Civil Engineering from the Faculty of Engineering of Porto University, in 1977.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte – Engenharia e Construções, S.A. until 2010).

As a Director and notwithstanding the legal and statutory provisions which determine the collegial character of this body and the instituted practice of regular contact and interaction between all its members, this Director is currently responsible for supervising the activities developed by the Central Departments of Human Resources, Administrative Services and Information Technology, as well as for the Central Departments of "Teixeira Duarte – Engenharia e Construções, S.A." of the areas of Management, Technology and Procurement Systems and for monitoring the participation of the Group's companies operating in the Construction sector at the Associations to which they are connected, namely representing them or providing for their respective representation.

In the distribution of areas of responsibility of the Board of Directors of TD,SA, he is also entrusted with chairing the Operational Executive Committee of the Board of Directors of "Teixeira Duarte – Engenharia e Construções, S.A.", which is responsible for coordinating the action of its Operating Centres and participated companies in the Construction sector; supervising the activities developed by "Teixeira Duarte – Engenharia e Construções, S.A." relative to the Operating Centres of Geotechnics and Rehabilitation, Mechanical Engineering and the Shuttering and Prestressing Operating Centre (COC), as well as the Department of Equipment; and also supervising the activities of the participated companies "E.P.O.S. – Empresa Portuguesa de Obras Subterrâneas, S.A.", "SOMAFEL – Engenharia e Obras Ferroviárias, S.A.", "OFM – Obras Fluviais e Marítimas, S.A.", "RECOLTE, Serviços e Meio Ambiente, S.A.", "RECOLTE, Serviços e Meio Ambiente (Porto), S.A.", "RECOLTE, Servicios y Medioambiente, S.A., Sociedad Unipersonal" and "EDUCARE – Actividades Educativas e Culturais, Lda".

After having completed the specialisation course in Soil Mechanics at Universidade Nova de Lisboa in the academic year of 1977/1978, he immediately started his professional career at "Teixeira Duarte – Engenharia e Construções, S.A." in 1978, and was Site Manager and Designer in the area of Geotechnics and Foundations until 1983.

From 1983 to 1984 he worked at the Commercial Technical Department, preparing and collaborating in a large number of studies and proposals, including bridges, dams and expansion of airport infrastructures.

From 1984 to 1992 he was assigned by "Teixeira Duarte – Engenharia e Construções, S.A." to the important Enterprise Group "FERDOURO, ACE", constituted for the construction of São João Bridge over the River Douro, having, in this context, performed the duties of Head of the Technical Office (1984/88), Technical Director/Production Director (1988/89) and Deputy Managing Director with technical and production management (1989/92).

From 1992 to 1997, he took up the position, at "Teixeira Duarte – Engenharia e Construções, S.A.", of Production Centre Director of the area at that time referred to as "Public Works", coordinating various contracts for hydraulic works (dams, wastewater treatment stations, pumping stations), hospitals, roads and general infrastructure works.

In 1997, he was appointed Operating Centre Director in this same area of "Public Works".

Since then, he was also appointed to various corporate positions in a variety of Companies, Enterprise Groups, Consortiums and Associations in which the Teixeira Duarte Group holds a stake, some of which he still maintains, even after taking up the position of Director of "Teixeira Duarte – Engenharia e Construções, S.A." in 2005.

Director: Carlos Gomes Baptista

BSc in Engineering from Instituto Industrial de Lisboa, in 1973.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, it should be noted that he was a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte – Engenharia e Construções, S.A. until 2010).

In November 2013, he withdrew from being a member of the Board of Directors of "Teixeira Duarte – Engenharia e Construções, S.A."

As a Director and notwithstanding the legal and statutory provisions which determine the collegial character of this body and the instituted practice of regular contact and interaction between all its members, this Director is currently responsible for supervising the activities developed by the Buildings Operating Centres and the Central Department of Planning and Studies of the participated company "Teixeira Duarte – Engenharia e Construções, S.A." and supervising the activity of the participated company "TDGI – Tecnologia de Gestão de Imóveis, S.A."

His career includes, in particular, employment at "M.S.F., S.A.", where he was Head of Services from 1975 to 1979, collaborating in various works, namely of hydraulic nature (pipeline and dam).

He entered into "Teixeira Duarte – Engenharia e Construções, S.A." in February 1980, as Site Manager in the area of buildings, at that time referred to as "Civil Construction".

From 1982 to 1983, he was on assignment in Venezuela where he monitored various building contract works for housing and offices.

Back in Portugal, he was appointed to the position of Zone Director in 1984, with responsibilities in a large number of enterprises in the areas of tourism, roads, housing, buildings, and especially for banking entities.

In 1989 he was appointed to the position of Production Centre Director, and in 1989 Director of the Operating Centre of what was, at that time, referred to as the "Civil Construction" area, where he was coordinator from 1998 to 2005, when he was appointed Director of "Teixeira Duarte – Engenharia e Construções, S.A.", a position he held until November 2013.

From 2000 onwards he has monitored the action of the Teixeira Duarte Group company which operates in the Facilities Management area named "TDGI – Tecnologias e Gestão de Imóveis, S.A.", where he is Chairman of the Board of Directors.

Director: Diogo Bebiano Branco de Sá Viana Rebelo

Licentiate degree in Civil Engineering from Instituto Superior Técnico, in 1992.

Appointed for the first time for the position in 2011, through deliberation of the General Meeting, with the current term of office ending in 2014.

As a Director and notwithstanding the legal and statutory provisions which determine the collegial character of this body and the instituted practice of regular contact and interaction between all its members, this Director is currently responsible for supervising the action developed in the Real Estate, Distribution and Automotive sectors in all the markets of action of the Teixeira Duarte Group, namely Portugal, Angola, Brazil and Mozambique, being, in this context, Director of various other companies of the Group and supervising the activity of "TDHOSP – Gestão de Edifício Hospitalar, S.A."

He worked at "PROFABRIL, S.A." as a Design Engineer in the Buildings Division, participating in projects of reinforced concrete structures from October 1992 to May 1993.

In the Teixeira Duarte Group:

From October 1993 to November 1999, he was a member of the "Teixeira Duarte – Engenharia e Construções, S.A." teams in the Buildings Operating Centre, at that time referred to as Civil Construction, performing the duties of Assistant Site Manager and Site Manager of various works in Portugal.

From November 1999 to May 2011, he part of the real estate teams of the Teixeira Duarte Group, being responsible for the technical area with duties in the development of real estate projects, namely in feasibility analysis, design of real estate solutions, project coordination, contract work coordination, definition of related marketing products, management of rented assets and coordination of sales teams.

His responsibility included all the segments of the sector, from residential to offices, commercial spaces, hotel services, health and leisure, industry/logistics and car parks, as well as dedication to the expansion of spaces allocated to other activities of the Group, especially Construction, Hotel Services, Distribution and the Automotive sector.

In 2010 he also started to coordinate the Group's action in the Distribution and Automotive sectors, and in May 2011 he was elected Director of the leading listed company of the Teixeira Duarte Group, TD,SA.

Director: Jorge Ricardo de Figueiredo Catarino

Licentiate degree in Civil Engineering from the Faculty of Engineering of Porto University, in 1974.

Appointed to the position for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office. He terminated his duties as a Director of TD,SA in 2011, having continued to perform duties in the Administration of other companies of the Group. At the General Meeting of 25 May 2013, he was once again elected to hold the position of Director at TD,SA, together with the other members of this board, up to the end of the term of office in course (2011/2014).

Furthermore, it should be noted that he was a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte – Engenharia e Construções, S.A. until 2010).

In November 2013, he withdrew from being a member of the Board of Directors of "Teixeira Duarte – Engenharia e Construções, S.A.".

As a Director and notwithstanding the legal and statutory provisions which determine the collegial character of this body and the instituted practice of regular contact and interaction between all its members, this Director is currently responsible for monitoring the activities developed by the Infrastructures Operating Centre, monitoring the activity developed by the Central Department of Infrastructure Studies of the subsidiary TD-EC and monitoring the activity of the participated companies "MTS – Metro, Transportes do Sul, S.A.", "AEDL – Auto-estradas do Douro Litoral, S.A." and "AEBT – Auto-estradas do Baixo Tejo, S.A.".

He started his career as a liberal profession, in the dimensioning and management of construction of various buildings for housing and industry.

He was employed at "CONDURIL S.A.R.L." from 1977 to 1981 as Site Manager, collaborating in various works, namely the construction of the dams of Penha Garcia and Cimeira and Fundeira in Alvão, for the "Hydraulic Directorate General (DGH)" and "Vila Real Municipal Council (CMVR)" respectively; various slope consolidation works along the Douro Line adjacent to the Régua and Valeira developments, for "EDP", following the damage caused by the great floods of 1979 and by the phenomenon of micro turbulence, and a variety of different roadworks for the "Junta Autónoma das Estradas".

He entered into "Teixeira Duarte - Engenharia e Construções, S.A." in 1981, as Site Manager in the area of buildings, at that time referred to as "Civil Construction". This area included, in particular, the construction of the Head Office of "Caixa Geral de Depósitos", a series of important buildings in the city of Porto and the construction of a Home for the Elderly on Ilha Terceira, in the Azores.

From 1984 to 1991 he was on assignment in Venezuela, where he performed the duties in the Production and Management Department of the affiliate "TEGAVEN S.A.", under which he monitored various contract works for housing and office buildings as well as the maintenance facility and others for Caracas metropolitan railway and the construction of motorways.

Back in Portugal, in 1992 he was appointed to the position of Operating Centre Director of the area at that time referred to as "Public Works", where he was the coordinator until 2005, when he was appointed as Director of "Teixeira Duarte - Engenharia e Construções, S.A.". During this period, he coordinated the development of major projects in the area of roads and railways, storage, water treatment and distribution, hydroelectric developments, hospitals and others.

He supervised the entrance of "Teixeira Duarte - Engenharia e Construções, S.A." into Algeria in 2003, and continues, still today, to hold various positions as a Director in a variety of entities in which the Teixeira Duarte Group holds a stake in this country.

20. Family, professional or business relations, habitual and significant, of the members, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.

The Chairman of the Board of Directors, **Pedro Maria Calainho Teixeira Duarte**, is shareholder and Chairman of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.", although he does not earn any remuneration for holding this position. Furthermore, we disclose that he is the son of Mr. Pedro Pereira Coutinho Teixeira Duarte and brother of Mr. Miguel Calainho de Azevedo Teixeira Duarte. It is also disclosed that his business relations established with "Banco Comercial Português, S.A." are not of any significant nature.

The Director **Manuel Maria Calainho de Azevedo Teixeira Duarte**, is shareholder and Director of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.", although he does not earn any remuneration for holding this position. Furthermore, we disclose that he is the nephew of Mr. Pedro Pereira Coutinho Teixeira Duarte and cousin of Mr. Miguel Calainho de Azevedo Teixeira Duarte. It is also disclosed that his business relations established with "Banco Comercial Português, S.A." are not of any significant nature.

Regarding the **remaining members of the Board of Directors**, we disclose that none of them maintain habitual and significant family, professional or business relations, with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.

21. Organisational charts or flowcharts relative to the distribution of competence between the different governing boards, committees, commissions and/or departments of the company, including information on the delegation of competence, in particular with respect to the delegation of the daily management of the company.

The Articles of Association of the Company define the competence of each of the governing bodies, namely in articles 12 (General Meeting), 19 (Board of Directors) and 23 (Supervisory Board and Chartered Accountants Firm).

There is no distribution or delegation of competence by any of the governing bodies, namely by the Board of Directors, to any specific committees or commissions, in particular an Executive Committee.

This circumstance essentially arises from the fact that the Board of Directors is exclusively composed of executive members, which is reflected in effectiveness of operationality and proximity to the matters of their competence, whereby any delegation in this regard would be redundant and counterproductive.

Notwithstanding the above, there is an organisational chart of the Teixeira Duarte Group, presented at the beginning of this Report, which illustrates the general organisational lines defined by the Board of Directors, which should, in particular:

- a) Maintain a series of Central Departments with special responsibilities of transversal support to the action developed in the different business sectors included in the Corporate Centre, entrusted with promoting a standardisation of procedures and providing support to the Group's structures operating abroad in these areas common to various businesses, even though some may be included under TD,SA and others under its subsidiary Teixeira Duarte – Engenharia e Construções, S.A.;
- b) Organise the Group's Operating Structures by Activity Sector, which will cover the responsibility for all the teams and operations of these business areas, regardless of the geographic market in which they operate, thus also acting to draw the technical and human central resources of the Group closer to those operating in the different markets of TD,SA;
- c) Highlight the trade name of certain operations included in the Group which, in view of the particularity of their business, should maintain their individuality, especially in the Construction, Concessions and Services sectors;
- d) Strengthen "Teixeira Duarte – Engenharia e Construções, S.A. as the company focused on the Construction sector:
 - d.1) Maintaining the development of its action through Operating Centres, which divide up the production areas and are essential for the training of managerial staff and follow-up of their career;
 - d.2) Maintaining a series of Central Departments with specific scope of action in the provision of specialised support to the Operating Centres, in particular in the areas of Studies, Projects and Proposals;
 - d.3) Maintaining the coordination and interaction of the activity of the companies in which the Group has a stake which operate in the Construction sector through the Board of Directors of "Teixeira Duarte – Engenharia e Construções, S.A.";
- e) Maintain, under the Board of Directors of "Teixeira Duarte – Engenharia e Construções, S.A." and from an operational perspective, an Operational Executive Committee, which should coordinate the action of the Operating Centres and companies in which the Group has a stake in this Construction sector;
- f) Maintain close relations between the Boards of Directors of TD,SA and "Teixeira Duarte – Engenharia e Construções, S.A.";
- g) Strengthen the firmness and efficacy of the bonds of unity within the Teixeira Duarte Group through the direct connection of the Board of Direction with the Group's Delegates in the different countries, which represent the management body therein, undertaking the Group's institutional representation, as well as the connection with the structures of the various Sectors and Corporate Centre which operate in these markets and the implementation of practices to optimise the operationality of the Group's companies, taking into account the particularities of each country.

b) Operationality

22. Existence and location where the operating regulations may be consulted, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

There are no operating regulations or code of conduct for the governing bodies.

In view of the chosen corporate model, the composition of the Board of Directors (all the members are executive) and the fact that the competence and responsibilities of this body cannot be delegated to any other bodies, specialised committees, commissions or departments, the mode of operation of the Board of Directors is fairly simplified, added to the fact that the number of members included in this body is not of a sufficiently size to justify the stipulation, in regulations, of further rules on operationality.

The individual competence of each member is established by deliberation of the actual Board of Directors and their interaction is maintained in a regular form under the legally stipulated terms and considered sufficient for this purpose.

23. Number of meetings held and level of attendance of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, of the meetings that have been held.

During 2014, the Board of Directors of TD,SA held 26 meetings.

For all due purposes, it is disclosed that the attendance of each member of this Board was as follows:

The Chairman of the Board of Directors, **Pedro Maria Calainho Teixeira Duarte**, attended 23 meetings and was represented by another Director in the other 3 meetings which he was unable to attend, with all his absences having been previously announced and justified.

The Director **Manuel Maria Calainho de Azevedo Teixeira Duarte** attended 25 meetings of the Board of Directors and was represented by another Director in the only meeting which he was unable to attend, with this absence having been previously announced and justified.

The Director **Joel Vaz Viana de Lemos** attended 24 meetings of the Board of Directors and was represented by another Director in two meetings which he was unable to attend, with both of these absences having been previously announced and justified.

The Director **Carlos Gomes Baptista** attended 21 meetings of the Board of Directors and was represented by another Director in two of the five meetings which he was unable to attend, with all these absences having been previously announced and justified.

The Director **Diogo Bebiano Branco de Sá Viana Rebelo** attended 19 meetings of the Board of Directors and was represented by another Director in two of the seven meetings which he was unable to attend, with all these absences having been previously announced and justified.

The Director **Jorge Ricardo de Figueiredo Catarino** attended 22 meetings of the Board of Directors and was represented by another Director in two of the four meetings which he was unable to attend, with all these absences having been previously announced and justified.

24. Indication of the governing bodies which are competent to carry out the assessment of the performance of the executive directors

The competent body for the assessment of the performance of the Company's Directors, all of whom are executive, is the General Meeting, which, under the terms of number 1 of article 376 of the Commercial Companies Code, carries out an annual general assessment of the management and supervision of the Company.

The Supervisory Board monitors, under the established terms described in this document, the action of the Board of Directors, ensuring compliance with a series of matters and issuing an opinion on the annual report and accounts which is submitted to the appraisal of the shareholders at the General Meeting.

Moreover, the Remuneration Committee assesses the activity developed by each Director for the purpose of establishing the respective remuneration, based on the remuneration policy approved at the General Meeting.

Furthermore, it is disclosed that due to the organisational and functional model established for the different governing bodies, it was not considered worthwhile creating the committees or commissions referred to in Recommendation number II.1.4 a) for the purpose of assuring a competent and independent assessment of the performance of the executive Directors and their overall performance. Therefore, as described, there are no commissions or committees.

Indeed, in view of the adopted model and the structure and composition of the Governing Bodies, these duties are explicitly entrusted to the General Meeting, Supervisory Board and Remuneration Committee, under the terms indicated above.

Likewise and for the same reasons, it was considered that it was unnecessary to create the committee or commission referred to in Recommendation number II.1.4 b) to reflect on the adopted governance system, structure and practices, verify their effectiveness and propose to the competent bodies the measures to take with a view to their improvement.

These duties are performed by each of the Governing Bodies which, better than any other body created only for this effect, are successful in identifying any constraints and difficulties which might have been encountered, and in the same way, collaborate together in the assessment of the adopted corporate governance model, reporting and overcoming any operational and interaction difficulties.

Ultimately, the overall assessment of the action of the governing bodies is always entrusted to the shareholders at the General Meeting.

25. Predefined criteria for the assessment of the performance of the executive directors.

There are no predefined criteria for the assessment of the performance of the Executive Directors. Indeed, all the Directors are assessed in accordance with their respective performance during the year, based on fixed and achievable objectives, the Company's net income and various other parameters which, due to their diversity and variation over the years, are not to be considered exhaustive but rather adaptable to the circumstances of each period and each specific situation, pursuant to the remuneration policy approved annually at the General Meeting.

On this issue, see the remuneration policy of the Executive Board of Directors, reproduced below in point 69.

26. Availability of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year.

All the members of the Board of Directors of TD,SA have dozens of years "in-house", with professional paths conducted almost exclusively within the Teixeira Duarte Group, where, according to the Group's areas and sectors of action they supervised or monitored, they were appointed to other corporate positions. This also enabled them to report information to TD,SA on the action of these same entities and their corresponding implementation of the guidelines defined for the Teixeira Duarte Group.

However, there are various occasional situations of corporate positions held in other entities outside the Teixeira Duarte Group, where none of these Directors earn remuneration or are professionally bound to these entities, or subject to any circumstances which hinder their total availability to perform their duties as a member of the Board of Directors of TD,SA.

Chairman of the Board of Directors: Pedro Maria Calainho Teixeira Duarte

As at 31 December 2014, he held the following positions **in other companies of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "Teixeira Duarte – Engenharia e Construções, S.A.".

In companies outside the Teixeira Duarte Group:

Chairman of the Board of Directors of "Teixeira Duarte – Sociedade Gestora de Participações Sociais, S.A.".

Chairman of the Board of Directors of "PACIM – Gestão e Investimentos, S.A.";

Chairman of the Board of Directors of "PASIM – Sociedade Imobiliária, S.A.".

Manager of "Terras da Mourinha, Lda.";

Manager of "Foros dos Olivais, Lda."; and

Manager of "PACIM – CAXALP, Gestão e Investimentos, Lda."

Director: Manuel Maria Calainho de Azevedo Teixeira Duarte

As at 31 December 2014, he held the following positions **in other companies of the Teixeira Duarte Group**:

Director of "Teixeira Duarte – Engenharia e Construções, S.A.";

Chairman of the Board of Directors of "Bonaparte – Imóveis Comerciais e Participações, S.A.".

Chairman of the Board of Directors of "C+P.A. – Cimento e Produtos Associados, S.A.";

Chairman of the Board of Directors of "ESTA – Gestão de Hotéis, S.A.";

Chairman of the Board of Directors of "EVA – Sociedade Hoteleira, S.A.";

Chairman of the Board of Directors of "Imopedrouços – Sociedade Imobiliária, S.A.";

Chairman of the Board of Directors of "IMOTD – Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "Lagoas Hotel, S.A.";

Chairman of the Board of Directors of "Lagoasfut – Equipamento Recreativo e Desportivo, S.A.";

Chairman of the Board of Directors of "PTG – Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "Rochoriental – Sociedade Hoteleira, S.A.";

Chairman of the Board of Directors of "Sinerama – Organizações Turísticas e Hoteleiras, S.A.";

Chairman of the Board of Directors of "TD VIA – Sociedade Imobiliária, S.A.";

Chairman of the Board of Directors of "TDE – Empreendimentos Imobiliários, S.A.";

Chairman of the Board of Directors of "TDH – Sociedade Gestora de Participações, S.A.";

Chairman of the Board of Directors of "TDHC – Instalações para Desporto e Saúde, S.A.";

Chairman of the Board of Directors of "TDO – Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "TEDAL – Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, S.A.";

Chairman of the Board of Directors of "V8 – Gestão Imobiliária, S.A.";

Director of "CPM – Companhia de Parques de Macau, S.A.";

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia";

Director of "Marinertes, S.A.";

Director of "TDARCOL – Sociedade Gestora de Participações Sociais, S.A.";

Director of "TDHOSP – Gestão de Edifício Hospitalar, S.A.";

Director of "Teixeira Duarte – Engenharia e Construções (Macau), Limitada";

Director of "Votorantim Macau Investimentos, S.A."; and

Manager of "Bonapapel – Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda."

In companies outside the Teixeira Duarte Group:

Director of "Teixeira Duarte – Sociedade Gestora de Participações Sociais, S.A.";

Chairman of the Board of Directors of "ILTA – Urbanizadora da Ilha de Tavira, S.A."; and

Secretary of the Board of the General Meeting of "HAB – Cooperativa de Construção e Habitação C.R.L."

Director: Joel Vaz Viana de Lemos

As at 31 December 2014, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Director of "Teixeira Duarte – Engenharia e Construções, S.A.";

Chairman of the Board of Directors of "Somafel – Engenharia e Obras Ferroviárias, S.A.";

Chairman of the Board of Directors of "OFM – Obras Fluviais e Marítimas, S.A.";

Chairman of the Board of Directors of "Recolte, Serviços e Meio Ambiente, S.A.";

Chairman of the Board of Directors of "Recolte, Serviços e Meio Ambiente (Porto), S.A.";

Chairman of the Board of Directors of "GMP – Grupo Marítimo Português, ACE";

Chairman of the Board of Directors of "GMP MEK – Grupo Marítimo Português Mers El Kebir, ACE";

Chairman of the Board of Directors of "Marinertes, S.A.";

Deputy Chairman of the Board of Directors of "Novaponte – Agrupamento para a Construção da Segunda Travessia do Tejo, ACE";

Alternate Director of "AVIAS – Grupo Ferroviário para a Alta Velocidade, ACE";

Director of "E.P.O.S. – Empresa Portuguesa de Obras Subterrâneas, S.A.";

Member of the Board of Directors of "EMPA, S.A. – Serviços de Engenharia";

Director of "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários S.A.";

Director of "PTG – Sociedade Gestora de Participações Sociais, S.A.";

Director of "TDARCOL – Sociedade Gestora de Participações Sociais, S.A.";

Director of "Somafel e Ferrovias, ACE";

Director of "Groupement Maritime Portugais Gmp – ORAN"; and

Director of "Teix.Co, SPA".

Director: Carlos Gomes Baptista

As at 31 December 2014, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "TDGI – Tecnologia de Gestão de Imóveis, S.A."; and

Chairman of the Board of Directors of "Teixeira Duarte/OPCA – Fungere – Parcela 1.18 do Parque da Nações em Lisboa 3.ª Fase – Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE".

Director: Diogo Bebiano Branco de Sá Viana Rebelo

As at 31 December 2014, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "TDHOSP – Gestão de Edifício Hospitalar, S.A.";

Chairman of the Board of Directors of "TDO – Investimento e Gestão, S.A.";

Chairman of the Board of Directors of "Teixeira Duarte – Distribuição, S.A.";

Chairman of the Board of Directors of "Transbrital – Britas e Empreendimentos Imobiliários, S.A.";

Chairman of the Board of Directors of "Quinta de Cravel Imobiliária, S.A.";

Director of "Bonaparte – Imóveis Comerciais e Participações, S.A.";

Director of "ILTA – Urbanizadora da Ilha de Tavira, S.A.";

Director of "Imopedrouços – Sociedade Imobiliária, S.A.";

Director of "IMOTD – Sociedade Gestora de Participações Sociais, S.A.";

Director of "TD VIA – Sociedade Imobiliária, S.A.";

Director of "TDE – Empreendimentos Imobiliários, S.A.";

Director of "Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários S.A.";

Director of "V8 – Gestão Imobiliária, S.A."; and

Manager of "Bonapapel – Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda."

Director: Jorge Ricardo de Figueiredo Catarino

As at 31 December 2014, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "CONBATE, A.C.E.";

Director of "Douro Litoral, A.C.E.";

Director of "Groupement Etrhb Haddad – Teixeira Duarte – Harrach Douera";

Director of "Groupement Métro d'Alger Centre (GMAC)";

Director of "Groupement Teixeira Duarte / Groupe Etrhb Haddad";

Director of "Groupement Teixeira Duarte, S.A. / Kanaghaz, SPA – Lagunes de Souf";

Director of "Molinorte – Linha do Norte, Construção Civil, ACE";

Director of "Teix.Co, SPA"; and

Director of "Teixeira Duarte Algérie, SPA".

c) Committees and commissions within the management or supervisory body and chief executive officers

27. Identification of committees and commissions within, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, and location where the operating regulations may be consulted.

Currently, there are no specific committees or commissions on management or supervisory matters; and nor can the foreseen Executive Committee be constituted under article 20 of the Articles of Association.

28. Composition, if applicable, of the executive committee and/or identification of chief executive officer(s).

Considering that there is neither an Executive Committee nor Chief Executive Officers, the present rule is not applicable to TD,SA.

29. Indication of the areas of competence of each of the created committees and commissions, and summary of the activities developed during performance of this competence.

Considering that there are no committees or commissions created under the Board of Directors, as noted in 2.7 above, the present rule is not applicable to TD,SA.

III. SUPERVISION

(Supervisory Board, Audit Committee or General and Supervisory Board)

a) Composition

30. Identification of the supervisory body (Supervisory Board, Audit Committee or General and Supervisory Board) corresponding to the adopted model.

The adopted corporate model is usually referred to as the Latin one-tier model, accordingly the appointment of a Supervisory Board was selected as the supervisory body.

31. Composition, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 18.

Pursuant to article 24 of the Articles of Association of TD,SA, the Supervisory Board is necessarily composed of three permanent members and one alternate, who should comply with the requirements and are entitled to use the powers established by law. When electing the members of this Board, the General Meeting must, mandatorily, elect one of them to perform the duties of Chairman.

As is the case with the other governing bodies and under the terms of number 2 of article 10 of the Memorandum and Articles of Association, the members of the Supervisory Board are elected at the General Meeting, through the list system, for periods of four years, coinciding with the financial years, and may be re-appointed once or twice, under the terms and with the legally established limits.

Given that Mr. António Gonçalves Monteiro submitted his resignation, on 7 November 2014, to the position of Chairman of the Supervisory Board which he had held at TD,SA since 2009 – due to reasons of professional order following his appointment to perform the duties of member of the Board of Auditors of Banco de Portugal, in the capacity of chartered accountant – under the applicable legal and statutory provisions, Mr. Óscar Manuel Machado de Figueiredo, who was at that time alternate member of the Supervisory Board, took up office as a permanent member on that same date in order to fill in the vacancy in this board. He was subsequently appointed Chairman of the Supervisory Board at the meeting of this board on 5 December 2014.

Considering the above, at the moment the Supervisory Board of TD,SA has not yet filled in the vacant position of the Alternate.

Notwithstanding this, the aforesaid replacement of the Chairman of the Supervisory Board shall be subject to ratification at the next General Meeting of TD,SA and elections held for the new members of the governing bodies for the term of office 2015-2018, which shall naturally include the Alternate of the Supervisory Board.

Accordingly, the Supervisory Board is currently composed of the following members:

Chairman: Óscar Manuel Machado de Figueiredo

Members: Mateus Moreira

Miguel Carmo Pereira Coutinho

The Chairman of the Supervisory Board was elected by the Shareholders on 31 May 2014 as Alternate of this board, having taken office as a permanent member on 7 November 2014 – following the resignation submitted by the former Chairman, as noted above – and been appointed Chairman of the Supervisory Board at the meeting of this board on 5 December 2014. As indicated above, the ratification of his election as Chairman of the Supervisory Board is due to take place at the next General Meeting of TD,SA.

The Members of the Board of Directors, Mr. Mateus Moreira and Miguel Carmo Pereira Coutinho were appointed for the first time at the time of the incorporation of the company on 30 November 2009, to perform duties during the term of office 2009/2010, and were re-elected to their respective positions at the General Meeting of 20 May 2011, to perform duties during the four-year period of 2011/2014.

Furthermore, it should be noted that they all possess suitable competence for the performance of their duties, as described below in 33.

32. Identification, as applicable, of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee who are considered independent, under the terms of article 414, number 5 of the Commercial Companies Code. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 19.

All the current members of the Supervisory Board fully comply with all the requirements of independence, and there is no incompatibility for the performance of their duties for any of them, under the terms established in the Commercial Companies Code.

The facts referred to in the previous paragraph are investigated periodically in relation to each member of the Supervisory Board.

33. Professional qualifications, as applicable, of each member of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee and other relevant curricular elements. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 21.

The professional qualifications and other relevant curricular elements of the members of the Supervisory Board are described below:

Óscar Manuel Machado de Figueiredo (Chairman of the Supervisory Board)

Licentiate degree in Accounting and Administration from Instituto Superior de Contabilidade e Administração de Coimbra.

Advanced Management Course from the Postgraduate School in Economic and Business Science of Universidade Católica Portuguesa.

Member of the Governing Board of the Chartered Accountants Association.

Member of the Executive Committee of the Accounting Standardisation Committee of Portugal, and Coordinator of the Public Accounting Standardisation Committee.

Has been a consultant in various projects in Angola and Mozambique on matters of accounting and audits, and trainer in these same areas in Portugal and the PALOP (Portuguese-Speaking African Countries).

Entered Ernst & Young in January 1979, having been included in the Partnership between 1992 and 2006.

Mateus Moreira (Member of the Supervisory Board)

Licentiate degree in Finance from "Instituto Superior de Ciências Económicas e Financeiras" (1972).

Retired from Millennium BCP on 30 September 2003, where he held the position of Central Deputy Director.

Former member of the Supervisory Board of "Teixeira Duarte – Engenharia e Construções, S.A.".

Miguel Carmo Pereira Coutinho (Member of the Supervisory Board)

Attendance of the 2nd year of Instituto Superior de Agronomia (1952).

Formerly, a businessman.

Currently, he is retired.

Former member of the Supervisory Board of "Teixeira Duarte – Engenharia e Construções, S.A.".

b) Operationality

34. Existence and location where the operating regulations may be consulted, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 24.

As described above in number 22 of the present Report, there are no operating regulations or code of conduct for the governing bodies.

35. Number of meetings held and level of attendance of the meetings which have been held, as applicable, of each of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 25.

During 2014, the Supervisory Board held five meetings, all of which were attended by all of its permanent members.

On this issue, it should be noted that the first four meetings were attended by the then Chairman of the Supervisory Board Mr. António Gonçalves Monteiro, and the Members of this body. However, the last meeting, which was held after the resignation of Mr. António Gonçalves Monteiro from the position of Chairman of the Supervisory Board and the shift of Mr. Óscar Manuel Machado de Figueiredo to a permanent member, was by this time attended not only by the other Members, but also by Mr. Óscar Manuel Machado de Figueiredo, who was actually appointed Chairman of this body during this same meeting.

36. Availability of each member, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 26.

All the members of the Supervisory Board show the appropriate availability for the performance of their duties at TD,SA, namely for participation in the periodic meetings of the Board of Directors and Supervisory Board, and for follow-up of the Company's activity and the preparation and publication of the documents presenting the accounts, in coordination with the action of the Chartered Accountants Firm.

The positions held by each of the members of the Supervisory Board in companies within and outside the Group are indicated below:

Óscar Manuel Machado de Figueiredo (Chairman of the Supervisory Board)

As at 31 December 2014, he held the position of Permanent Member of the Supervisory Board of the following entities: "PT Portugal, SGPS, S.A.", "Real Vida Seguros, S.A.", and "Sporting Clube de Portugal".

Mateus Moreira (Member of the Supervisory Board)

As at 31 December 2014, he did not perform duties in any other companies.

Miguel Carmo Pereira Coutinho (Member of the Supervisory Board)

As at 31 December 2014, he did not perform duties in any other companies.

c) Areas of competence and duties

37. Description of the procedures and criteria applicable to the intervention of the supervisory board for purposes of contracting additional services from the external auditor.

No services are contracted from the external auditor other than those related to the legal review of accounts and auditing, hence the present regulation is not applicable to TD,SA.

38. Other duties of the supervisory bodies and, if applicable, the Financial Matters Committee.

The supervisory bodies do not perform any duties other than those described above and legally defined.

IV. CHARTERED ACCOUNTANT

39. Identification of the chartered accountant and chartered accountant partner representing the former.

The position of chartered accountant is held by "Mariquito, Correia & Associados - SROC", represented by its partner, Mr. António Francisco Escarameia Mariquito.

40. Indication of the number of years during which the chartered accountant has performed duties consecutively at the company and/or group.

The chartered accountant was appointed for the first time at the time of the incorporation of the company on 30 November 2009, having been re-elected to hold the same position during the four-year period of 2011/2014 at the General Meeting of 20 May 2011.

Pursuant to the provisions in articles 11 and 15 of the CVM, reference should be made to the fact that "Mariquito, Correia & Associados - SROC" indicated, through letter of 18 September 2014 addressed to TD,SA, its unavailability for any re-election as the chartered accountant for the term of office 2015-2018.

41. Description of other services provided by the chartered accountant to the company.

The chartered accountant does not provide any services other than those related to the legal review of accounts and audit of TD,SA.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed pursuant to article 8 and chartered accountant partner who represents the external auditor in compliance with these duties, as well as the partner's registration number at the CMVM.

The appointed external auditor, under the terms of article 8 of the Securities Market Code, is the chartered accountants firm "Mariquito, Correia & Associados - SROC", represented by its partner, Mr. António Francisco Escarameia Mariquito, registered at the CMVM under number 2.235.

43. Indication of the number of years during which the external auditor and respective chartered accountant partner who represents it in compliance with these duties, has performed duties consecutively at the company and/or group.

The external auditor and respective chartered accountant partner who represents it in compliance with these duties, has performed duties at TD,SA since its incorporation on 30 November 2009, in other words, for approximately 5 years.

However, it is disclosed that both the chartered accountants firm) and respective partner referred to above have performed duties at other companies of the Teixeira Duarte Group for approximately 27 years.

44. Policy and frequency of rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.

There is no defined policy on the rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.

However, it should be further noted that the issue established in Recommendation number IV.3 – *companies should promote the rotation of the auditor at the end of two or three terms of office, according to whether they are four or three years respectively* –, is not relevant in this case since the auditor is performing its second term of office in this position and the aforesaid term of office is not foreseen be renewed; indeed, as has been expressed by "Mariquito, Correia & Associados – SROC" to TD,SA in the letter mentioned in point 40 above.

45. Indication of the body responsible for the assessment of the external auditor and frequency with which this assessment is conducted.

The action of the external auditor has been assessed by all the Supervisory Board and all other governing bodies of TD,SA on an annual basis, and there have never been any circumstances that could justify his dismissal or the termination of the contract for the provision of his services on fair grounds.

On this issue, it should be noted that the Board of Directors of TD,SA and the services under this board have undertaken the commitment to assure the existence of appropriate conditions for the provision of services by the external auditor within the Company, since the Board of Directors and the services under this board are placed directly within the operating structure of TD,SA, and have the necessary physical means, information and documentation to provide the external auditor with the appropriate conditions for the performance of its duties.

The Company's principal interlocutor and first receiver of the external auditor's reports is not the Supervisory Board, as indicated in Recommendation number II.2.2, but rather the Board of Directors, since this is the most suitable interlocutor of the Company, as was described above. Furthermore, this is also the body which is placed directly within the company's operating structure, facilitating the communication and disclosure of information between the different bodies and entities, where under no circumstances has the independence of the auditor ever been hindered.

However, it should be noted that these procedures are adjusted and coordinated with the Supervisory Board which, notwithstanding this, also receives, from the external auditor and its team, all the information and details deemed necessary to perform its duties.

The remuneration of the external auditor is established by the Company's Remuneration Committee, under the terms stipulated in the Article of Association, as is the case for all the other governing bodies, and up to this date, no grounds have been found to suggest the interference of the Supervisory Board in this matter.

This model, implemented some years ago under the Teixeira Duarte Group, has proved to be appropriate to the good operation of the governing bodies and guaranteed transparency.

46. Identification of work, other than audit, carried out by the external auditor for the company and/or for the companies which are in a controlling relationship with it, as well as indication of the internal procedures for the purpose of approval of contracting such services and indication of the reasons for their contracting.

It is disclosed that neither the external auditor, nor any other entities in a holding relationship or which are part of the same network, provide TD,SA with any services other than audit services.

47. Indication of the value of the annual remuneration paid by the company and/or legal persons in a controlling or group relationship with the auditor and other natural or legal persons belonging to the same network, and details of the percentage relative to the following services (for the effect of this information, the concept of network is as defined in European Commission Recommendation number C (2002) 1873, of 16 May):

The retribution paid by the company and/or legal persons in a controlling or group relationship with the auditor and other natural or legal persons belonging to the same network determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

By the Company		
Value of review of legal accounts services	61,000.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Services other than legal review of accounts	-	-
By entities included in the Group		
Value of review of legal accounts services	206,100.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Services other than legal review of accounts	-	-

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the amendment of the articles of association (article 245-A, number 1, subparagraph h)).

There are no specific rules for any amendments of the Articles of Association, with the general rules established in the Commercial Companies Code being applicable, in particular the provisions in articles 85, 383, number 2 and 386.

II. COMMUNICATION OF IRREGULARITIES

49. Means and policy of communication of irregularities occurred in the company.

Regarding the policy of communication of irregularities which have allegedly occurred, the Company encourages its employees to provide information, through the means they deem convenient - direct contact, written document, e-mail or telephone - to the respective hierarchies of any detected irregularities. The persons with legitimacy to receive these communications are the respective hierarchical senior staff.

Whenever deemed appropriate to the correct establishment of the facts and responsibilities inherent to their practice, the corresponding proceedings or enquiries are initiated, also safeguarding the necessary confidentiality of the communication when requested by the declarant or deemed convenient by the receiver.

The proceedings are monitored by the person responsible for the department where the alleged irregularity has occurred, using people who are not involved in the situation in question and, if deemed appropriate, followed by lawyers and the Central Department for Human Resources and Administrative Services.

The proceedings are subject to the decision of the hierarchies involved, which shall be reported to the Board of Directors and any other entities to which it is mandatory that this communication must be made.

In addition to the aforesaid rules and especially from the point of view of the other stakeholders, an Investor Support Office is also available for the reporting of any possible irregularities, and likewise the Company's supervisory bodies, that is, the Supervisory Board and the Chartered Accountants Firm.

Furthermore, a new vehicle for the communication of irregularities directly to the Supervisory Board was established in 2014, via the creation of the email address irregularidades@teixeiraduarte.pt, to which the employees (especially using the corporate portal) and shareholders (the same is provided for this purpose on TD,SA's official website www.teixeiraduarte.pt) may send reports on any irregularities.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People, bodies, committees or commissions responsible for internal audit and/or for the implementation of internal control systems.

The Internal Audit Services of the Teixeira Duarte Group have progressively played a fundamental role regarding the implementation of internal control systems.

As at 31 December 2014, these services were assured by 6 employees, under the hierarchical and operational dependence of the Director Manuel Maria Calainho de Azevedo Teixeira Duarte.

On this issue, particular note should be made of the relevant contribution provided by the corporate services of Consolidation of Accounts and Corporate secretarial services in the process of reporting and disclosure of financial information.

51. Explanation, even if by inclusion of an organisational chart, of the relations of hierarchical and operational dependence in relation to other bodies, committees or commissions of the company.

As noted above, as at 31 December 2014, the audit services were under the hierarchical and operational dependence of the Director Manuel Maria Calainho de Azevedo Teixeira Duarte, who was not considered independent under the applicable rules and regulations.

Nevertheless, it is considered that this Director is not under any circumstances capable of affecting his impartiality in analysis and decision-making.

It should be added that, since its creation within the internal organisation of the Teixeira Duarte Group, the Internal Audit Department has not only always been under the hierarchical dependence of the Board of Directors, but has always reported functionally to the Director responsible for the financial area. This model has proved to be appropriate, since this not only facilitates the communication, collaboration and exchange of information between the said Departments within the company's organisational structure, and the Director responsible for the area, but also, it should be stressed, has ensured that none of their impartiality has ever been placed in question.

It is, therefore, in this context that we disclose that it is the Board of Directors – and not the Supervisory Board, as stated in Recommendation number II.2.5 – which issues opinions on all the work plans and resources allocated to the Internal Audit Service and receives all the reports produced by this service, even when unrelated to matters concerning the presentation of accounts, the identification or settlement of conflicts of interests and the detection of potential illegalities.

Regarding the Company's internal control and risk management systems, the Board of Directors is responsible, in the first place, for knowing and assessing the most important risks faced by the Company, as well as for the promotion of the necessary initiatives for their respective prevention.

In this context, the Board of Directors is responsible for designing and planning the internal control and risk management systems which prove necessary and appropriate for the different situations which are identified, as well as monitoring their respective implementation, supervising and assessing their operation.

Furthermore, the Board of Directors is also responsible – rather than the supervisory bodies as mentioned in Recommendation number II.2.4 – for the assessment of the operation of these systems and for proposing their respective adjustment to the needs of TD,SA, since this matter is, due both to its nature and the particularities described above, falls under the specific scope of action of the Board of Directors and under this body's control and supervision of the different Departments of the Group's companies, a system that has proved suitable for its respective purposes.

This reality is, however, followed closely by the members of the supervisory bodies which, in addition to the regular monitoring of the Group's activity, are represented at the monthly meetings held by the Board of Directors where a vast series of elements are provided of different nature with reporting information and forecasts on the Group's action in its different markets and sectors.

52. Existence of other operational areas with competence in risk control.

There are no other areas with exclusive competence concerning risk control, since, in view of the model enforced within the Group on this matter, all the areas have their respective share of responsibility under the terms described above.

53. Identification and description of the main types of risk (economic, financial and legal) to which the company is exposed during the exercise of its activity

The main economic, financial and legal risks to which the company is exposed during the exercise of its activity are as follows:

- alterations in the economic and business conditions in Portugal, as well as in the economic and business conditions of the Group's operations abroad, namely in Angola, Algeria, Brazil, and Venezuela;
- fluctuations and volatility of interest rates, credit spreads and exchange rates;
- alterations in government policies;
- regulatory and financial framework of banking activity;
- alterations in the competitive environment of the activity sectors in which the Teixeira Duarte Group operates; and
- fluctuations in stock markets in general and in particular the stock market price of BCP shares.

Furthermore, the activity of the Teixeira Duarte Group is dependent on the economic environment and on the consequences which certain macroeconomic situations might have on the levels of confidence of the different economic agents, on investment volumes, exports and global trade, as well as on employment levels and consumption patterns.

The evolution of the activity areas in which the Group operates, namely the construction area, is historically correlated, more or less directly, with the macroeconomic performance of the countries or markets in which the Teixeira Duarte Group operates, in particular, with the evolution of Gross Domestic Product (GDP) and corresponding market prices. Therefore, the Group's activity and its results may be significantly affected by the performance of the economies where the Teixeira Duarte Group operates, mainly through the effect of the growth or retraction of the construction market, the most representative business area in the Group's operating income (46.2% in 2014).

Considering that **construction** activity is the core business of the Teixeira Duarte Group, in particular in the sub-branches of Geotechnics and Rehabilitation, Buildings, Infrastructures, Mechanical Engineering, Underground, Railway and Maritime Works, the main risks inherent to this business are described below:

Large-scale construction business involves a major allocation of human and material resources, which implies a high fixed cost structure not only due to the necessary need to invest in the teams and their training, but also the significant investment required in the acquisition, maintenance and adaptation of equipment.

The costs associated to many of the tenders, both in the preparation of proposals and in the insurance, guarantees and completion bonds which are sometimes necessary to provide, also constitute another risk factor inherent to the activity, especially taking into account the penalties very often related to the large public contract works in which the Teixeira Duarte Group participates.

Moreover, the retraction of public investment, as well as private investment to a lesser extent, has affected revenue, which is also sometimes penalised by the deadlines and delays in payments.

On the other hand, the nature of the service provided often implies alterations of the circumstances that were initially negotiated, as a result of the vicissitudes of the contract work in question (climate change; discovery of adverse and unexpected characteristics; natural, social and economic phenomena arising from the impact of the work) and alterations of projects, very often due to new choices by the owner of the work which calls for great flexibility in the efficiency of their execution.

Yet another important aspect arises from the significant number of suppliers of goods and equipment and service providers with which the Company deals in this area of action and which might imply risks due to actions or omissions imputable to them, including interruptions or delays in the service or supply of goods.

From a commercial point of view, globalisation has enabled the entry of other major construction groups into the main and oldest markets of action of Teixeira Duarte – especially Portugal and Angola – forcing greater effort in the presentation of solutions and proposals, as well as the optimisation of costs to enable meeting the competitive strength of these entities.

Concessions are normally long term projects which involve increasingly more areas, such as those linked to planning, design, construction, financing and operation and, which, both due to their complexity and need for partners and the longevity of the processes, imply heavy risk in the evaluation of assets and projects in the long term, in an increasingly more dynamic world characterised by unexpected changes.

The **Real Estate** sector was at the origin and core of the sub-prime crisis and the reflections of this international situation are still experienced in Portugal, where the requirements for new projects have increased at all levels (administrative, economic, social, environmental, amongst others), and the increasingly greater evidence of excess supply has led to price decreases and demand is greatly affected by the increasing restrictions to credit.

The **Hotel Services** sector in the Algarve has been heavily hit by the new destinations which are now accessible and changes of routes of the major international agencies, where the hotels in Africa are naturally exposed to the characteristics of the respective countries and the increasing competition, at an unprecedented scale. Moreover, and in view of the levels of indebtedness of some of the subsidiary companies operating in this sector, the net income and, consequently, the net worth of these companies may suffer adverse impacts as a result of unfavourable evolutions in interest rates.

Distribution in Angola is very exposed due to the specific circumstances of the country and logistic difficulties related to supply, transport and travel.

The **Automotive** sector is currently subject to heavy competition, in particular in the Angolan market, where competitiveness is increasing considerably and the investment made by the Group implies strong optimisation of processes and costs, in a market which is becoming progressively more demanding.

In the **Energy** sector it should be noted that, in 2015, the Group disposed of its stake in the company "PETRIN – Petróleos e Investimentos, S.A.", through which it had exercised its action in the liquid fuel area. As a result, the risks to which its activity is currently more exposed in this sector are limited to the volatility of the price of gas in the international markets.

Thus, at the Teixeira Duarte Group, the risks are largely restricted to the national market, concentrated around three aspects: (i) the minor market share in the area of liquid fuel; (ii) the fact that the main suppliers are simultaneously the main competition, with major market shares; and (iii) the delicate management of the credit granted to re-distributors, namely through the consignment of delivered products.

Regarding the **financial holdings**, in particular the stake held in Banco Comercial Português, S.A., the risk arises from the current volatility of the financial markets and the possible impact of the respective stock market prices on the accounts of the Teixeira Duarte Group, which might even, under certain circumstances, affect net income.

The risks described above, should they occur, could have a negative impact on the net income of the Teixeira Duarte Group and its financial situation.

TD,SA is exposed to strategy risks, through the possibility of taking inadequate strategic decisions, failures in the implementation of decisions or lack of response capacity regarding changing market conditions.

The international business of the Teixeira Duarte Group represents a significant portion of the Group's total turnover (86,9% in 2014). It is impossible to guarantee the full success of operations on the foreign markets in which the Group operates. Moreover, these operations are exposed to foreign exchange risks arising from possible adverse economic developments in the countries where they are established. These factors could adversely affect the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group operates in various activity sectors, in particular, due to its contribution to the Group's operating income, the Construction sector, but also in others such as Distribution, Energy and Automotive. The sectors referred to above represent 36.7% of the Group's operating income and are highly competitive sectors. This competition environment, when associated to negative cycles in the activity areas in which the Group operates, may have a negative impact on the Company's marketing margins and on its net income and, consequently, on its financial situation.

The capacity of the Teixeira Duarte Group to successfully implement its strategy depends on its ability to recruit and retain qualified and competent employees for each position. Although the human resources policy of the Teixeira Duarte Group is directed towards the achievement of these objectives, it is impossible to guarantee that, in the future, there will be no limitations in this area. Such circumstances could obstruct or delay the execution of the defined strategy, which could have a negative effect on the Group's activity, financial situation, and net income.

The deterioration of global economic conditions or adversities that affect the economies at a local scale could result in the inability of the Group's customers to meet their obligations or significantly delay their payment, leading to the existing credit lines entering into a situation of default. This scenario would result in losses affecting the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group might, in the future, be part of a number of disputes related to its activity, including those where the sentence has been favourable, totally or partially, and which might be subject to appeal or action for annulment by the counterparts under the terms of the applicable procedural rules and until the reading of the final judgement on these same sentences. The Teixeira Duarte Group cannot guarantee that it will win any lawsuits relative to its activities and a negative decision in this area might have an adverse effect of significance to the activity, financial situation and net income of the Teixeira Duarte Group.

The activities of TD,SA require investments. The Group finances part of these investments through the cash flow generated by its operating activities. However, TD,SA and its subsidiaries finance most of their investments through external sources, including bank loans and offers in capital markets.

The Teixeira Duarte Group is exposed to a series of risks, such as liquidity risks, interest rate risks and exchange rate risks, amongst others, and in the event of exceptionally adverse scenarios, the policies and procedures used by TD,SA to identify, monitor and manage risks might not prove to be totally effective.

As is the case of any other economic group integrated in a competitive environment, the Teixeira Duarte Group is also subject to risks related to liquidity. The Group believes that it is suitably equipped with the necessary means to exercise effective control of the risks of its activity, that

the action developed by the management is effective, based on information provided by the Consolidation of Accounts and Internal Audit Services and by the Central Department for Finance and Accounting which, under the direct supervision of a Director responsible for this area, is specially committed to controlling the liquidity of the Teixeira Duarte Group.

TD,SA manages the Group's liquidity risk in two ways: ensuring that the Group's financial debt has a high component of medium and long term maturities suitable to the expected capacity to generate funds and re-finance these lines, and assuring the availability of credit facilities, in various cases provided in the form of current account credit lines.

During its normal business, the Group is subject to certain operating risks, including interruption or delays in the provision of services, frauds, omissions, errors and delays in the implementation of requirements for risk management. These risks are monitored by the Group in an ongoing manner through administrative and information systems, amongst others, with some of the operating risks being covered by insurance policies.

The operations developed by the Teixeira Duarte Group are dependent on computer processing. The computer processing involves the maintenance of records, financial reporting and other systems, including systems for the monitoring and control of the different operations of the Group, in particular in human resources management, accounts, logistics, administration and storage. Notwithstanding the assessment which has been made of the computer systems and the belief that their capacities are appropriate, it is impossible to guarantee potential investors that all the problems related to the information technology systems will be fully identified and corrected in due time, nor systematic success in the implementation of technological improvements.

The cost of the vast majority of the financial debt incurred by the Teixeira Duarte Group is indexed to variable reference rates, whereby TD,SA is, through this means, exposed to interest rate risk.

However, in order to manage these variations, the financial area of the Teixeira Duarte Group permanently follows market development, and is able to use financial instruments to mitigate the effects of interest rate volatility. These instruments are contracted by considering the risks affecting the assets and liabilities and after checking which instruments available on the market are the most appropriate to cover these risks. These operations are permanently monitored, particularly through the analysis of various indicators regarding these instruments, in particular the evolution of their market value and sensitivity of forecast cash flows and of the actual market value to changes in key variables that condition the structures, for the purpose of evaluating their financial effects. Derivative financial instruments are recorded in accordance with the provisions of IAS 39 and measured at fair value, which is based on assessments made by financial institutions. These are qualified as hedging instruments or instruments held for trading, in compliance with the provisions of IAS 39.

The variation of the exchange rate of the Euro relative to other currencies, in particular the US Dollar, Angolan Kwanza, Algerian Dinar, Brazilian Real, Mozambican Metical and Venezuelan Bolivar might have an impact on the financial situation of TD,SA. The Teixeira Duarte Group operates in various markets, records revenue in foreign currency and has monetary assets and liabilities denominated in currencies other than the Euro and, therefore, in this way, is exposed to variations in the respective currencies.

In indirect terms, note should also be made of the fact that the Teixeira Duarte Group acquires a variety of materials, of special importance in the construction, distribution and automotive areas in currencies other than those in which the final products are subsequently sold, namely in Angola, which could partially influence the net income achieved by the Group in the activity developed in these sectors.

Particular note should be made of the import and export of materials for construction and products which are essentially consumables to the companies established under Angolan law which operate in the area of distribution, as well as automotive vehicles, spare parts and equipment for the different local participated companies in the automotive sector in Angola, involving, amongst others, the trade names Chevrolet, Honda, JMC, Mahindra, Nissan, Peugeot, Renault and SsangYong.

Adverse variations in the price of oil and other commodities might also significantly affect the net income and financial situation of the Teixeira Duarte Group.

The volatility of the price of commodities constitutes a risk for the Teixeira Duarte Group, affecting the operating activity of the construction business area, although this is on occasions mitigated through supplier contracts with fixed prices and customer contrasts which enable reflecting these alterations in the prices paid by these customers.

In particular, the Teixeira Duarte Group is indirectly exposed to the price of oil. The Group's capacity to reflect increases in the price of oil in the prices of its final products and services is minor, therefore, negative consequences might arise in the direct margins of the final products sold and in the net contribution of the services rendered. Furthermore, an increase in the price of oil has a direct impact on the transport costs associated to the development of the Group's activity, therefore, adverse variations in the price of oil could have a negative material impact on the Group's activity, financial situation and net income.

More specifically, the evolution in the price of oil could significantly affect the net income of the Teixeira Duarte Group for three reasons:

- directly, through the margin generated in Energy, a business area which represented 3.8% of the operating income of the Teixeira Duarte Group in 2014;
- the cost of transport is one of the most important cost items in the Group's operating accounts;
- energy costs are of some significance in the price of external supplies and services;
- the evolution of the price of oil strongly influences the development of the actual economy of the markets in which the Teixeira Duarte Group operates, some of which in a very significant manner, due to the importance that this product represents in the GDP of these countries.

Any increase in taxes or reduction in tax benefits could have an adverse effect on the activity of the Teixeira Duarte Group.

The Teixeira Duarte Group could be affected by changes in the legislation and other tax regulations applicable in Portugal, in the European Union and in the different countries in which the Group operates.

The financial statements of the Teixeira Duarte Group might be influenced by the change in value of the financial stakes held.

The net worth, equity and even, in certain situations the impairment, net income of the Teixeira Duarte Group might be influenced by the appreciation/devaluation of the financial stakes owned, which, in the case of the holdings in companies listed for trading on regulated markets, depends directly on the stock market prices of the respective shares.

The entities of the Teixeira Duarte Group are subject to the risks inherent to any economic activity, which is the case of accidents, breakdowns or natural catastrophes that might lead to losses in the Group's assets or temporary interruptions in the respective activity. Likewise, these risks might affect the main customers and suppliers of the Teixeira Duarte Group, which would have a significant impact on profitability where it is not possible to find replacement customers in order to guarantee the turnover level or suppliers to enable maintaining the same cost structure.

54. Description of the process of identification, assessment, monitoring, control and management of risks.

The procedures implemented in terms of internal control and management of risks are characterised by promoting the autonomy of

the Company's senior staff in the management and monitoring of matters, instilling an attitude of responsibility and strong stimulus to entrepreneurial behaviour.

This consistent relationship between autonomy and responsibility imposes, in a realistic manner, careful and strict compliance with the tasks allocated to each employee, thus representing, in itself, a solid, sustained and effective risk control system that delivers practical results considered satisfactory.

The importance of weighing the cost of control in relation to the matters that are to be controlled is always taken into account. The assessment of the Company, of the way it is managed, of the composition of its staff and managers of the companies included in the Teixeira Duarte Group, and of the fundamental principles and concepts that are applied, leads to the conclusion that the efficiency and control costs related to the creation of any control committees would greatly outweigh the potential benefits that could arise from control carried out by such committees. Moreover, the mere creation of committees for the effect, from a formal point of view, would eventually imply more bureaucratic obstacles that would not be reflected in their practical implementation.

Although the internal control and risk management system implemented in the Company does not fully comply with the requirements listed in Recommendation II.1.5, TD,SA remains firmly convinced of its choice for the model described above, because it believes that the basic assumptions of this recommendation are inappropriate for the regular operation of the Company, and may even create various obstacles from the merely formal and bureaucratic point of view that are incompatible with the execution of the procedures which have already been implemented and with the accountability of the Group's organisational structures.

55. Main elements of the internal control and risk management systems implemented in the company relative to the process of disclosure of financial information (article 245-A, number 1, subparagraph m)).

The process of disclosure of financial information is coordinated by the Board of Directors and always monitored by the Supervisory Bodies. The teams of the Consolidation of Accounts and Corporate Secretarial Services contribute to this process, respectively, in the preparation and recording of the accounts and other accounting and financial reporting and in the preparation and disclosure of the final document.

Both the aforesaid services closely follow the evolution of the applicable rules and regulations, both in the financial and legal areas, and interact with the Securities Market Commission to ensure updated supplementary information and regulations on these matters and report directly to the Board of Directors.

All the employees of the Consolidation of Accounts Services and those who, in the Corporate Secretarial Services, participate in the preparation and disclosure of the final document are included in the list established in article 248 of the Securities Market Code, as employees with access to privileged information, with all being notified by letter delivered by hand of their inclusion in this list and the legal consequences arising from the disclosure or abusive use of privileged information.

IV. INVESTOR SUPPORT

56. Service responsible for investor support, composition, duties, information provided by these services and contact details.

In order to reinforce the policy of disclosure of information referred to above, and in order to foster permanent contact with the market and the response to requests made by investors in due time, assuring strict compliance with the principle of equality among shareholders and for the purpose of preventing any asymmetries in access to information on the part of investors, the Company has an Investor Support Office,

which operates directly under the supervision of the Director Manuel Maria Calainho de Azevedo Teixeira Duarte, coordinated by Mr. José Pedro Poiães Cobra Ferreira, Representative for Market Relations, duly registered at the CMVM.

All the information required by investors and available under the rules, regulations and other applicable directives is provided by this Office and may be accessed through the following means of communication:

Address: Lagoas Park, Edifício Dois, 2740-265, Porto Salvo, Oeiras

Telephone: + 351 217 912 415

Fax: + 351 217 941 108

E-mail: representantemercado@teixeiraduarte.pt

The Investor Support Office also assures the maintenance of a record of the requests submitted by the different stakeholders and their subsequent treatment.

57. Representative for market relations.

As noted in 56 above, the position of Representative for Market Relations is held by Mr. José Pedro Poiães Cobra Ferreira.

58. Information on the proportion and response time to requests for information entered during the year or outstanding from previous years.

The response time to requests for information during 2014 was, on average, 2 days.

V. INTERNET WEBSITE

59. Address(es).

The Internet website of TD,SA has the following address: www.teixeiraduarte.pt. On this website, the Company provides, in Portuguese and English, the information which is considered relevant and enables knowledge on its evolution and current reality in economic, financial and governance terms.

60. Location where information can be found on the corporate name, capacity as a public company, head office and other elements mentioned in article 171 of the Commercial Companies Code.

These elements may be consulted at:

<http://www.teixeiraduarte.pt/investidores/identificacao-da-sociedade.html>.

61. Location where the articles of association and operating regulations for the bodies and/or committees or commissions.

The Articles of Association may be consulted at:

<http://www.teixeiraduarte.pt/investidores/estatutos.html>.

As noted above, there are no operating regulations for the bodies and/or committees or commissions.

62. Location where information is provided on the identity of the members of the governing bodies, representative for market relations, Investor Support Office or equivalent structure, respective duties and means of access.

The information on the identity of the members of the governing bodies may be consulted at:

<http://www.teixeiraduarte.pt/investidores/orgaos-sociais/orgaos-sociais-teixeira-duarte-sa.html>.

The information on the representative for market relations and the Investor Support Office may be consulted at:

<http://www.teixeiraduarte.pt/investidores/gabinete-apoio-investidor.html>.

63. Location providing the documents presenting the accounts, which should be accessible for at least five years, as well as the six-monthly calendar of corporate events, disclosed in the beginning of each semester, including, among others, general meetings, disclosure of annual, six-monthly and, when applicable, quarterly accounts.

The documents presenting the accounts since the Company's incorporation in 2009 may be consulted at:

<http://www.teixeiraduarte.pt/investidores/informacao-financeira/relatorios-anuais.html>.

The six-monthly calendar of corporate events may be consulted at:

<http://www.teixeiraduarte.pt/investidores/calendario-do-investidor.html>.

64. Location disclosing the call notice of a general meeting and all the preparatory and subsequent information related to this meeting.

All the elements related to the General Meetings of TD,SA may be consulted at:

<http://www.teixeiraduarte.pt/investidores/assembleias-gerais/teixeira-duarte-sa.html>.

65. Location providing the historical record with the deliberations taken at the company's general meetings, the share capital represented and the results of the voting, relative to the preceding 3 years.

All these elements may be consulted at:

<http://www.teixeiraduarte.pt/investidores/assembleias-gerais/teixeira-duarte-sa.html>.

D. REMUNERATIONS

I. COMPETENCE FOR DETERMINATION

66. Indication of competence to determine the remuneration of the governing bodies, members of the executive committee or chief executive officer and senior managers of the company.

Pursuant to article 11 of the Articles of Association of TD,SA and under the terms established in the Policy of Remuneration of the Management and Supervisory Bodies of the Company, the Remuneration Commission is competent to determine the remuneration of the governing bodies.

It should also be noted, as has already been clarified, there is no executive committee or Chief Executive Officer, hence, in this regard, this issue is not applicable to TD,SA.

However, and based on the criteria established in article 248-B, number 3 of the Securities Market Code, the only senior managers of TD,SA who are not part of their Board of Directors are members of the Board of Directors of its subsidiary company "Teixeira Duarte – Engenharia e Construções, S.A.", where, as also established in the aforesaid Policy of Remuneration of the Management and Supervisory Bodies of TD,SA, the determination of these senior managers is entrusted to the Remuneration Committee of "Teixeira Duarte – Engenharia e Construções, S.A.", which is composed of precisely the same members as those of the Remuneration Committee of TD,SA.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including identification of natural or legal persons contracted to provide support and statement of the independence of each member and adviser.

Currently, the Remuneration Committee is composed of the following persons, elected at the General Meeting of 20 May 2011, to perform duties during the term of office of 2011/2014:

- Mr. Pedro Maria Calainho Teixeira Duarte
- Mr. António Carlos Calainho de Azevedo Teixeira Duarte
- Mrs. Maria da Conceição Maia Teixeira Duarte

Mr. Pedro Maria Calainho Teixeira Duarte is not considered independent in relation to the members of the Board of Directors, since he is also the Chairman of this management body.

Since TD,SA is controlled by companies held by members of the Teixeira Duarte family, it is natural that they are part of its Remuneration Committee. Traditionally and for decades, this practice has been followed, always in conformity with the rules and recommendations on the remuneration of the members of the Management Board established by the CMVM at any given time, hence there are no reasons to change this.

It is important to stress that this is a Company which, following the example of the Group's former holding company ("Teixeira Duarte – Engenharia e Construções, S.A."), with its own specific way of acting and its strongly distinctive business image, has adopted a very particular way of being and a healthy management policy which has been recognised as such by the public and market.

Furthermore, no natural or legal persons have been contracted to support the Remuneration Committee in the performance of its duties.

Moreover, we disclose that the external auditor, under its competence, is responsible for verifying the application of the policies and systems of remuneration of the governing bodies, as established in Recommendation number IV.1.

68. Knowledge and experience of the members of the remuneration committee on matters of remuneration policy.

Mr. Pedro Maria Calainho Teixeira Duarte and Mr. António Carlos Calainho de Azevedo Teixeira Duarte have knowledge and experience on matters of remuneration policy, taking into account that they performed these duties for several years in other companies.

III. STRUCTURE OF THE REMUNERATIONS

69. Description of the policy of remuneration of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June.

The Remuneration Committee of TD,SA issued the respective remuneration policy statement relative to the members of the Management and Supervisory Bodies, which was approved unanimously at the General Meeting of this company, held on 31 May 2014, where the contents of this statement are reproduced below:

I. REGULATORY CONTEXT

Pursuant to the provisions in Law number 28/2009, of 19 June, and article eleven of the Company's Articles of Association, this Committee is responsible for the annual submission, for the approval of the General Meeting, of a statement on remuneration policy of the members of the management and supervisory bodies of this Company, which should take into consideration, in addition to this diploma, article 399 of the Commercial Companies Code and the CMVM Corporate Governance Code of 2013 (Recommendations).

II. SCOPE OF THE STATEMENT

Pursuant to the adopted corporate model adopted by "Teixeira Duarte, S.A.", the present statement covers all the members of the Board of Directors, Supervisory Board and Chartered Accountants Firm.

III. INTRODUCTION

Since, under a corporate restructuring process of the Teixeira Duarte Group, in 2010, "Teixeira Duarte, S.A." succeeded "Teixeira Duarte - Engenharia e Construções, S.A." as the leading company of the Group, the definition of this Remuneration Policy takes into account the historical reality and context of the subject experienced regarding this latter company over the years.

IV. BOARD OF DIRECTORS

Regarding the Board of Directors, the Remuneration Committee should determine the values of the fixed and variable component of its remunerations in accordance with guidelines that link them to the performance and results of the Company as a whole, as well as the overall

activity of the management board, relative to the defined objectives, taking into account the conditions and amounts of the remunerations of the other employees of "Teixeira Duarte, S.A." and the company 100% held by it, "Teixeira Duarte – Engenharia e Construções, S.A."

The remuneration policy and its implementation under the terms described herein should take into account the company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

The variable amount should be established for each member of the Board of Directors as supplementary remuneration and performance bonus, where this component is totally unrelated to the evolution of the stock market price of the Company's shares, but rather depends on the evolution of corporate business, financial indicators such as net indebtedness and financial autonomy, dedication by each member to the achievement of the tasks and objectives inherent to their respective duties, as well as the net income for the year and corresponding policy on its appropriation, which has progressively favoured the reinforcement of the Company's equity and ensuring the continued and balanced distribution of dividends to shareholders.

No Director is entitled to any right to the variable component of his remuneration until its specific attribution by this Remuneration Committee. Likewise, there is no provision stipulating the possibility of the payment of the variable component taking place, totally or partially, after the calculation of the accounts for the years corresponding to the entire term of office. Furthermore, there are no mechanisms limiting the variable remuneration, in the event of the net income showing a considerable deterioration in the company's performance in the last reported year or when such is expected for the year in progress.

However, the Committee should consider whether a significant part of the variable remuneration should be deferred for a period not less than three years, and if its payment should be subject to the continued positive performance of the company over this period, where this is defined as the occurrence of at least one of the following facts:

- Increased equity;*
- Average EBITDA for 2014 to 2016 above the EBITDA recorded for 2013;*
- Average Consolidated Net Income for 2014 to 2016 above the Consolidated net income for 2013.*

There will be no system for the attribution of shares or rights to acquire options on shares and/or any other share incentive scheme.

For the overall remuneration of the members of the Board of Directors, no sum will be paid in the form of profit-sharing.

The Directors of "Teixeira Duarte, S.A." should not receive any remuneration, of any nature, paid by companies that are in a controlling or group relationship with it.

There should not be any other relevant non-cash benefits, apart from those established by this Committee.

The members of the Board of Directors shall be paid daily allowances under the terms and of the amounts determined for all the other employees of "Teixeira Duarte, S.A." and "Teixeira Duarte – Engenharia e Construções, S.A.," namely for deployment under work for the Company.

No sums have been paid, and nor are there any foreseen sums payable, relative to the dismissal or termination of office of Directors.

V. SUPERVISORY BOARD

All the members of the Supervisory Board should, pursuant to the current system established in the Commercial Companies Code, receive a fixed remuneration for the performance of the duties inherent to their respective positions, determined by this Remuneration Committee, where none of these members should receive any other retribution from "Teixeira Duarte, S.A." or other company with which it was in a controlling or group relationship, in particular for any other services provided to these entities.

Likewise, and as referred to above on the Management Board, there should not be any scheme for the attribution of shares and/or rights to acquire options on shares and/or any other share incentive scheme, nor any sum paid under the form of profit-sharing, nor any other relevant non-cash benefits.

VI. CHARTERED ACCOUNTANT

The remuneration of the Chartered Accountants Firm should be determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

In the case of "Teixeira Duarte, S.A.," this supervisory body is responsible for conducting all the examinations and verification required for the review and legal certification of the Company's accounts, for which an amount should be established in the form of an annual overall value to be paid under the terms and within the periods of time defined with the Board of Directors, according to its sensitivity and monitoring of the business and activity of this Supervisory Body.

It should be noted in particular that this same Chartered Accountants Firm also provides legal review of accounts and auditing services, exclusively of the same nature, to other entities included in the Teixeira Duarte Group, receiving the corresponding retributions from these companies, whose overall value shall be disclosed under the terms of the Law, especially through the publication of the Corporate Governance Report.

Since the Supervisory Board has played an increasingly more active role in monitoring the work of the Chartered Accountants Firm, this board should be consulted in order to issue an opinion on the establishment of the remunerations of this firm.

VII. CONCLUSION

Therefore, it shall be based on the remuneration policy presented above that this Committee should, specifically, establish the exact values of the remunerations of the members of the indicated management and supervisory bodies of the company, in accordance with the personal opinion of their members, expressed in a deliberation drawn up in minutes and whose content is then communicated to the Board of Directors for implementation, under the strict terms defined therein.

These amounts shall be disclosed annually whenever so required by the law, especially in the Corporate Governance Reports.

To conclude, it is emphasised that many of the aspects established above seek to comply with the regulations mentioned at the beginning, and may be altered in accordance with any changes that these rules might undergo."

TD,SA believes that the statement on the remuneration policy applicable to the members of the Management and Supervisory Bodies transcribed above is fairly clear and encompassing, enabling a correct understanding of the way that the remunerations of the management and supervisory bodies are established.

Indeed, the aforesaid statement contains the generality of the information mentioned in Recommendation number II.3.3, where only the information relative to the potential maximum amounts referred to in subparagraph b) of this recommendation are not indicated, as these maximum amounts have never been established.

70. Information on the way the remuneration is structured so as to permit the alignment of the interests of the members of the management board with the long-term interests of the company, as well as on the manner in which it is based on the assessment of performance and discourages excessive risk taking

In addition to the obligations inherent to the performance of the actual duties, the remuneration of the Directors also, complementarily, acts to meet the alignment of their interests with those of the Company. Indeed, the remuneration is determined by this Committee elected at the General Meeting, which establishes these values in accordance with guidelines related to the performance and results of the Company as a whole, as well as the overall activity of the management board, relative to the defined objectives, taking into account the conditions and amounts of the remunerations of the other employees of the company 100% held by it, "Teixeira Duarte – Engenharia e Construções, S.A.".

The establishment of remunerations also takes into account the company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

71. Reference, if applicable, to the existence of a variable component of the remuneration and information on any impact of the assessment of performance on this component.

The remuneration of the Directors includes a variable component, which is unrelated to the evolution of the stock market prices of the Company's shares, but rather depends on the evolution of corporate business, financial indicators such as net debt and financial autonomy, the dedication shown by each member in the accomplishment of the tasks and objectives inherent to their duties, as well as the net income for the year and the corresponding policy of its appropriation, which has also always prioritised the reinforcement of the Company's equity and assurance of the continued and balanced distribution of dividends to shareholders.

Accordingly, there is no maximum ceiling for each component as suggest in Recommendation number III.3, but rather an attribution in conformity with the parameters identified above, the remuneration policy defined for the Company, and the assessment of the performance and execution of duties of each Director. The variable component has always been reasonable as a whole in relation to the fixed component, in conformity with the indications of Recommendation number III.3.

Although part of the variable component attributed by the Remuneration Committee may be deferred over time, it is important to note that no Director is entitled to any right to the variable component of his remuneration until a specific allocation has been made by the Remuneration Committee, under the terms and on the grounds established by this committee.

Pursuant to Recommendation number III.5, we disclose that the members of the management body did not enter into contracts, either with the company or third parties, which have the effect of mitigating the risk inherent to the variability of their remuneration established by the company.

72. Deferral of the payment of the variable component of remuneration, mentioning the period of deferral

The payment of part of the variable component has been deferred to 2017, with this payment depending on the continued positive performance of the Company over the financial years of 2014 to 2017.

It should be noted that the payment of the variable component of the remuneration of the members of the Board of Directors has been intrinsically dependent on the net income for the year and development of corporate business. In this regard, it is important to remember that the Directors of TD,SA are "in-house people" and have been an integral part of the business for dozens of years, and that their remunerations are placed in the context of a general plan covering all employees.

73. Criteria underlying the attribution of variable remuneration in shares as well as on the holding, by the executive directors, of these shares, on any conclusion of contracts relative to these shares, namely, hedging or risk transfer contracts, the respective limit, and their relation to the value of the annual total remuneration.

Not applicable. The variable retribution is not attributed in shares and no contracts have been concluded with the characteristics described above.

74. Criteria underlying the attribution of variable remuneration in options and indication of the deferral period and price for exercise of the option.

Not applicable. The variable retribution is not attributed through options.

75. Main parameters and grounds of any system of annual bonuses and any other non-cash benefits.

The Remuneration Committee takes into consideration, in the attribution of annual bonuses, the performance and net income of the Company as a whole, as well as the overall activity of the management board, in view of the defined objectives, taking into account the conditions and values of the remunerations of the other employees of the company 100% held by it, "Teixeira Duarte – Engenharia e Construções, S.A.".

The annual bonuses were established taking into account the Company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge, as already indicated above.

Furthermore, no relevant non-cash benefits were attributed to the Directors of the Company.

76. Main characteristics of schemes for supplementary pensions or early retirement pensions for the directors and date on which they were approved at the general meeting, on an individual basis.

Regarding any retired former Directors, it should be mentioned that the Remuneration Committee is responsible for establishing all the amounts paid in this context, under all circumstances.

As to the attribution of supplementary pension schemes, the actual Articles of Association establish, in article 22, transcribed below, the terms and criteria on which the Remuneration Committee should base the establishment of such amounts:

ARTICLE TWENTY-TWO

ONE – When people who have performed duties as Directors cease to hold office, the Company may grant them a retirement pension for life, whenever they meet one of the following requirements:

a) Have held that position in this Company for over ten years, counting, for the effect, the years of service under the same position at "Teixeira Duarte – Engenharia e Construções, S.A.";

b) Have provided, even with a shorter period of holding this position, a total of over twenty-five years of service to this Company, counting, for the effect, the years of service at "Teixeira Duarte – Engenharia e Construções, S.A.".

TWO – The value of this pension will be determined taking into consideration the time or relevance of the services provided and the situation of the beneficiary, and should be reviewed on an annual basis but can never be greater than the highest remuneration received any given time by the permanent Directors.

THREE – Through delegation of the General Meeting, hereby established, the Remuneration Committee referred to in Article Eleven will be responsible for the assessment of the cases submitted to it and establishing the values and other procedures for the award of pensions.

The General Meeting reserves the right to appoint the members of the Remuneration Committee which is exclusively competent to decide on these matters.

The determination of the Memorandum and Articles of Association referred to above does not invalidate that the Remuneration Committee may submit such a matter to the General Meeting, however, this has actually never taken place because this has never proved necessary or appropriate in view of the established statutory rule.

For all due purposes, it is disclosed that, since the incorporation of the company in 2009, up to this date, no retirement benefit schemes established in favour of the members governing bodies have been approved at the General Meeting. Likewise, neither has any specific benefit been attributed, namely by the Remuneration Committee, for any termination of duties, in particular due to retirement.

IV. DISCLOSURE OF THE REMUNERATIONS

77. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the management bodies, derived from the company, including fixed and variable remuneration and, relative to the latter, reference to its different components.

During 2014, the remunerations, in a broad sense, received individually by the members of the Board of Directors, were as follows:

Board of Directors	Fixed Remuneration	Variable Remuneration		Sub-Total	Compensation for Deployment	Total
		Attributed in 2014	Attributed in 2011			
Pedro Maria Calainho Teixeira Duarte	140,000.00	10,000.00	241,000.00	391,000.00	0.00	391,000.00
Manuel Maria Calainho de Azevedo Teixeira Duarte	137,200.00	20,000.00	82,000.00	239,200.00	27,282.40	266,482.40
Joel Viana de Lemos	137,200.00	25,000.00	92,000.00	254,200.00	2,712.15	256,912.15
Carlos Gomes Baptista	137,200.00	20,000.00	92,000.00	249,200.00	31,294.50	280,494.50
Diogo Bebiano Branco de Sá Viana Rebelo	137,200.00	100,000.00	0.00	237,200.00	35,206.75	272,406.75
Jorge Ricardo Figueiredo Catarino	137,200.00	15,000.00	82,000.00	234,200.00	36,574.20	270,774.20
	826,000.00	190,000.00	589,000.00	1,605,000.00	133,070.00	1,738,070.00

In 2014, the total value of the variable remunerations paid by TD,SA represented 44.8% of the total value received.

During 2014, no pension rights were acquired.

Supplementary to the information indicated above about the values paid, it is disclosed that in 2014 the Remuneration Committee deliberated the attribution of variable remuneration sums to the members of the Board of Directors, part of which was paid in that same year - and is indicated above in the table - and part was deferred to 2017, depending on the continued positive performance of the Company throughout 2014 to 2017.

Board of Directors	Variable Remuneration Attributed in 2014		
	For 2014	For 2017	Total
Pedro Maria Calainho Teixeira Duarte	10,000.00	100,000.00	110,000.00
Manuel Maria Calainho de Azevedo Teixeira Duarte	20,000.00	50,000.00	70,000.00
Joel Viana de Lemos	25,000.00	50,000.00	75,000.00
Carlos Gomes Baptista	20,000.00	50,000.00	70,000.00
Diogo Bebianio Branco de Sá Viana Rebelo	100,000.00	102,000.00	202,000.00
Jorge Ricardo Figueiredo Catarino	15,000.00	50,000.00	65,000.00
	190,000.00	402,000.00	592,000.00

78. Amounts paid, for any reason, by other companies in a controlling or group relationship or which are subject to common control.

During 2014, the members of the Board of Directors did not receive any remuneration, of any nature, paid by other companies that are in a controlling or group relationship with TD,SA.

79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for the granting of such bonuses and/or profit-sharing.

In the overall remuneration of the members of the Board of Directors, no sum is paid in the form of profit-sharing.

Indeed, the members of the Board of Directors are paid a sum as a performance bonus and distribution of profit, as deliberated by the Remuneration Committee.

As clarified above, the establishment of the bonuses was the result of the performance and net income of the Company as a whole, as well as the overall activity of the management board, in view of the defined objectives, having taken into account the conditions and values of the remunerations of the other employees of the company 100% held by it, "Teixeira Duarte - Engenharia e Construções, S.A.".

The establishment of the bonuses also took into account the Company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

80. Compensation paid or owed to former executive directors relative to their termination of office during the financial year.

No compensation has been paid, or is owed, to any former executive Directors relative to their termination of office during the financial year. Furthermore, it should be noted that no Director terminated office during 2014.

81. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the supervisory bodies, pursuant to Law number 28/2009, of 19 June.

All the members of the Supervisory Board receive, under the current system established in the Commercial Companies Code, and as determined by the Remuneration Committee, fixed remunerations for the performance of the duties inherent to their respective positions.

Thus, during 2014, the remunerations received by the members of the Supervisory Board of TD,SA were distributed as follows:

Supervisory Board	Fixed Remuneration	Variable Remuneration	Total Remuneration
António Gonçalves Monteiro	25,000.00	-	25,000.00
Óscar Manuel Machado Figueiredo	2,500.00	-	2,500.00
Mateus Moreira	16,500.00	-	16,500.00
Miguel Carmo Pereira Coutinho	16,500.00	-	16,500.00
	60,500.00	-	60,500.00

The total value paid to the Chartered Accountants Firm "MARIQUITO, CORREIA & ASSOCIADOS - SROC" and other natural and legal persons belonging to the same network supported by the Company and/or by legal persons in a controlling or group relationship, relative to the only services provided, that is, Legal Review of Accounts and Audit services, was:

Chartered Accountants Firm	Remuneration
Legal review of accounts services for the Group	267,100.00
Other reliability assurance services	-
Tax advisory services	-
Services other than legal review of accounts	-
	267,100.00

All the values listed above relative to the remuneration of the members of the Supervisory Board and Chartered Accountants Firm were paid during 2014, therefore there are no portions whose payment is deferred over time.

Furthermore, it should also be noted that, as established in the Policy of Remuneration of the Management and Supervisory Bodies and, simultaneously, in compliance with the provisions in Recommendation number III.2, the remuneration of the members of the supervisory body does not include any component whose value depends on the performance of the company or its value.

82. Indication of the remuneration of the chairman of the board of the general meeting for the year in question.

With the exception of the aforesaid Secretary of the Board of the General Meeting, all the other members of this body, under the current system established in the Commercial Companies Code, namely the provisions in 422-A, through number 3 of article 374-A, receive a fixed remuneration for the performance of the duties inherent to the respective positions, determined by the Remuneration Committee established in article 11 of the Articles of Association.

Under these terms, it is disclosed that the remuneration of the Chairman of the Board of the General Meeting was € 5,000.00 (five thousand euros) during 2014.

V. AGREEMENTS WITH REMUNERATIVE IMPLICATIONS**83. Contractual limitations established for the compensation payable for dismissal without fair grounds of a director and its relationship with the variable component of the remuneration.**

There is no contractual limit established for the compensation payable for the unfair dismissal of a member of the Board of Directors, considering, firstly, that no contract is signed for the performance of the duties of the position of Director, nor is any agreement signed on any possible compensation payable for fair or unfair dismissal. The existence of a contractual limit under the terms referred to above would be incoherent, in view of the characteristics of the existing relationship between the Company and the members of its Management board.

It should be noted that, pursuant to Recommendation number III.8, no legal mechanisms have been established, apart from those stipulated by the law, for any indemnity or compensation, apart from that legally owed, to be payable when the dismissal of the Director neither arises from serious breach of duties nor from incapacity for the normal performance of his duties but, even so, can be attributed to inadequate performance.

It should be recalled that the Directors of the leading listed company of the Teixeira Duarte Group, formerly "Teixeira Duarte - Engenharia e Construções, S.A." and currently TD,SA, have always been "in-house people", whose career progression was developed within the Teixeira Duarte Group and are not managers from other companies or groups. Therefore, no situation of dismissal of a Director has occurred since its incorporation, nor has there ever been any payment of compensation for termination of contract, hence it is deemed inappropriate to establish any legal mechanisms of the nature described above.

84. Reference to the existence and description, indicating the amounts involved, of agreements between the company and members of the management board and senior managers, in observance of number 3 of article 248-B of the Securities Market Code, which establish compensation in the case of resignation, unfair dismissal or termination of the work relation following a change of control of the company (article 245-A, number 1, subparagraph I)).

There are no agreements with these characteristics. The Company follows the policy of not undertaking any payments related to the early termination of the exercise of duties by the Directors or other senior managers, as well as not signing any agreements relative to these matters.

VI. PLANS TO ATTRIBUTE SHARES OR STOCK OPTIONS

85. Identification of the plan and respective beneficiaries.

There are no plans relative to the attribution of shares or attribution of options for the acquisition of shares.

86. Characterisation of the plan (conditions of attribution, clauses on the inability to dispose of shares, criteria relative to the price of the shares and price for the exercise of options, period during which the options can be exercised, characteristics of the shares to be attributed, existence of incentives for the acquisition of shares and/or exercise of options).

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

87. Option rights attributed for the acquisition of shares (stock options) whose beneficiaries are the company's workers and employees.

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

88. Control mechanisms established for any system of participation of the workers in the share capital to the extent that voting rights are not exercised directly by them (article 245-A, number 1, subparagraph e)).

There is no system of participation of the workers in the share capital, therefore there is no justification for the existence of control mechanisms to the extent that the voting rights are not exercised directly by them.

E. TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company for the purpose of control of transactions with related parties (the concept arising from IAS 24 is used for this effect).

All transactions between entities of the Teixeira Duarte Group with related parties are conducted at market prices. The Concept is clear and undertaken by all business managers of the different areas of the Group who deal with related parties.

This attitude is transversal to all transactions of this nature, in other words, any transfer of resources, services or obligations between related parties, regardless of the existence of a price debit.

In addition to these general guidelines, all transactions between related parties are recorded electronically in the Group's overall supporting platform, which, apart from the actual business managers, is also accessible to the teams dealing with finance and accounting, consolidation of accounts and audit, as well as the actual management and, supplementarily, the supervisory bodies of the Company and Group.

90. Indication of transactions which were subject to control during the year under review.

In this context and in view of the mechanisms referred to above, all the transactions with related parties were subject to control under the aforesaid terms. These transactions with related parties and their respective balances and additional information may be consulted in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2014.

91. Description of the procedures and criteria applicable to the intervention of the supervisory body for the effects of the prior assessment of transactions to be carried out between the company and owners of the qualifying holdings or entities which are in any relationship with it, under the terms of article 20 of the Securities Market Code.

There are no procedures and criteria under the terms mentioned above since the type of operations carried out between the Company and owners of qualifying holdings are of a current character and for the performance of the activity, namely for financing by Banco Comercial Português, S.A., which is considered to be a matter of the exclusive responsibility and competence of the Board of Directors and which, naturally, concerns operations carried out under normal market conditions, whereby it is deemed inappropriate to subject these transactions to the prior opinion of the supervisory bodies.

II. ELEMENTS RELATIVE TO BUSINESS

92. Indication of the location of the documents presenting the accounts with available information on business with related parties, in accordance with IAS 24, or, alternatively, reproduction of this information.

The information on business with related parties, in accordance with IAS 24, is reproduced in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2014.

PART II - ASSESSMENT OF CORPORATE GOVERNANCE

1. Identification of the adopted corporate governance code

The Corporate Governance Code to which the company is subject or has voluntarily decided to adopt should be identified, under the terms and for the effects of article 2 of the present Regulation.

Apart from the applicable legal and regulatory rules, namely the Commercial Companies Code, the Securities Market Code and Regulations of the CMVM, especially Regulation number 4/2013, TD,SA has chosen not adopt any Corporate Governance Code other than that issued by the CMVM in 2013.

Indication of the location where the texts on corporate governance codes to which the issuer is subject (article 245-A, number 1, subparagraph p)).

The aforesaid Corporate Governance Code issued by the CMVM in 2013 may be consulted at www.cmvm.pt.

2. Analysis of compliance with the adopted corporate governance code

Under the terms of article 245-A number 1, subparagraph o), the statement on the endorsement of the corporate governance code to which the issuer is subject should be presented, specifying which, if any, parts of this code there is divergence and the reasons for this divergence.

The information to be presented should include, for each recommendation:

- a) Information which enables appraising compliance with the recommendation or reference to the point of the report where the issue is discussed in detail (chapter, title, point and page);**
- b) Justification for any non-compliance or partial compliance;**
- c) In the case of non-compliance or partial compliance, identification of any alternative mechanism adopted by the company for the effect of pursuing the same objective of the recommendation.**

3. Other information

The company should provide any elements or additional information which, not having been presented in the preceding points, are relevant for the comprehension of the model and governance practices that have been adopted.

The points included in number 2 should be developed simultaneously, since they are interrelated.

Among the 41 Recommendations comprising the aforesaid Corporate Governance Code of the CMVM, the Company does not adopt twelve and partially adopts six.

The table below provides the reproduction of the text of these Recommendations with the same numbering of the aforementioned Corporate Governance Code, followed by an indication of their adoption or not and reference to the point in this Report where such matter is described or where, observing the principle of "comply or explain", any non-adoption is justified.

	Recommendation	Adoption	Reference
I.1.	Companies should encourage their shareholders to participate and vote at general meetings, in particular, by not establishing an excessively high number of shares required for access to the right to one vote and implementing the indispensable means for the exercise of the right to vote by correspondence and electronically.	Partial	12
I.2	Companies should not adopt mechanisms which hinder the taking of deliberations by their shareholders, in particular establishing a deliberative quorum greater than that stipulated by law.	Yes	14
I.3	Companies should not establish mechanisms with the effect of causing a time lag between the right to receive dividends or the subscription of new securities and the voting right of each ordinary share, unless duly substantiated as being in the long term interests of the shareholders.	Yes	12
I.4	Articles of association of companies which set a limit on the number of votes which may be held or exercised by a single shareholder, individually or jointly with other shareholders, should also establish the commitment that, at least every five years, the maintenance or not of this statutory provision will be subject to deliberation at the general meeting, with no requirement of a quorum larger than that legally established, and that in this deliberation all the votes cast will be counted, without the application of the above limit.	Not Applicable	5
I.5	Measures should not be adopted if they imply payments or the incurring of costs by the company in the event of transfer of control or change of the composition of the management board, and which might jeopardising the free transferability of shares and the free assessment by the shareholders of the performance of members of the management board.	Yes	6

	Recommendation	Adoption	Reference
II	SUPERVISION, MANAGEMENT AND AUDIT		
II.1	SUPERVISION AND MANAGEMENT		
II.1.1	Within the limits established by the law, and unless due to the small size of the company, the board of directors should delegate the daily management of the company, with the delegated competence being identified in the annual Corporate Governance Report.	No	21
II.1.2	The Board of Directors should ensure that the company acts in accordance with its objectives, and should not delegate its competence, namely, with respect to: i) the definition of the strategy and general policies of the company; ii) the definition of the business structure of the group; iii) decisions which should be considered strategic due to the amount involved, risk or special characteristics.	Yes	21
II.1.3.	The General and Supervisory Board, apart from performing the supervisory duties entrusted to it, should assume full responsibility in terms of corporate governance, therefore, through statutory provision or equivalent measure, it should be made compulsory that this body issue an opinion on the strategy and main policies of the company, the definition of the group's business structure and the decisions which should be considered strategic due to their amount or risk. This body should also assess compliance with the strategic plan and the execution of the main policies of the company.	Not Applicable	15
II.1.4	Unless as a result of the small size of the company, the Board of Directors and General and Supervisory Board, according to the adopted model, should create the committees which prove necessary to:		
a)	Ensure competent and independent assessment of the performance of the executive directors and their own overall performance, as well as that of the various existing committees and commissions;	No	24
b)	Reflect on the adopted governance system, structure and practices, verify its effectiveness and propose to the competent bodies the measures to take with a view to its improvement.	No	24
II.1.5	The Board of Directors or General and Supervisory Board, according to the applicable model, should establish objectives on matters of risk-taking and create systems for their control, with a view to assuring that the risks which are effectively incurred are consistent with these objectives.	Partial	54

	Recommendation	Adoption	Reference
II.1.6	The Board of Directors should include a sufficient number of non-executive members so as guarantee effective capacity to monitor, supervise and assess the activities of the other members of the management body.	No	18
II.1.7	<p>Among the non-executive directors, there should be an adequate proportion of independent directors, taking into consideration the adopted governance model, the size of the company, its shareholder structure and respective free float. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is appraised under the terms of the current legislation and, regarding the other members of the Board of Directors, members are considered independent when they are neither associated to any specific group of interests in the company nor in any circumstance which might affect the impartiality of their analysis or decision-making, namely due to:</p> <p>a. Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years;</p> <p>b. Having, in the last three years, provided services or established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person;</p> <p>c. Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties;</p> <p>d. Living in non-marital cohabitation or being the spouse, parent or family member in a straight line and up to the 3rd degree, inclusively, in a collateral line, of directors or natural persons who directly or indirectly hold a qualifying stake;</p> <p>e. Holding a qualifying stake or representing a shareholder holding a qualifying stake.</p>	No	18
II.1.8	When requested by other members of the governing bodies, the directors who perform executive duties should provide, in due time and in a form appropriate to the request, any information requested by them.	Yes	18
II.1.9	The chairman of the executive management body or executive committee should send, as applicable, to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board, and the Chairman of the Financial Matters Committee, the call notices and minutes of the respective meetings.	Yes	18
II.1.10	Should the chairman of the management body perform executive duties, this body should indicate, from among its members, an independent director to assure the coordination of the work of the other non-executive members, and the conditions to enable them to take decisions in an independent or informed manner or find other equivalent mechanisms to assure this coordination.	Not Applicable	18

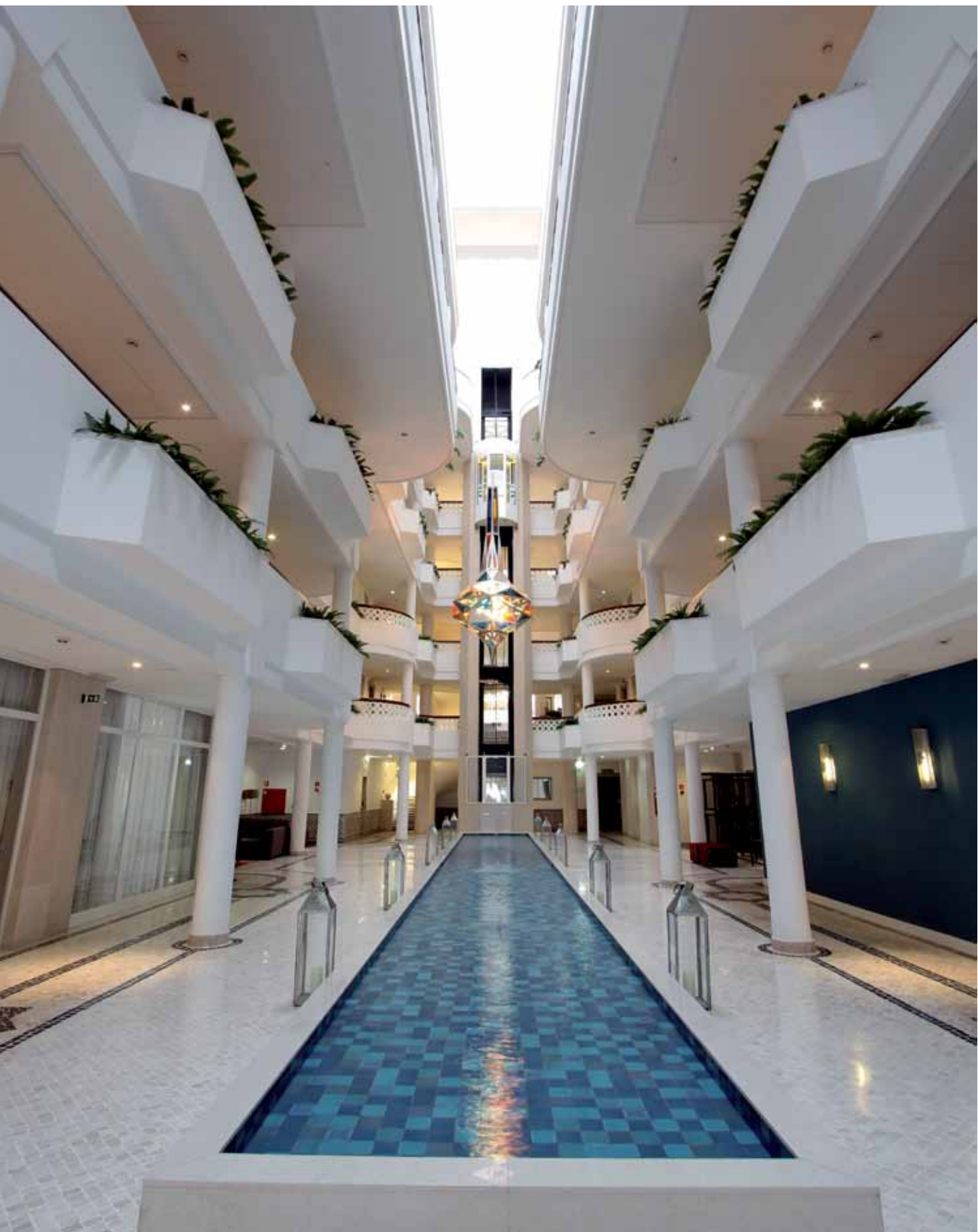
	Recommendation	Adoption	Reference
II.2	SUPERVISION		
II.2.1	According to the applicable model, the chairman of the Supervisory Board, Audit Committee or Financial Matters Committee should be independent, according to the applicable legal criteria, and possess adequate competence to perform the respective duties.	Yes	32
II.2.2	The supervisory body should be the main agent for communication with the external auditor and first receiver of the respective reports, being responsible, namely, for proposing the remuneration of the external auditor and ensuring the existence of the appropriate conditions for the provision of the services within the company.	No	45
II.2.3.	The supervisory body should assess the external auditor on an annual basis and propose, to the competent body, the external auditor's dismissal or termination of its service contract whenever there are fair grounds for the effect.	Yes	45
II.2.4	The supervisory body should assess the operation of the internal control and risk management systems, and propose any adjustments deemed necessary.	No	51
II.2.5	The Audit Committee, General and Supervisory Board and Financial Matters Committee should issue an opinion on the work plans and resources allocated to the internal audit services and services which endeavour to assure compliance with the rules applied to the company (compliance services) and should receive the reports produced by these services at least when related to matters concerning the presentation of accounts, the identification or settlement of conflicts of interests and the detection of potential illegalities.	No	51
II.3	ESTABLISHMENT OF REMUNERATIONS		
II.3.1.	All the members of the Remuneration Committee or equivalent should be independent from the executive members of the management board and include at least one member with knowledge and experience on matters of remuneration policy.	Partial	67 and 68
II.3.2	No legal or natural person who has provided, during the last three years, services to the any structure directly under the management body, the actual management body of the company or who has an current relationship with any consultant of the company or with the company's consultants should be contracted to support the Remuneration Committee. This recommendation is also applicable to any natural or legal person which is related to such persons through a work or service contract.	Yes	67

	Recommendation	Adoption	Reference
II.3.3	<p>The statement on the policy of remuneration of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June, should, in addition to the content referred to therein, also contain:</p> <p>a) Identification and explanation of the criteria for the determination of the remuneration to be attributed to the members of the governing bodies;</p> <p>b) Information on the potential maximum amount, both in individual and aggregate terms, payable to the members of the governing bodies, and identification of the circumstances when these maximum amounts may be due;</p> <p>d) Information on the enforceability or non-enforceability of payments relative to the dismissal or termination of office of directors.</p>	Partial	69
II.3.4	<p>The proposal relative to approval of share attribution plans and/or share acquisition options, or based on share price variations, to members of the governing bodies, should be submitted to the General Meeting. The proposal should contain all the elements necessary for an appropriate assessment of the plan.</p>	Not Applicable	85
II.3.5	<p>The proposal relative to approval of any retirement benefit scheme established in favour of the members of the governing bodies should be submitted to the General Meeting. The proposal should contain all the elements necessary for a correct assessment of the scheme.</p>	No	76
III	REMUNERATIONS		
III.1	<p>The remuneration of the executive members of the management body should be based on effective performance and discourage excessive risk-taking.</p>	Yes	70
III.2	<p>The remuneration of the non-executive members of the management body and the remuneration of the members of the supervisory body should not include any component whose value depends on the company's performance or its value.</p>	Yes	18 and 81
III.3	<p>The variable component of the remuneration should be reasonable as a whole in relation to the fixed component of the remuneration, and maximum limits should be established for all the components.</p>	Partial	71
III.4	<p>A significant part of the variable remuneration should be deferred for a period not less than three years, and the right to its receipt should be subject to the continued positive performance of the company over this period.</p>	Yes	72
III.5	<p>The members of the management body should not enter into contracts, either with the company or third parties, which have the effect of mitigating the risk inherent to the variability of their remuneration established by the company.</p>	Yes	71

	Recommendation	Adoption	Reference
III.6	Until the end of their term of office, the executive directors should keep the company shares that they have obtained through variable remuneration schemes, up to the limit of twice the value of the annual total remuneration, with the exception of any which might need to be disposed of in order to pay taxes arising from the benefit of these same shares.	Not Applicable	73
III.7	When the variable remuneration includes the attribution of options, the beginning of the period of exercise should be deferred for a period not less than three years.	Not Applicable	74
III.8	When the dismissal of a director does not arise from serious breach of duties nor from incapacity for the normal performance of his duties but, even so, can be attributed to inadequate performance the company should be endowed with the appropriate and necessary legal instruments so that no indemnity or compensation, apart from that legally owed, should be payable.	No	83
IV	AUDIT		
IV.1	The external auditor should, under its competence, verify the application of the policies and systems for the remuneration of the governing bodies, the effectiveness and functioning of the internal control mechanisms and report any flaws to the company's supervisory board.	Partial	51 and 67
IV.2	The company or any entities in a controlling relationship with it should not contract from the external auditor, or from any entities in a group relationship or which are part of the same network, any services other than audit services. If there are reasons to contract such services, which should be approved by the supervisory board and explained in its annual Corporate Governance Report, they should not amount to more than 30% of the total value of the services provided to the company.	Yes	37, 41 and 46
IV.3	Companies should promote the rotation of the auditor at the end of every two or three terms of office, according to whether they last four or three years. Their maintenance beyond this period should be justified by a specific opinion of the supervisory board which explicitly reflects on the conditions of independence of the auditor and advantages and costs of the auditor's replacement.	Yes	44
V	CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES		
VI	The Company's business with shareholders of qualifying stakes, or with entities which are in any relationship with them, under the terms of article 20 of the Securities Market Code, should be conducted under normal market conditions.	Yes	10

	Recommendation	Adoption	Reference
V.2	The supervisory or audit body should establish the necessary procedures and criteria for the definition of the relevant level of significant business with shareholders holding qualifying stakes, or with entities which are engaged with them in any of the relations established in number 1 of article 20 of the Securities Market Code, where the conduct of business of significant relevance should depend on the prior opinion of this body.	No	10
VI.	INFORMATION		
VI.1	Companies should provide, through their website, in Portuguese and English, access to information which enables knowledge on their evolution and current reality in economic, financial and governance terms.	Yes	59
VI.2	Companies should ensure the existence of a an investor support office and permanent contact with the market, which responds to requests submitted by investors in due time, and records should be kept of the submitted requests and their subsequent treatment.	Yes	56 and 58

Individual Financial Statements **2014**



The Notes are an integral part of the Balance Sheet as at 31 December 2014 and 2013

(Values in thousand euros)

Headings	Notes	2014	2013
Assets			
Non-current assets:			
Tangible fixed assets	7	31	-
Intangible assets	6	81	-
Financial holdings - equity method	8	507,552	436,026
Other financial assets	5 and 11.1	70,000	-
Deferred tax assets	10	-	1,250
Other accounts receivable	11.1	52,955	107,955
		630,619	545,231
Current assets:			
Customers	5, 11.1 and 18	2,527	339
State and other public bodies	11.1	21,426	12,935
Other accounts receivable	11.1	16,256	39,355
Cash and bank deposits	4	122	26
		40,331	52,655
Total Assets		670,950	597,886
Equity and Liabilities			
Equity:			
Paid-up share capital	19	210,000	210,000
Legal reserves		21,000	10,000
Other reserves		175,390	128,661
Retained earnings:			
Non-attributed profits - equity method		(135,964)	(118,184)
Adjustments to financial assets:			
Non-attributed profits - equity method		135,964	118,184
Other adjustments to financial assets		63,009	5,348
		469,399	354,009
Net income for the period		65,390	64,029
Total Equity		534,789	418,038
Liabilities			
Non-current liabilities:			
Loans received	11.2 and 18	5,651	192
Other accounts payable	11.2 and 18	1,739	2,375
		7,390	2,567
Current liabilities:			
Suppliers	11.2 and 18	606	116
State and other public bodies	11.2 and 18	546	319
Loans received	11.2 and 18	97,641	154,552
Other accounts payable	11.2 and 18	29,978	22,294
		128,771	177,281
Total Liabilities		136,161	179,848
Total Equity and Liabilities		670,950	597,886

Income and costs	Notes	2014	2013
Sales and services rendered	9	12,599	2,606
Gains and losses imputed to subsidiaries	8	66,365	70,282
External supplies and services	15	(4,358)	(2,108)
Staff costs	14	(8,557)	(7,171)
Other income and gains	16	167	153
Other costs and losses	17	(92)	(103)
Earnings before interest, taxes, depreciation and amortisation		66,124	63,659
Depreciation and amortisation costs	6 and 7	(7)	-
Net operating income (earnings before interest and taxes)		66,117	63,659
Interest and similar income received	9 and 13	8,082	45
Interest and similar costs paid	13	(7,464)	(1,772)
Earnings before tax		66,735	61,932
Income tax for the period	10	(1,345)	2,097
Net income for the period		65,390	64,029

The Notes are an integral part of the
Income statement by nature for the
periods ended on
31 December 2014 and 2013

(Values in thousand euros)

The Notes are an integral part of the Statement of changes in equity for the periods ended on 31 December 2014 and 2013

(Values in thousand euros)

Description	Notes	Equity attributed to shareholders						Net income for the period	Total
		Paid-up share capital	Legal reserves	Other reserves	Retained earnings	Adjustments to financial assets of affiliates and associates			
Balance as at 01.01.13	1	210,000	5,500	118,983	(102,218)	103,596	20,478	356,339	
Changes in the period:									
Application of the equity method	8	-	-	-	(15,966)	19,936	-	3,970	
	2	-	-	-	(15,966)	19,936	-	3,970	
Net income for the period	3						64,029	64,029	
Comprehensive net income for the period	4=2+3							67,999	
Transactions with shareholders in the period:									
Appropriation of net income		-	4,500	9,678	-	-	(14,178)	-	
Dividends	4	-	-	-	-	-	(6,300)	(6,300)	
	5	-	4,500	9,678	-	-	(20,478)	(6,300)	
Balance as at 31.12.13	6=1+2+3+5	210,000	10,000	128,661	(118,184)	123,532	64,029	418,038	
Balance as at 01.01.14	7	210,000	10,000	128,661	(118,184)	123,532	64,029	418,038	
Changes in the period:									
Application of the equity method	8	-	-	-	(17,780)	75,441	-	57,661	
	8	-	-	-	(17,780)	75,441	-	57,661	
Net income for the period	9						65,390	65,390	
Comprehensive net income for the period	10=8+9							123,051	
Transactions with shareholders in the period:									
Appropriation of net income	19	-	11,000	46,729	-	-	(57,729)	-	
Dividends	4 and 19	-	-	-	-	-	(6,300)	(6,300)	
	11	-	11,000	46,729	-	-	(64,029)	(6,300)	
Balance as at 31 December 2014	12=7+8+9+11	210,000	21,000	175,390	(135,964)	198,973	65,390	534,789	

	Notes	2014	2013
Operating activities:			
Revenue from customers		7,989	-
Payments to suppliers		(3,472)	(885)
Staff payments		(7,214)	(2,476)
Cash flow generated by operations		(2,697)	(3,361)
Income tax payment/revenue		13,327	(13,636)
Other revenue/payments		(3,334)	(913)
Cash flow from operating activities (1)		7,296	(17,910)
Investment activities:			
Payments relative to:			
Tangible fixed assets		(46)	-
Revenue derived from:			
Interest and similar income		5,738	14
Dividends	4	52,500	10,500
Cash flow from investment activities (2)		58,192	10,514
Financing activities:			
Revenue derived from:			
Loans received		44,619	138,256
Payments relative to:			
Loans received		(96,079)	-
Related parties		-	(122,955)
Interest and similar costs		(7,632)	(1,580)
Dividends	4 and 19	(6,300)	(6,300)
Cash flow from financing activities (3)		(65,392)	7,421
Net change in cash and cash equivalents (1+2+3)		96	25
Cash and cash equivalents at the beginning of the period	4	26	1
Cash and cash equivalents at the end of the period	4	122	26

The Notes are an integral part of the Cash flow statement for the periods ended on 31 December 2014 and 2013

(Values in thousand euros)

Notes

1. INTRODUCTION

"Teixeira Duarte, S.A." ("Company"), legal person number 509.234.526, with head office in Porto Salvo, was incorporated on 30 November 2009, and its core business is the undertaking and management of investments, the coordination and supervision of other companies included in or related to its corporate group, operating essentially in the areas of strategic and organisational planning, as well as the provision of administrative, management, consulting, operational assistance or support in terms of human resources, technical and financial services to companies in which the Group has a stake or entities with which contracts have been concluded for this purpose.

We disclose, for purposes of comparability with the same period of the preceding year, that 2014 was the first full year of provision of Shared Services to companies belonging to the Teixeira Duarte Group.

The financial statements attached herewith refer to the Company on an individual basis, with the financial investments in subsidiaries having been recorded through the equity method, as explained in Note 3.2. a).

All the values of these Notes are expressed in thousand euros.

2. ACCOUNTING STANDARDS

2.1. The present financial statements were prepared in accordance with the Accounting and Financial Reporting Standards (NCRF) established in the Accounting Standardisation System (SNC), approved by Decree-Law number 158/2009, of 13 July, with the rectification of Rectification Statement number 67-B/2009, of 11 September, and as amended by Law number 20/2010, of 23 August.

3. MAIN ACCOUNTING POLICIES

3.1. Basis of measurement

The financial statements were prepared pursuant to the historical cost convention, based on the accounting ledgers and records of the Company kept in accordance with the NCRF.

3.2. Relevant accounting policies

a) Financial investments

Financial investments in subsidiary companies are recorded using the equity method, whereby the holdings are initially recorded at their acquisition cost, then increased or reduced by the difference between that acquisition cost and the value proportional to the holding owned in the equity of those companies, reported on the acquisition date or on the first application of the aforesaid method.

In accordance with the equity method, financial investments are adjusted periodically by the value corresponding to the participation in the net results of the associate and subsidiary companies against "Gains and losses in subsidiaries", and by any other variations which might have occurred in their equity against the heading "Other adjustments in financial assets", as well as by the recognition of impairment losses. Furthermore, the dividends received from these companies are recorded as a reduction in the value of financial investments.

Losses in subsidiaries which exceed the investment made in those entities are not recognised unless the Company has undertaken commitments in relation to them.

b) Tangible fixed assets

Tangible assets used in production, services rendered or for administrative use are recorded at acquisition or cost, including the expenses incurred with their acquisition, minus accumulated depreciation and impairment losses, when applicable.

Tangible assets are depreciated through the straight-line method, according to their estimated useful life, from the date on which they are available to be used for the intended purpose and cease when the assets are divested or become classified as non-current assets held for sale. Depreciation is calculated in accordance with the following estimated useful lives:

Years of useful life	
Administrative equipment	3-10

Improvements and upgrades are only recognised as assets when they correspond to the replacement of goods, which are written-off, or lead to an increase in future economic benefits.

Tangible fixed assets in progress correspond to tangible assets under construction and are recorded at acquisition cost minus any impairment losses. These tangible fixed assets are depreciated as from when the underlying assets are concluded or in use.

Capital gains or losses arising from the sale or write-off of tangible fixed assets are determined by the difference between the sales price and the net book value on the date of sale/write-off and stated at their net worth in the income statement under "Other income and gains" or "Other costs and losses".

c) Intangible assets

Intangible assets essentially comprise contractual rights over the use of computer programmes, and are stated at acquisition cost minus accumulated amortisation and impairment losses. Intangible assets are recognised only if it is probable that they will produce future economic benefits for the company, are controllable by the company and their value can be measured reliably.

Internal costs related to the maintenance and development of software are recorded as costs in the income statement when incurred, except when such costs refer directly to projects which will probably generate future economic benefits for the company. In such cases, these costs are capitalised as intangible assets.

Amortisation is calculated, as of the date when they are available for their intended use, by the straight-line method, in accordance with the period of utility that the company expects for the assets concerned. Amortisation is carried out in accordance with the following estimated useful lives:

Years of useful life	
Computer programmes	3

d) Accrual basis

Income and costs are recorded pursuant to the accrual accounting principle, being recognised as and when they are generated.

When the real value of the costs and income is unknown, they are estimated.

The differences between the amounts received and paid and the corresponding income and costs are recorded under "Other accounts receivable" and "Deferrals" in the Assets and under "Other accounts payable" and "Deferrals" in the Liabilities.

e) Borrowing costs

Borrowing costs are recognised in the income statement for the year to which they refer, except to the extent that the financial costs of the loans received directly related to the acquisition, construction and production of assets that take a substantial period of time to become ready for their intended use, are capitalised as part of the costs of the assets. The capitalisation of these costs begins after the start-up of the preparation of construction activities or development of the asset and is stopped after the beginning of use or end of production or construction of the asset or when the project concerned is suspended. Any financial gain arising from loans obtained in advance and which may be allocated to a specific investment is deducted from financial costs eligible for capitalisation.

f) Revenue

Revenue derived from the sale of goods is recognised in the income statement when the following conditions have been met:

- The Company has transferred to the buyer the significant risks and rewards inherent to the ownership of the assets;
- The Company maintains neither continued managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated to the transaction will flow into the company; and
- The costs incurred or to be incurred with respect to the transaction can be measured reliably.

Sales are recognised net of taxes, discounts and other costs incurred to realise the fair value of the amount received or receivable. Revenue arising from services rendered is recognised in the income statement relative to the stage of completion of the services on the reporting date.

g) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party in the contractual relationship.

Cash and bank deposits

The amounts included in the "Cash and bank deposits" heading correspond to cash, bank deposits, term deposits and other cash investments with a maturity of less than three months, and which are immediately repayable on demand with no significant risk of change in value.

Accounts receivable

Accounts receivable are measured, when recognised initially, at fair value and subsequently at their amortised cost in accordance, which does not usually differ from their nominal value. When there is indication that they are impaired, their adjustment is recorded through profit or loss. The recognised adjustment is measured by the difference between the value at which the receivables are recognised and the present value of the cash flows discounted at the effective interest rate determined at their initial recognition.

Investments

Investments are recognised on the date when the inherent risks and rewards are transferred substantially. They are initially recorded at their acquisition value, which is the fair value of the price paid, including transaction costs.

Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the nature of the contract regardless of their legal form. Equity instruments are contracts that have a residual interest in the company's assets after deduction of the liabilities.

Equity instruments issued by the Company are recorded at the amount received net of costs incurred with their issue.

Accounts payable

Accounts payable are initially recognised at their fair value and subsequently stated at their amortised cost, which does not usually differ from their nominal value, minus estimated impairment losses.

Bank loans

Loans are initially recorded and recognised as liabilities at their nominal value, net of the costs incurred to issue them and subsequently measured through the amortised cost method. Financial costs, calculated in accordance with the effective interest rate and including premiums payable, are stated in accordance with the accrual accounting principle, being added to the book value of the loan if they are not settled during the period.

h) Pension liabilities

The Company offers retirement insurance to its employees, constituted under a social policy and policy of incentives to workers. Characterised by their voluntary nature, the Board of Directors is exclusively responsible for deciding on contributions as deemed appropriate at any given time, in view of the Company's performance and economic and financial situation. Thus, these contributions are recorded as a cost on the date when they are due.

Notwithstanding their optional origin, the contributions made by the Company are exclusively those provided for in applicable tax legislation.

i) Income tax

The Company is subject to the special taxation scheme for groups of companies (RETGS) established in article 69 of the Corporate Income Tax Code, where Teixeira Duarte, S.A. has been the controlling company since 1 January 2012.

"Income tax for the period" recorded in the income statement corresponds to the sum of current tax and deferred tax.

Current income tax is calculated based on the taxable profit of the Company in accordance with the tax rules in force. Taxable income may differ from accounting income, since it may exclude several costs and income that are only deductible or taxable in future periods, as well as costs and income that will never be deductible or taxable.

Deferred tax results from the temporary differences between the amount of the assets and liabilities for the effect of accounts reporting (book value) and the respective amounts for tax purposes (tax base), as required by NCRF 25 - Income Tax.

Deferred tax assets and liabilities are calculated and assessed annually using the taxation rates which are in force or announced to be in force on the expected date of the reversal of the temporary differences.

Deferred taxes assets are recognised only when there are reasonable expectations of sufficient future taxable profits for their use, or in situations where there are temporary differences for taxation purposes which compensate the deductible temporary differences in the period of their reversal. Deferred tax liabilities are recognised for all taxable temporary differences.

At the end of each period, there is a review of the deferred taxes booked, being the amount thereof adjusted for expectations of future use.

Deferred taxes are recorded as a cost or income for the period, unless they arise from values recorded directly under equity, in which case the deferred tax is also recorded under the same heading.

j) Contingent assets and liabilities

Contingent assets are possible assets derived from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events, not totally under the control of the entity.

Contingent assets are not recognised in the consolidated financial statements of the entity, but are disclosed when the existence of a future economic benefit is probable.

Contingent liabilities are defined as: (i) possible liabilities arising from past events and whose existence will only be confirmed by the occurrence, or not, of one or more uncertain future events not totally under the control of the entity; or (ii) present liabilities which arise from past events but are not recognised because it is unlikely that an outflow of resources affecting economic benefits will be required to settle the liability or the amount of the liability cannot be measured reliably.

Contingent liabilities are not recognised in the consolidated financial statements, but are disclosed, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not even disclosed.

3.3. Value judgements of the Board of Directors

When preparing the financial statements, the Company adopted certain assumptions and estimates which affect the related assets, liabilities, income and costs. All the estimates and assumptions made by the Board of Directors were based on the best existing knowledge, at the date of the approval of the financial statements, of the events and transactions in progress.

The most significant accounting estimates reflected in the financial statements include: i) accruals and deferrals; ii) impairment analyses, namely of accounts receivable; and iii) the useful lives of tangible fixed assets.

The estimates were determined based on the best information available on the date of preparation of the financial statements and on the best knowledge and experience of past and/or current events. However, situations might occur in subsequent periods which, not having been predictable on that date, were not considered in these estimates. Any alterations to the estimates, which occur subsequently to the date of the financial statements, will be corrected prospectively in the income statement.

4. CASH FLOWS

Cash and bank deposits

The breakdown of cash and bank deposits as at 31 December 2014 and 2013 is as follows:

	2014	2013
Bank deposits repayable on demand	122	26

Cash flow from investment activities

The revenue derived from dividends during the periods ended on 31 December 2014 and 2013 were as follows:

	2014	2013
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	52,500	10,500

Cash flow from financing activities

The General Meeting of Shareholders, held on 31 May 2014, deliberated the distribution of dividends of the value of 6,300 thousand euros, corresponding to 0.015 euros per share, taking into consideration the separate financial statements of the Company as at 31 December 2013, with their payment having taken place in June 2014 (Note 19).

Dividends of 6,300 thousand euros were paid up in June 2013, relative to the period ended on 31 December 2012.

5. RELATED PARTIES

Remunerations of the Company's governing bodies and senior management

The remunerations attributed to the members of the Company's governing bodies, for the periods ended on 31 December 2014 and 2013, were as follows:

	2014	2013
Executive directors:		
Short term benefits	1,738	1,445
Supervisory board:		
Short term benefits	61	72
Chartered accountant:		
Short term benefits	61	61
	1,860	1,578

The remunerations attributed to the members of the Company's senior management, for the periods ended on 31 December 2014 and 2013, were as follows:

	2014	2013
Senior staff:		
Short term benefits	1,059	397

Balances and transactions:

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

During the periods ended on 31 December 2014 and 2013, the balances with subsidiaries and other related parties were as follows:

	Balance receivable		Additional paid-in capital		Balance payable		Other debts receivable and payable	
	2014	2013	2014	2013	2014	2013	2014	2013
Subsidiaries:								
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	1,096	339	70,000	-	-	5	32,734	130,247
Other related parties:								
CND - Companhia Nacional de Distribuição, Lda.	216	-	-	-	-	-	-	-
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	63	-	-	-	-	-	333	3,323
ESTA - Gestão de Hotéis, S.A.	31	-	-	-	-	-	521	648
IMOPREDOUÇOS - Sociedade Imobiliária, S.A.	-	-	-	-	-	-	19	436
LAGOAS HOTEL, S.A.	16	-	-	-	-	-	(156)	(347)
PETRIN - Petróleos e Investimentos, S.A.	71	-	-	-	-	-	-	-
QUINTA DE CRAVEL - Imobiliária, S.A.	-	-	-	-	-	-	(184)	(532)
RECOLTE, Servicios Y Medioambiente, S.A.U.	114	-	-	-	-	-	-	-
ROCHORIENTAL - Sociedade Hoteleira, S.A.	8	-	-	-	-	-	(22)	(112)
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	4	-	-	-	-	-	13	62
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	64	-	-	-	-	-	-	-
TEIXEIRA DUARTE - DISTRIBUIÇÃO, S.A.	71	-	-	-	-	-	4,497	6,472
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Angola Branch)	241	-	-	-	-	-	-	-
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	-	-	-	-	-	-	(1,461)	(12,819)
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	182	-	-	-	-	-	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	2	-	-	-	-	-	(1,414)	(1,058)
TDE - Empreendimentos Imobiliários, S.A.	-	-	-	-	-	-	(148)	(352)
TDGI - Tecnologia de Gestão de Imóveis, S.A.	86	-	-	-	-	-	688	1,422
TDH - Sociedade Gestora de Participações Sociais, S.A.	-	-	-	-	-	-	(88)	(713)
TDHC - Instalações para Desporto e Saúde, S.A.	19	-	-	-	-	-	(399)	(878)
TDVIA - Sociedade Imobiliária, S.A.	-	-	-	-	-	-	(556)	(984)
TEDAL - Sociedade Gestora de Participações Sociais, S.A.	-	-	-	-	-	-	478	3,881
V8 - Gestão Imobiliária, S.A.	-	-	-	-	-	-	(384)	(967)
Other	243	-	-	-	-	-	893	(451)
	1,431	-	-	-	-	-	2,630	(2,969)
	2,527	339	70,000	-	-	5	35,364	127,278

During the periods ended on 31 December 2014 and 2013, the transactions with subsidiaries and other related parties were as follows:

	Sales and Services Rendered		Intra-group services rendered		Purchases and Services Received	
	2014	2013	2014	2013	2014	2013
Subsidiaries:						
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	4,032	-	1,136	639	1,792	551
Other related parties:						
BONAPARTE - Imóveis Comerciais e Participações, S.A.	4	-	26	-	-	-
CND - Companhia Nacional de Distribuição, Lda.	216	-	-	-	-	-
CONSTRUSALAMONDE, ACE	1	-	46	-	-	-
DIGAL - Distribuição e Comércio, S.A.	22	-	105	-	-	-
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	101	-	90	-	-	-
ESTA - Gestão de Hotéis, S.A.	42	-	50	-	-	-
EVA - Sociedade Hoteleira, S.A.	17	-	47	-	-	-
INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.	1	-	50	-	-	-
LAGOAS HOTEL, S.A.	15	-	59	-	40	4
OFM - Obras Fluviais e Marítimas, S.A.	58	-	136	-	-	-
PETRIN - Petróleos e Investimentos, S.A.	53	-	121	-	-	-
RECOLTE - Serviços e Meio Ambiente, S.A.	41	-	134	-	-	-
RECOLTE, Servicios Y Medioambiente, S.A.U.	76	-	38	-	-	-
ROCHORIENTAL - Sociedade Hoteleira, S.A.	10	-	30	-	-	-
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	8	-	31	-	1	-
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	127	-	214	-	-	-
TEIXEIRA DUARTE - DISTRIBUIÇÃO, S.A.	115	-	136	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Angola Branch)	241	-	-	-	-	-
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	-	-	30	-	-	-
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	182	-	-	-	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	7	-	23	-	-	-
TDGI - Tecnologia de Gestão de Imóveis, S.A.	132	-	167	-	-	-
TDHC - Instalações para Desporto e Saúde, S.A.	24	-	49	-	-	-
Other	119	-	135	-	-	-
	1,612	-	1,717	-	41	4
	5,644	-	2,853	639	1,833	555

6. INTANGIBLE ASSETS

During the period ended on 31 December 2014, the movements in intangible assets and their accumulated amortisation, were as follows:

	Computer programs	Intangible assets in progress	Total
Gross assets:			
Balance as at 01.01.14	-	-	-
Additions	39	43	82
Balance as at 31 December 2014	39	43	82
Accumulated amortisation:			
Balance as at 01.01.14	-	-	-
Additions	1	-	1
Balance as at 31 December 2014	1	-	1
Net value as at 31 December 2014	38	43	81

7. TANGIBLE FIXED ASSETS

During the period ended on 31 December 2014, the movements in tangible fixed assets and their accumulated depreciation, were as follows:

	Administrative equipment
Gross assets:	
Balance as at 01.01.14	-
Additions	37
Balance as at 31 December 2014	37
Accumulated depreciation:	
Balance as at 01.01.14	-
Additions	6
Balance as at 31 December 2014	6
Net value as at 31 December 2014	31

8. INVESTMENTS IN SUBSIDIARIES

For the period ended on 31 December 2014, the Company recorded the following financial holding, measured through the equity method:

Corporate name	Head office	Effective percentage holding
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park - Porto Salvo - Oeiras	100%

The main financial information relative to this subsidiary, as at 31 December 2014 and 2013, is as follows:

Total assets		Total liabilities		Income		Net income	
2014	2013	2014	2013	2014	2013	2014	2013
1,761,439	1,697,755	1,182,290	1,261,729	821,524	808,815	67,962	70,282

This financial information corresponds to the statutory accounts of the company, which were adjusted for the purpose of the application of the equity method.

The following movements occurred in the holdings in subsidiaries during the periods ended on 31 December 2014 and 2013:

	Equity stakes
Balance as at 01.01.13	372,274
Effects of the application of the equity method:	
- Effect on net income for the period	70,282
- Effect on equity	3,970
- Dividends received (Note 4)	(10,500)
Balance as at 31.12.13	436,026
Balance as at 01.01.14	436,026
Effects of the application of the equity method:	
- Effect on net income for the period	66,365
- Effect on equity	57,661
- Dividends received (Note 4)	(52,500)
Balance as at 31 December 2014	507,552

9. REVENUE

For the periods ended on 31 December 2014 and 2013, the revenue recognised by the Company was broken down as follows:

	2014	2013
Services rendered	12,599	2,606
Interest and similar income	8,082	45
	20,681	2,651

On these dates, the Company's turnover was distributed geographically as follows:

	2014	2013
Angola	2,396	-
Algeria	50	-
Brazil	245	-
Spain	161	-
Mozambique	500	-
Portugal	9,243	2,606
Venezuela	4	-
	12,599	2,606

10. INCOME TAX

The Company is subject to corporate income tax (IRC) at the rate of 23% on the taxable amount. In addition to corporate income tax, the Company might also be subject to the municipal surcharge, incident on taxable profit, and whose rate may vary up to a maximum of 1.5%.

Furthermore, should taxable profit be higher than 1,500 thousand euros, the portion which exceeds the amount of 1,500, 7,500 and 3,500 thousand euros is subject to the state surcharge at the rates of 3%, 5% and 7%, respectively. The Company is also subject to autonomous taxation at the rates and incident on the charges and expenses established in article 88 of the Corporate Income Tax Code.

Pursuant to the legislation in force, tax returns in Portugal may be reviewed and corrected by the tax authorities for a period, in general, of four years (five years for Social Security). Thus, the periods 2011 to 2014 may still be subject to review. The Board of Directors believes that any corrections which might arise from any tax reviews/inspections to these periods will not have a materially relevant effect on the financial statements reported as at 31 December 2014.

In the calculation of the taxable amount, to which the aforesaid tax rate is applied, the amounts which are not applicable for tax purposes are added and subtracted from the book value profit. This difference between the book value profit and the profit for tax purposes may be of temporary or permanent nature.

Additionally, pursuant to the legislation in force in Portugal, tax losses can be carried forward during a period of six years after their occurrence for the periods up to 2009, four years for the periods of 2010 and 2011, five years for the periods of 2012 and 2013, and twelve years as of 2014, and may be deducted from tax profits generated during that period. As of 1 January 2014, the deduction of tax losses, including tax losses calculated before this period, is limited to 70% of taxable profit calculated for the period in which the deduction is made.

The tax charge recorded for the periods ended on 31 December 2014 and 2013 may be presented as follows:

	2014	2013
Current tax	105	13
Deferred tax	1,240	(2,110)
	1,345	(2,097)

The relationship, in Portugal, between the tax cost and book value profit, for the periods ended on 31 December 2014 and 2013, is as follows:

	2014	2013
Net income for the period	65,390	64,029
Adjustments to taxable profit:		
Definitive differences:		
- To be added	1,345	14
- To be deducted	(66,367)	(72,361)
Profit / (Tax loss)	368	(8,318)
Tax base	368	-
Tax	92	-
Other tax components:		11
- Autonomous taxation	8	13
- Municipal surcharge	5	-
Current tax	105	13
Deferred tax	1,240	(2,080)
Alterations in estimates	-	(30)
Tax costs	1,345	(2,097)

Definitive differences essentially refer to the elimination of equity effects (Note 8).

The effective tax rate for the periods ended on 31 December 2014 and 2013 was as follows:

	2014	2013
Current tax	105	13
Earnings before tax	66,735	61,932
Effective tax rate	0.16%	0.02%

The movements which occurred in deferred tax assets during the periods ended on 31 December 2014 and 2013 were as follows:

	2014			
	Opening balance	Reversal	Adjustment	Closing balance
Tax losses carried forward	1,250	(1,240)	(10)	-

	2013			
	Opening balance	Constitution	Adjustment	Closing balance
Tax losses carried forward	1,220	2,110	(2,080)	1,250

11. FINANCIAL INSTRUMENTS

For the periods ended on 31 December 2014 and 2013, the financial assets and liabilities, current and non-current, were broken down as follows:

11.1. Financial assets:

Customers

As at 31 December 2014 and 2013, the heading of customers was only and exclusively composed of balances receivable from related parties (Note 5).

Other accounts receivable

As at 31 December 2014 and 2013, the heading of other accounts receivable was broken down as follows:

	2014		2013	
	Current	Non-current	Current	Non-current
Accrued income receivable:				
Supplies and services rendered and not invoiced	6,226	-	760	-
Interest receivable	2,376	-	33	-
	8,602	-	793	-
Other receivables	7,654	52,955	38,562	107,955
	16,256	52,955	39,355	107,955

Other assets

As at 31 December 2014 and 2013, the remaining current assets were broken down as follows:

	2014	2013
State and other public bodies:		
Corporate income tax (IRC):		
- Estimated tax	1,461	(2,065)
- Tax withheld at source	4,352	3,296
- Payments on account (a)	15,613	11,704
	21,426	12,935

(a) Includes payments on account, additional payments on account and special payments on account

These balances refer to the special taxation scheme for groups of companies - RETGS (Note 10).

The Company's individual amounts, for the headings "Estimated Tax" and "Tax withheld at source" are, respectively, 3,128 thousand euros and 5 thousand euros.

Other financial assets

As at 31 December 2014 and 2013, the heading of other financial assets was broken down as follows:

	2014	2013
TEIXEIRA DUARTE - Engenharia e Construções, S.A. (Note 5)	70,000	-

11.2. Financial liabilities:

Suppliers

As at 31 December 2014 and 2013, the heading of suppliers was broken down as follows:

	2014		2013	
	Non-group	Group	Non-group	Group
Current account	606	-	111	5

Other accounts payable

As at 31 December 2014 and 2013, the heading of other accounts payable was broken down as follows:

	2014		2013	
	Current	Non-current	Current	Non-current
Accrued costs payable:				
Expenditures incurred and not invoiced by suppliers	2,456	-	64	-
Staff costs	1,020	-	932	-
Distribution of net income	1,135	1,739	1,833	2,375
Unpaid overdue financial charges	-	-	185	-
Insurance payable	22	-	33	-
	4,633	1,739	3,047	2,375
Other payables	25,345	-	19,247	-
	29,978	1,739	22,294	2,375

Other liabilities

As at 31 December 2014 and 2013, the remaining liabilities were broken down as follows:

	2014	2013
State and other public bodies:		
Income tax - Withheld from third parties	135	127
Value added tax - VAT	251	41
Social security	157	151
Other	3	-
	546	319

Loans received

As at 31 December 2014 and 2013, the heading of loans received was broken down as follows:

	2014		2013	
	Current	Non-current	Current	Non-current
Pledged accounts	58,473	-	110,313	-
Contracted bank overdrafts	36,568	-	44,239	-
Bank loans	2,600	5,200	-	-
Commercial paper	-	451	-	192
	97,641	5,651	154,552	192

a) Bank loans

As at 31 December 2014, the bank overdrafts and pledged accounts earn interest at normal market rates.

As at 31 December 2014, the Company had contracted a bank loan from Banco do Brasil S.A., of the value of 7,800 thousand euros, granted on 17 October 2014, which shall be repaid with 1,300 thousand euros on a six monthly basis.

b) Commercial paper

As at 31 December 2014, the Company has negotiated a grouped commercial paper issue programme, contracted on 28 December 2011, with Banco Comercial Português, S.A., of the total amount of 43,000 thousand euros, which stood at 41,000 euros on the closing date of 2014, in which TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., its sole shareholder TEIXEIRA DUARTE - Engenharia e Construções, S.A. and the Company participate. The amounts being used by each on this date were 40,000 thousand, 500 thousand euros and 500 thousand euros, respectively. Each of the issues must necessarily be carried out together by all the issuers and the participation of each issuer cannot be less than 250 thousand euros. The programme shall be enforced up to 30 December 2021, with repayments being foreseen at the end of each semester at values between 2,000 thousand euros and 3,000 thousand euros, with the exception of the last instalment which shall be 5,500 thousand euros. The applicable interest rate is the Euribor for each issue period, in force on the second business day prior to the date of each issue, increased by a spread of 4.25%.

The above are repayable in accordance with the following repayment periods:

	2014	2013
Less than one year	97,641	154,552
1 to 2 years	2,600	-
2 to 3 years	2,600	-
4 to 5 years	451	192
	103,292	154,744

12. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Tax proceedings

As a consequence of various inspections conducted by the Taxation and Customs Authority (AT) to the accounts of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., a company 100% held indirectly by the Company, relative to the periods of 2007 to 2012, the following corrections were made to the tax losses that had initially been reported by this subsidiary:

	Calculated tax loss	AT correction
2007	46,632	29,331
2008	50,590	45,938
2009	50,182	24,807
2010	18,165	6,467
2011	12,779	3,213
2012	13,294	3,971

With the exception of the amounts of 611 thousand euros and 1,666 thousand euros, included in the correction to the tax loss for 2008 and 2012, respectively (and relative, according to the AT, to the undue application of number 10 of article 22 of the EBF to the distribution of income by the TDF Closed Real Estate Investment Fund), these corrections arise entirely from the non-acceptance, as a tax cost, of the financial costs incurred with the investment made in participated companies under the form of additional paid-in capital.

Since TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. is subject to corporate income tax (IRC) in accordance with the special taxation scheme for groups of companies (RETGS) (article 69 and following of the IRC Code), the corrections to the tax losses for the periods of 2007 to 2011 were subject to additional IRC tax assessments and compensatory interest issued to the controlling company of these periods, TEIXEIRA DUARTE – Engenharia e Construções, S.A. This company objected, under the terms of the law, to the corrections made by the Taxation and Customs Authority to the periods of 2007 to 2010, and is currently preparing an identical proceeding in relation to the corrections for the period of 2011.

Notwithstanding the unfavourable outcome to the claims of TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., and, consequently, the controlling company, under the proceedings relative to the period of 2006 on the acceptance, as a tax cost, of the financing costs incurred with the investment made in participated companies under the form of additional paid-in capital, the Board of Directors continues to expect a different outcome for the other periods subject to corrections.

In addition to the corrections described above relative to the participated company TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., the following corrections made by the AT to the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A. are disclosed:

- Correction of the taxable amount calculated for the period of 2008, amounting to 35,467 thousand euros, of which TEIXEIRA DUARTE – Engenharia e Construções, S.A. objected to 32,595 thousand euros, related to tax credit, the system of re-investment of tax gains and the undue application of number 10 of article 22 of the EBF;
- Correction of the tax credit due to international double taxation calculated for the period of 2010, amounting to 1,519 thousand euros, which TEIXEIRA DUARTE – Engenharia e Construções, S.A. shall object to concerning 461 thousand euros, due to the way that the AT is calculating the amount established in subparagraph b) of number 1 of article 91 of the IRC Code;

Guarantees

For the effect of suspension of the tax enforcement proceedings filed against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., relative to the corporate income tax debt for the period of 2008, in the meantime contested, a bank guarantee has been issued, in favour of the AT, for the amount of 14,752 thousand euros. Subsequently, TEIXEIRA DUARTE – Engenharia e Construções, S.A. applied for the replacement of the bank guarantee for a security, which was refused by the AT. This decision of the AT was contested under the legal terms, having received a favourable decision from the South Administrative Central Court, and its enforcement as the final decision is pending.

For the effect of suspension of the tax enforcement proceedings filed against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., relative to the corporate income tax debt for the period of 2010, in the meantime contested, the Company submitted a security, of the value of 10,139 thousand euros, which was accepted by the AT.

In order to secure the commercial paper contract concluded on 28 December 2011 with Banco Comercial Português, S.A., granted by the Company and other issuers, TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., of the value of 41,000 thousand euros on the closing date of 2014, a general mortgage was constituted on the properties implanted on lots 6, 18 and 19, located in Lagoas Park, owned by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.

Comfort letters

As at 31 December 2014, the Company has issued the following comfort letters provided in favour of Group companies, under the form of bank guarantees:

Company	Currency amount	Currency	Value in thousand euros
ANGOIMO – Empreendimentos e Construção, Lda.	30,000,000.00	USD	24,710
ANGOIMO – Empreendimentos e Construção, Lda.	4,390,650,000.00	AON	35,094
EMPA – Serviços de Engenharia, S.A.	18,770,400.00	BRL	5,828
TDA – Comércio e Indústria, Lda.	1,891,400,000.00	AON	15,118
			80,750

13. FINANCIAL RESULTS

During the periods ended on 31 December 2014 and 2013, the financial results were detailed as follows:

	2014	2013
Financial costs and losses:		
Interest paid	6,404	1,391
Other financial costs and losses	1,060	381
	7,464	1,772
Financial income and gains:		
Interest received	8,082	45
Financial results	618	(1,727)

14. EMPLOYEE BENEFITS

During the periods ended on 31 December 2014 and 2013, the average number of contracted employees was 160 and 78, respectively.

For the periods ended on these dates, staff costs were broken down as follows:

	2014	2013
Wages	4,681	2,182
Other remunerations	691	301
Charges on remunerations	1,475	462
Costs related to governing bodies	1,243	1,655
Distribution of net income	300	2,500
Insurance	56	71
Other staff costs	111	-
	8,557	7,171

15. EXTERNAL SUPPLIES AND SERVICES

For the periods ended on 31 December 2014 and 2013, the external supplies and services was broken down as follows:

	2014	2013
Specialised services	3,351	1,884
Materials	407	29
Travel, hotel and transport expenses	524	139
Miscellaneous services	76	56
	4,358	2,108

16. OTHER INCOME AND GAINS

As at 31 December 2014 and 2013, the other income and gains were as follows:

	2014	2013
IT services	150	-
Other services rendered	16	-
Tax refunds	1	-
Correction of previous periods	-	153
	167	153

17. OTHER COSTS AND LOSSES

As at 31 December 2014 and 2013, the other costs and losses were as follows:

	2014	2013
Stamp duty	86	89
Rates	6	6
Other	-	8
	92	103

18. FINANCIAL RISK MANAGEMENT

General Principles

The Company is exposed to a number of financial risks arising from its activities, where the following deserve special mention:

- Interest rate risks arising from financial liabilities;
- Credit risk, particularly from credit to its customers relative to the Company's operating activities;
- Liquidity risk, as regards the maintenance of cash balance stability.

The Company's Financial Department ensures the centralised management of the financing operations, applications of cash surplus, currency conversion transactions, as well as the counterpart risk of the Company. In addition to the above, it is responsible for identifying, measuring, proposing and implementing measures to manage/mitigate the financial risks to which the Company is exposed.

The main financial risks to which the Company is exposed and the main measures implemented to manage them are analysed in greater detail below.

Interest rate risk

The objective of the interest rate risk management policy is the minimisation of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

As at 31 December 2014 and 2013, the financial liabilities consist, only and exclusively, of variable interest rates.

Had the market interest rates been higher (lower) by 1% during the periods ended on 31 December 2014 and 2013, the financial results of these periods would have increased (decreased) by 116 / (116) thousand euros and (260) / 260 thousand euros, respectively.

Credit risk

As at 31 December 2014 and 2013, the balances receivable from customers, which are only and exclusively composed of balances of receivables from related parties (Note 5) for which no adjustments were recorded, because the Board of Directors considered that they are achievable, are as follows:

	2014	2013
Balances:		
Not due	1,560	339
Up to 180 days	789	-
180 to 360 days	178	-
	2,527	339

Liquidity risk

This risk can occur if the sources of financing, such as the cash flows from operating activities, divestment, credit lines and from financing operations, do not meet the financing needs, such as the cash outflows for operating and financing activities, investments, remuneration of shareholders and debt repayment. In order to mitigate this risk, the Company seeks to maintain a liquidity position and an average maturity of debt that allows it to repay its debt within reasonable periods of time.

The maturity of the financial liabilities as at 31 December 2014 and 2013 is as follows:

	2014				Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Suppliers	606	-	-	-	606
Loans received	97,641	2,600	2,600	451	103,292
State and other public bodies	546	-	-	-	546
Other accounts payable	29,978	587	402	750	31,717
	128,771	3,187	3,002	1,201	136,161

	2013				Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Suppliers	116	-	-	-	116
Loans received	154,552	-	-	192	154,744
State and other public bodies	319	-	-	-	319
Other accounts payable	22,294	385	740	1,250	24,669
	177,281	385	740	1,442	179,848

19. CAPITAL

Share capital

As at 31 December 2014, the Company's share capital was fully underwritten and paid-up, and composed of 420,000,000 shares with the nominal value of 0.50 euros each.

As at 31 December 2014, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 203,520,000 shares representing the share capital of TEIXEIRA DUARTE, S.A., corresponding to 48.46% of its share capital.

Legal reserves

The Portuguese commercial legislation establishes that at least 5% of annual net income should be used to reinforce the legal reserve until it represents at least 20% of the share capital. This reserve is not distributable, except in the case of the Company's liquidation, but may be used to absorb losses, after all the other reserves have been depleted, or incorporated in the share capital.

Other reserves

The other reserves are composed of free reserves, which are available for distribution.

Appropriation of net income

By decision of the General Meeting, held on 31 May 2014, the accounts for the financial year of 2013 were approved and it was decided that the recorded Net Income of the value of € 64,028,905.23 (sixty-four million, twenty-eight thousand, nine hundred and five euros and twenty-three euro cents) should be appropriated as follows:

	Value in euros
Legal Reserves	11,000,000.00
Free Reserves	46,728,905.23
Dividends	6,300,000.00
	64,028,905.23

20. OTHER INFORMATION

The Board of Directors discloses that the Company does not have any debts in arrears to the State, under the terms of Decree-Law 534/80, of 7 November.

Pursuant to Decree-Law number 411/91, of 17 October, the Board of Directors discloses that the Company's situation with respect to Social Security is settled, within the legally stipulated periods of time.

21. SUBSEQUENT EVENTS

The Teixeira Duarte Group pursued its activity in the different sectors and markets in which it operates, where note should be made of the following relevant fact which occurred after the closing of the financial year, and was disclosed in due time to the market:

Contract for the Execution of Work in Algeria, of the value of 204 million euros

The enterprise group, led by "Teixeira Duarte - Engenharia e Construções, S.A." with a 47.5% stake, received the contract and respective service order on 8 April from "Agence Nationale des Autoroutes" of Algeria, for the execution of the "Réalisation de la Liaison Autoroutière Reliant le Port de Ténès à l'Autoroute Est-Ouest sur 22 kms (Wilaya de Chlef) en 2x3 voies".

The established execution period of this work is 24 months and its total value is 204 million euros, increased by VAT at the legal rate in force, where 38.3% will be paid in euros and the remaining 61.7% in Algerian dinar. Pursuant to its share in the aforesaid enterprise group, the Teixeira Duarte Group is entitled to receive 96.9 million euros.

Consolidated Financial Statements **2014**



(Values expressed
in thousand euros)

The Notes are an integral part of
the consolidated statement of the
financial position as at 31 December
2014

	Notes	2014	2013 "Restated"	01-01-2013 "Restated"
Non-current assets:				
Goodwill	19	29,734	29,706	29,715
Intangible assets	20	31,094	34,563	31,281
Tangible fixed assets	21	668,117	571,234	529,738
Investment properties	22	482,185	479,965	498,236
Investments in associates and joint ventures	7 and 23	40,592	36,461	51,858
Financial assets available for sale	7 and 25	59,887	84,613	48,597
Other investments	26	17,583	15,537	14,546
Deferred tax assets	27	171,219	188,514	111,912
Customers	28	55,225	53,224	58,091
Other receivables	28	125	97	79
Other non-current assets	31	1,303	1,561	1,716
Total non-current assets		1,557,064	1,495,475	1,375,769
Current assets:				
Inventories	9 and 10	355,871	289,894	313,575
Customers	28	450,078	492,135	476,724
Other receivables	28	74,540	69,315	65,099
Cash and cash equivalents	30	191,477	186,441	241,961
Other investments	26	3,889	62	10,888
Assets held for sale	24	409	-	-
Other current assets	31	320,679	245,921	279,698
Total current assets		1,396,943	1,283,768	1,387,945
TOTAL ASSETS	7	2,954,007	2,779,243	2,763,714
Equity:				
Equity	33	210,000	210,000	210,000
Adjustment of holdings in associates and joint ventures		9,670	1,669	1,607
Currency conversion adjustments		55,546	(37,085)	(3,671)
Reserves and retained earnings	34	112,190	86,849	20,066
Consolidated net income	17	70,281	63,974	24,003
Equity attributable to shareholders		457,687	325,407	252,005
Non-controlling interests	35	27,058	35,321	73,863
TOTAL EQUITY		484,745	360,728	325,868
Non-current liabilities:				
Loans	36	761,515	680,980	401,060
Provisions	37	62,095	72,934	36,148
Financial leases	39	171,376	184,062	199,580
Deferred tax liabilities	27	56,080	52,693	57,979
Other payables	38	455	9,833	15,110
Other non-current liabilities	40	110,002	83,906	177,793
Total non-current liabilities		1,161,523	1,084,408	887,670
Current liabilities:				
Loans	36	723,345	681,626	834,905
Suppliers	38	187,388	167,002	186,737
Financial leases	39	20,144	21,634	22,015
Other payables	38	52,978	83,927	20,260
Other current liabilities	40	323,884	379,918	486,259
Total current liabilities		1,307,739	1,334,107	1,550,176
TOTAL LIABILITIES	7	2,469,262	2,418,515	2,437,846
TOTAL LIABILITIES AND EQUITY		2,954,007	2,779,243	2,763,714

	Notes	2014	2013 "Restated"
Operating income:			
Sales and services rendered	7 and 8	1,679,722	1,581,083
Other operating income	8	35,813	48,812
Total operating income	8	1,715,535	1,629,895
Operating costs:			
Cost of sales	9	(649,408)	(583,362)
Change in production	10	(2,927)	(5,761)
External supplies and services	11	(454,781)	(464,448)
Staff costs	12	(290,703)	(275,623)
Amortisation and depreciation	7, 20 and 21	(75,537)	(62,845)
Provisions and impairment losses in depreciable and amortisable assets and Goodwill	7 and 37	32,973	(36,682)
Other operating costs	14	(77,917)	(86,820)
Total operating costs		(1,518,300)	(1,515,541)
Net operating income	7	197,235	114,354
Financial costs and losses	7 and 15	(269,823)	(155,993)
Financial income and gains	7 and 15	172,198	49,011
Earnings from investment activities:			
Earnings from associates and joint ventures	7 and 15	(10,598)	(321)
Other	7 and 15	14,544	5,748
Financial results		(93,679)	(101,555)
Earnings before tax	7	103,556	12,799
Income tax	16	(37,611)	51,947
Consolidated net income for the year		65,945	64,746
Net income attributable to:			
Shareholders	17	70,281	63,974
Non-controlling interests	35	(4,336)	772
Earnings per share:			
Basic (euros)	17	0.17	0.15
Diluted (euros)	17	0.17	0.15

(Values expressed
in thousand euros)

The Notes are an integral part of the
consolidated income statement for
the year ended on 31 December 2014

(Values expressed
in thousand euros)

The Notes are an integral part of
the consolidated statement of other
comprehensive income for the year
ended on 31 December 2014

	Notes	2014	2013
Consolidated net income for the year		65,945	64,746
Income and costs that will not be subsequently reclassified to net income			
Acquisition of non-controlling interests	35	(1,051)	(24,304)
Other changes in equity		(2,085)	(120)
		(3,136)	(24,424)
Income and costs that may be subsequently reclassified to net income			
Fair value of financial assets available for sale	25	(30,039)	33,079
Currency conversion adjustments		94,707	(35,009)
Adjustment of holdings in associates and joint ventures	23	8,001	62
Derivative financial instruments used for hedging	41	(5,161)	2,706
		67,508	838
Net income recognised directly in equity		64,372	(23,586)
Comprehensive income for the year		130,317	41,160
Comprehensive income attributable to:			
Shareholders		138,580	79,702
Non-controlling interests		(8,263)	(38,542)

	Notes	Equity	Adjustment of holdings in associates and joint ventures	Currency conversion adjustments	Reserves and retained earnings					Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Fair value reserve	Hedge operation reserve	Retained earnings				
Balance as at 31.12.12	33	210,000	1,607	(3,671)	5,500	65,700	995	(11,011)	(41,118)	24,003	252,005	73,863	325,868
Comprehensive income for the year:													
Consolidated net income for the year		-	-	-	-	-	-	-	-	63,974	63,974	772	64,746
Variation in currency conversion adjustments		-	-	(33,414)	-	-	-	-	-	-	(33,414)	(1,595)	(35,009)
Variation in the fair value and disposal of financial assets available for sale	25	-	-	-	-	-	33,079	-	-	-	33,079	-	33,079
Effect of hedge operations	41	-	-	-	-	-	-	2,706	-	-	2,706	-	2,706
Effect of the application of the equity method	23	-	62	-	-	-	-	-	-	-	62	-	62
Acquisition of non-controlling interests	35	-	-	-	-	-	-	-	5,433	-	5,433	(29,737)	(24,304)
Other		-	-	-	-	-	-	-	7,862	-	7,862	(7,982)	(120)
Operations with shareholders in the year:													
Appropriation of the consolidated net income for 2012:													
Transfer to legal reserves, free reserves and retained earnings		-	-	-	4,500	9,678	-	-	3,525	(17,703)	-	-	-
Dividends distributed	18	-	-	-	-	-	-	-	-	(6,300)	(6,300)	-	(6,300)
Balance as at 31.12.13		210,000	1,669	(37,085)	10,000	75,378	34,074	(8,305)	(24,298)	63,974	325,407	35,321	360,728

	Notes	Equity	Adjustment of holdings in associates and joint ventures	Currency conversion adjustments	Reserves and retained earnings					Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Fair value reserve	Hedge operation reserve	Retained earnings				
Balance as at 31.12.13	33	210,000	1,669	(37,085)	10,000	75,378	34,074	(8,305)	(24,298)	63,974	325,407	35,321	360,728
Comprehensive income for the year:													
Consolidated net income for the year		-	-	-	-	-	-	-	-	70,281	70,281	(4,336)	65,945
Variation in currency conversion adjustments		-	-	92,631	-	-	-	-	-	-	92,631	2,076	94,707
Variation in the fair value and disposal of financial assets available for sale	25	-	-	-	-	-	(30,039)	-	-	-	(30,039)	-	(30,039)
Effect of hedge operations	41	-	-	-	-	-	-	(5,161)	-	-	(5,161)	-	(5,161)
Effect of the application of the equity method	23	-	8,001	-	-	-	-	-	-	-	8,001	-	8,001
Acquisition of non-controlling interests	35	-	-	-	-	-	-	-	(410)	-	(410)	(641)	(1,051)
Other		-	-	-	-	-	-	-	3,277	-	3,277	(5,362)	(2,085)
Operations with shareholders in the year:													
Appropriation of the consolidated net income for 2013:													
Transfer to legal and free reserves		-	-	-	11,000	46,674	-	-	-	(57,674)	-	-	-
Dividends distributed	18	-	-	-	-	-	-	-	-	(6,300)	(6,300)	-	(6,300)
Balance as at 31 December 2014		210,000	9,670	55,546	21,000	122,052	4,035	(13,466)	(21,431)	70,281	457,687	27,058	484,745

(Values expressed in thousand euros)

The Notes are an integral part of the consolidated statement of changes in equity for the year ended on 31 December 2014

(Values expressed
in thousand euros)

The Notes are an integral part of the
cash flow statement for the year
ended on 31 December 2014

	Notes	2014	2013 "Restated"
OPERATING ACTIVITIES:			
Revenue from customers		1,663,068	1,402,759
Payments to suppliers		(1,138,099)	(1,014,930)
Staff payments		(289,450)	(268,790)
Cash flow generated by operations		235,519	119,039
Income tax payment/revenue		(42,566)	(47,693)
Other revenue/payments relative to operating activity		(47,954)	12,444
Cash flow from operating activities (1)		144,999	83,790
INVESTMENT ACTIVITIES:			
Revenue derived from:			
Financial investments	30	57,639	58,886
Tangible fixed assets and investment properties		12,881	7,559
Interest and similar income		19,544	8,874
Dividends	30	1,733	1,555
		91,797	76,874
Payments relative to:			
Financial investments	30	(62,902)	(54,803)
Tangible fixed assets and investment properties		(148,894)	(158,373)
Intangible assets		(12,795)	(2,071)
		(224,591)	(215,247)
Cash flow from investment activities (2)		(132,794)	(138,373)
FINANCING ACTIVITIES:			
Revenue derived from:			
Loans raised		1,963,458	2,852,302
Payments relative to:			
Loans raised		(1,841,204)	(2,725,661)
Interest and similar costs		(132,858)	(87,979)
Dividends	18	(6,300)	(6,300)
		(1,980,362)	(2,819,940)
Cash flow from financing activities (3)		(16,904)	32,362
Variation in cash and cash equivalents (4)=(1)+(2)+(3)		(4,699)	(22,221)
Effect of currency conversion differences		9,321	(32,228)
Cash and cash equivalents - perimeter change (Note 5)		414	(1,071)
Cash and cash equivalents at the beginning of the year	30	186,441	241,961
Cash and cash equivalents at the end of the year	30	191,477	186,441

1. INTRODUCTION

"Teixeira Duarte, S.A." (Company or TD, SA) with head office in Porto Salvo, was incorporated on 30 November 2009, with share capital of 210,000,000 euros, represented by 420,000,000 shares with the nominal value of 0.5 euro each (Note 33), and its core business is the implementation and management of investments, the coordination and supervision of other companies integrated in or related to its business Group.

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

The values indicated herein are expressed in euros, since this is the currency used preferably in the economic environment in which the Group operates, and shall be presented in thousand euros, unless explicitly indicated otherwise. The operations conducted abroad are included in the consolidated financial statements pursuant to the policy described in Note 2.9.

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

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

2. MAIN ACCOUNTING POLICIES

2.1. Basis of presentation

The consolidated financial statements have been prepared under the assumption of the continuity of operations, based on the accounting books and records of the companies included in the consolidation (Note 4), adjusted in accordance with the consolidation process, in order to conform with the provisions of the International Financial Reporting Standards adopted by the European Union, effective for financial years beginning on 1 January 2014.

The standards include the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB"), the International Accounting Standards ("IAS") issued by the International Accounting Standards Committee ("IASC") and respective interpretations, issued by the International Financial Reporting Interpretation Committee ("IFRIC") and Standing Interpretation Committee ("SIC"), respectively, whose adoption has been approved by the European Union. Hereinafter, these standards and interpretations shall be referred to in general as "IFRS".

The financial statements were prepared under the historical cost convention, except with respect to investment properties, financial assets available for sale and derivative financial instruments.

Standards, interpretations, amendments and revisions which entered into force during the year.

The following standards, interpretations, amendments and revisions endorsed by the European Union are of compulsory application for the first time in the financial year ended on 31 December 2014:

Standard / Interpretation	Applicable in financial years starting on or after	Comments
IFRS 10 - Consolidated Financial Statements	1-Jan-14	This standard establishes the requirements relative to the presentation of consolidated financial statements by the parent company, replacing, with regard to these aspects, standard IAS 27 - Consolidated and Separate Financial Statements and SIC 12 - Consolidation - Special Purpose Entities. This standard also introduces new rules with respect the definition of control and the determination of the consolidation perimeter.

Standard / Interpretation	Applicable in financial years starting on or after	Comments
IFRS 11 - Joint arrangements	1-Jan-14	This standard has replaced IAS 31 - Joint Ventures and SIC 13 - Jointly Controlled Entities - Non-monetary Contributions by Venturers, and eliminated the possibility of use of the proportional consolidation method in the statement of interests in joint ventures.
IFRS 12 - Disclosures of Interests in Other Entities	1-Jan-14	This standard has established a new series of disclosures relative to interests in subsidiaries, joint arrangements, associates and non-consolidated entities.
IAS 27 - Separate Financial Statements (2011)	1-Jan-14	This amendment has restricted the scope of application of IAS 27 to separate financial statements.
IAS 28 - Investments in Associates and Joint Ventures (2011)	1-Jan-14	This amendment now ensures consistency between IAS 28 - Investments in Associates and the new standards endorsed, in particular IFRS 11 - Joint Arrangements.
Amendment to standards: - IFRS 10 - Consolidated Financial Statements; - IFRS 12 - Disclosures of Interests in Other Entities (Investment Entities)	1-Jan-14	This amendment has introduced exemption from consolidation for certain entities which meet the definition of an investment entity. It also establishes the rules for the measurements of investments held by these investment entities.
Amendment to IAS 32 - Offsetting Financial Assets and Liabilities	1-Jan-14	This amendment has clarified certain aspects of the standard related to the application of requirements for offsetting financial assets and liabilities.
Amendment to IAS 36 - Impairment (Disclosures on the recoverable amount of non-financial assets)	1-Jan-14	This amendment eliminates the requirements of disclosure of the recoverable amount of a cash-generating unit with goodwill or intangibles with undefined useful life allocated in periods where no impairment loss or reversal of impairment was recorded. It introduces additional disclosure requirements for assets relative to which an impairment loss or reversal of impairment has been recorded and their recoverable amount was determined based on fair value minus selling costs.
Amendment to IAS 39 - Financial Instruments: Recognition and Measurement (Reformulation of derivatives and continuation of hedge accounting)	1-Jan-14	This amendment has enabled, under certain circumstances, the continuation of hedge accounting when a derivative classified as a hedge instrument is reformulated.
IFRIC 21 - Payments to the State	1-Jan-14	This interpretation establishes the conditions regarding the timing of the recognition of a liability related to the payment to the State of a contribution by an entity as a result of a particular event (for example, participation in a certain market), when this payment is not made in exchange of the specified goods or services.

There were no significant effects on the consolidated financial statements for the year ended on 31 December 2014, derived from the adoption of the standards, interpretations, amendments and revisions referred to above, except with respect to the application of IFRS 11 - Joint Arrangements, which classifies joint arrangements as joint operations (combining the existing concepts of jointly controlled assets and jointly controlled operations) or joint ventures (equivalent to the existing concept of a jointly controlled entity) and requires the use of the equity method in joint ventures, thus eliminating the proportional consolidation method. This standard has replaced IAS 31 - Interests in Joint Ventures and SIC 13 Jointly Controlled Entities - Non-Monetary Contributions by Venturers. With the adoption of this new standard, the Group no longer proportionally consolidates its investments in joint ventures, namely the Enterprise Groups ("ACE"). The impacts of the adoption of this standard are detailed in Note 3.

The Company did not proceed with the early application of any of these standards in the financial statements for the year ended on 31 December 2013.

Standards, interpretations, amendments and revisions which shall enter into force in future years

The following standards, interpretations, amendments and revisions, of compulsory application in future financial years had been endorsed by the European Union by the date of approval of these financial statements:

Standard / Interpretation	Applicable in financial years starting on or after	Comments
Improvements to the international financial reporting standards (2011-2013 cycle)	1-Jan-15	These improvements involve the clarification of some aspects related to IFRS 1 – First-time Adoption of the International Financial Reporting Standards, IFRS 3 – Business Combinations, IFRS 13 – Fair Value Measurement, and IAS 40 – Investment Property.

New standards, interpretations, amendments and revisions not endorsed by the European Union

The following standards, interpretations, amendments and revisions, of compulsory application in future financial years had not been endorsed by the European Union by the date of approval of these financial statements:

Standard / Interpretation	Comments
IFRS 9 – Financial Instruments (2009) and subsequent amendments	This standard is included in the draft revision of IAS 39 and establishes the requirements for the classification and measurement of financial assets and liabilities, and for the application of hedge accounting rules.
IFRS 14 – Regulatory deferral accounts	This standard establishes the reporting requirements, for entities which adopt the IFRS/IAS for the first time, applicable to regulatory deferral accounts.
IFRS 15 – Revenue from contracts with customers	This standard introduces a structure for recognition of revenue based on principles and a model applicable to all contracts concluded with customers.
Amendment to IFRS 11 – Joint Arrangements	This amendment clarifies IFRS 3 as applicable when an investor acquires an interest in a jointly controlled entity when this consists of a business as defined by the aforesaid standard. The application of IFRS 3 is required upon the acquisition of the initial interest and upon the subsequent acquisition of interests.
Amendments to IAS 16 – Tangible Fixed Assets and IAS 38 – Intangible Assets	These amendments clarify which depreciation and amortisation methods are permitted for fixed tangible assets and intangible assets.
Amendments to IAS 16 – Tangible Fixed Assets and IAS 41 – Agriculture	These amendments establish that biological assets which meet the definition of bearer plants should be recorded as tangible fixed assets.
Amendment to IAS 19 – Employee benefits	This amendment clarifies the circumstances under which the contributions of employees to post-employment benefit plans constitute a reduction of the cost related to short term benefits.
Amendments to IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures (2011)	These amendments eliminate an existing conflict between the aforesaid standards, related to the sale or contribution of assets between the investor and the associate or joint venture.
Amendment to IAS 27 – Separate Financial Statements (2011)	This amendment introduces the possibility of application of the equity method in the valuation of investments in subsidiaries, associates and joint ventures, in the separate financial statements of an entity which presents consolidated financial statements.
Amendments to IFRS 10 – Consolidated Financial Statements, IFRS 12 – Disclosure of Interests in Other Entities and IAS 28 – Investments in Associates and Joint Ventures (2011)	These amendments seek to clarify various aspects related to the application of the exception of consolidation on the part of investment entities.
Amendment to IAS 1 – Presentation of Financial Statements (Disclosures)	This amendment introduces a series of indications and guidelines aimed at improving and simplifying the disclosures in the context of the current reporting requirements of the IFRS.

2.2. Judgements and estimates

The preparation of the consolidated financial statements in conformity with principles of recognition and measurement of the IFRS requires the Executive Board of Directors to make judgements, estimates and assumptions that might affect the reported value of assets and liabilities.

These estimates are based on the best knowledge existing at all times and on the planned actions, and are periodically reviewed based on the available information. Changes in facts and circumstances may lead to the need to review the estimates, hence the actual future results may differ from these estimates.

The significant estimates and assumptions made by the Board of Directors in preparing these consolidated financial statements include, namely, the assumptions used in the treatment of the following aspects:

Impairment of non-current assets (except goodwill)

The determination of a possible impairment loss can be triggered by the occurrence of different events, many of which are outside the sphere of influence of the Group, such as the availability of future financing, the cost of capital or any other changes.

The identification of impairment indicators, the estimate of future cash flows and the determination of the recoverable amount of assets imply a high degree of judgement by the Board of Directors regarding the identification and evaluation of various impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

Impairment of goodwill

Goodwill is subject to annual impairment tests or whenever there are indications of a possible loss in value. The recoverable values of the cash flow generating units to which the goodwill is allocated, are determined based on expected cash flow. These calculations require the use of estimates by the Board of Directors regarding the future evolution of the business and discount rates considered.

Useful lives of tangible and intangible assets

The useful life of an asset is the time during which an entity expects an asset to be available for use, which must be reviewed at least at the end of each financial year.

The determination of the useful lives of assets, the amortisation / depreciation method to be applied and estimated losses resulting from the replacement of equipment before the end of its useful life, for reasons of technological obsolescence, is essential to determine the amount of amortisation / depreciation to be recognised in the consolidated income statement for each financial year.

These three parameters are defined according to the management's best estimate for the assets and business in question, also considering the practices adopted by companies in the Group's operating segments.

Provisions and contingent liabilities

The Group periodically analyses possible obligations arising from past events that must be recognised or disclosed. The subjectivity inherent in determining the likelihood of the existence of a present liability and amount of internal resources necessary for the payment of the obligations could lead to significant adjustments, either by changing the assumptions made, or by the future recognition of provisions previously disclosed as contingent liabilities.

Recognition of deferred tax assets

Deferred tax assets are only recognised when there is a reasonable expectation that there will be sufficient future taxable profits to use them or when there are deferred tax liabilities whose reversal is expected to occur in the same period of the reversal of the deferred tax assets. The carrying amount of deferred tax assets is reviewed by the management at the end of each year and takes into consideration the expectation of future tax performance.

Impairment losses of accounts receivable

The credit risk associated to accounts receivable is evaluated at the end of each reporting date, taking into account the debtor's historical information and risk profile. The accounts receivable are adjusted according to the management's assessment of the estimated risks of recovery existing on the reporting date, which may prove to be erroneous.

Recognition of revenue from construction contracts

The Group recognises the earnings of construction contracts in accordance with the percentage completion method, which is defined as the relationship between the incurred costs in each contract up to the reporting date and the sum of these costs with the estimated costs to complete the contract. The assessment of the degree of completion of each contract is periodically reviewed, taking into account the latest production indicators.

Valuation of investment properties

Investment properties are measured at their fair value, which is determined through valuations, in some cases made by independent specialised entities and in accordance with generally accepted valuation criteria for the real estate market. These valuations are based on observable market data and require judgments by the valuator with respect to the transaction conditions of each property in the market, which might diverge from the outcome recorded in the future.

2.3. Principles of consolidation

a) Controlled companies

The controlled companies are consolidated in each financial year through the full consolidation method. Control exists when the Group directly or indirectly holds a majority of the voting rights in the General Meeting, or has the power to determine the financial and operating policies.

Third party participation in the equity and net income of these companies is presented separately in the consolidated statement of profit and loss and other comprehensive income, under the respective headings of "Non-controlling interests"

Significant transactions and balances between these companies were eliminated during the consolidation process. Capital gains arising from the disposal of participated companies, made within the Group, were also annulled.

Whenever appropriate, adjustments are made to the financial statements of the subsidiaries with a view to the standardisation of their accounting policies with those of the Group.

b) Business combinations

Business combinations, namely the acquisition of jointly controlled companies, are recorded through the acquisition method.

The acquisition cost corresponds to the sum of the fair values of the assets acquired, liabilities incurred or assumed and the equity instruments issued by the Group in exchange for the acquired control. Costs related to the acquisition are recognised as a cost when incurred. When applicable, the acquisition cost also includes the fair value of contingent payments measured on the acquisition date. Subsequent alterations in the value of contingent payments are recorded in accordance with the accounting rules which regulate the recording of the assets or liabilities in question, unless they qualify as an adjustment in the provisional measurement period (with a maximum of 12 months).

The identifiable assets, liabilities and contingent liabilities of a subsidiary that meet the criteria to be recognised in accordance with IFRS 3 – Business Combinations ("IFRS 3"), are measured by their fair value on the acquisition date, except for non-current assets (or groups of assets) which are classified as held for sale, in accordance with IFRS 5 – Non-current assets held for sale and discontinued operations ("IFRS 5"), which are recognised and measured at the respective fair value minus the costs to be incurred in the future sale.

Any excess of the acquisition cost increased by the value of the non-controlled interests relative to the fair value of the acquired assets and liabilities is recognised as Goodwill. If the cost of acquisition is less than the fair value of the identified net assets, the difference is recorded as net income gain for the period when the acquisition occurs, after re-confirmation of the attributed fair value.

If the process of recording of the business combinations is incomplete by the end of the year when the combination occurs, the Group discloses this same situation, and the provisioned values may be adjusted during the measurement period (the period between the acquisition date and the date when the Group obtains the complete information on the facts and circumstances that existed on the acquisition date and within the maximum of 12 months), or new assets and liabilities may be recognised so as to reflect facts and circumstances that existed on the reporting date and which, in known cases, would have affected the amounts recognised on the acquisition date.

Non-controlling interests are identified in equity separately from the equity attributable to the shareholders of the Parent Company. Non-controlling interests may be measured initially either at their fair value or by the proportion of the fair value of the assets and liabilities of the acquired subsidiary. This option is made separately for each transaction.

After the initial recognition the book value of the minority interests is determined as the value recognised initially plus the proportion of alterations of equity of the subsidiary. The full income of a subsidiary is attributed to the non-controlling interests even if it is negative.

Changes in the percentage control of subsidiaries that do not result in a loss in control are recorded as equity transactions. The value of the Group's interests and the non-controlled interests is adjusted to reflect the percentage changes. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the transaction price is recognised directly under equity and attributed to the shareholders of the Parent Company.

When the Group loses control over a subsidiary, the gain or loss in the sale is calculated as the difference between (i) the aggregate amount of the fair value of the price and the fair value of the retained interests and (ii) the book value of the assets (including goodwill) and the liabilities of the subsidiary and of the non-controlling interests. Amounts recognised previously as other comprehensive income are transferred to profit or loss for the year or transferred to retained earnings in the same way as would be the case if the related assets or liabilities were sold. The fair value of the retained interests corresponds to the fair value in the initial recognition for the effect of subsequent recording under IAS 39 – Financial instruments or, as and when applicable, the cost for the effect of the initial recognition of an investment in an associate or joint venture.

c) Investments in associates and joint ventures

An associate or a joint venture is a company in which the Group exercises significant influence, through participation in decisions relative to its financial and operating policies, but does not have control over it.

Financial investments in most of the associates and joint ventures (Note 23) are recorded through the equity method, except when they are classified as held for sale, with the shares initially stated at acquisition cost, which is increased or decreased according to the difference between this cost and the proportional value of the holding in the equity of these companies reported on the date of acquisition or first application of this method.

Pursuant to the equity method, financial holdings are adjusted periodically by the amount corresponding to the stake in the net income of the associates and joint ventures against "Earnings from associates and joint ventures", and through other changes in their equity against "Adjustments of holdings in associates and joint ventures", as well as through the recognition of impairment losses. Furthermore, the dividends received from these companies are recorded as a reduction in the value of financial investments.

Losses in associates and joint ventures which exceed the investment made in these entities are not recognised unless the Group has undertaken liabilities for losses concerning these associates or joint ventures.

Any excess of acquisition cost over the fair value of the identifiable net assets is recorded as "Investments in associates and joint ventures – goodwill". In cases where the acquisition cost is lower than the fair value of the identified net assets, the difference is recorded as a gain in the income statement for the year in which the acquisition occurs.

Unrealised gains on transactions with associates and joint ventures are eliminated in proportion to the Group's interest in the associate and joint venture, against the investment made in that associate and joint venture. Unrealised losses are eliminated in a similar manner, but only to the extent that the loss does not show that the transferred asset is impaired.

d) Goodwill

Differences between the acquisition cost of the investments in subsidiaries, associates and joint ventures, plus, in the case of subsidiaries, the value of the non-controlling interests and the fair value of the identifiable assets and liabilities of these companies on their acquisition date, if positive, are recorded as goodwill (in the case of subsidiaries) or maintained under the heading of investments in associates and joint ventures.

Goodwill is recognised as an asset and is not subject to amortisation, and is presented separately in the consolidated statement of financial position or under the heading "Investments in associates and joint ventures (Notes 19 and 23). Regarding the goodwill of subsidiaries, annually, or whenever there are indications of a possible loss in value, the goodwill values are subject to impairment tests. Any impairment loss is immediately recorded as a cost in the consolidated income statement for the year and is not subject to subsequent reversal.

Upon the disposal of a subsidiary, associate or joint venture, the corresponding goodwill is included in the determination of the capital gain or loss.

When the acquisition cost is less than the fair value of the identified net assets, the difference is recognised as a gain for the year in which the acquisition occurs.

2.4. Intangible assets

Intangible assets essentially comprise contractual rights and costs incurred in specific projects with future economic value, and are stated at cost, minus accumulated depreciation and impairment losses. Intangible assets are recognised only if it is probable that they will produce future economic benefits for the Group, are controllable by the Group and their value can be measured reliably.

Internally generated intangible assets, including expenditure on current research and development, are recognised as a cost for the period when they are incurred.

Internal costs relating to the maintenance and development of software are recorded as costs in the income statement when incurred, except when such costs relate directly to projects which will probably generate future economic benefits for the Group. In such cases, these costs are capitalised as intangible assets.

Amortisation is calculated, after the beginning of use of the assets, through the straight-line method, in accordance with the year of utility that the Group expects of the assets concerned.

2.5. Tangible fixed assets

Tangible fixed assets used in production, services rendered or for administrative use are recorded at acquisition or construction cost, including the expenses incurred with their acquisition, minus accumulated depreciation and impairment losses, when applicable.

Tangible fixed assets are depreciated through the straight-line method, according to their estimated useful life, from the date on which they are available to be used for the intended purpose and cease when the assets become classified as non-current assets held for sale. Depreciation is calculated in accordance with the following estimated useful lives:

	Years of useful life
Buildings and other constructions	5 - 50
Basic equipment	4 - 8
Transport equipment	3 - 7
Tools and utensils	3 - 7
Administrative equipment	2 - 10
Other tangible fixed assets	1 - 4

Improvements and upgrades are only recognised as assets when they correspond to the replacement of goods, which are written-off, or lead to an increase in future economic benefits.

Tangible fixed assets in progress correspond to tangible assets under construction and are recorded at acquisition cost minus any impairment losses. These tangible fixed assets are depreciated as from the time when the underlying assets are able to be used for the intended purposes.

Capital gains or losses arising from the sale or write-off of tangible fixed assets are determined by the difference between the sales price and the net book value on the date of sale/write-off and stated at their net worth in the income statement under "Other operating income" or "Other operating costs", as applicable.

2.6. Leasing

Lease contracts are classified as: (i) financial leases, if all the risks and benefits of their ownership are transferred substantially; or (ii) operating leases, if all the risks and benefits of ownership are not transferred substantially.

Leases are classified as financial or operating leases according to the nature of the contract and not its form.

Assets acquired under financial lease contracts, as well as the corresponding liabilities, are recorded through the financial method, recognising the asset, the corresponding accumulated depreciation and the outstanding debts payable pursuant to the contractual financial plan. Furthermore, the interest included in the lease instalments and depreciation / amortisation of the assets are recognised as costs in the income statement of the period to which they refer.

In operating leases, the instalments payable are recognised as a cost in the income statement on a straight line basis over the period of the lease contract.

2.7. Impairment of non-current assets, excluding goodwill

Impairment is assessed whenever events or changes in circumstances indicate that the amount at which an asset is recognised might not be recovered. When such indications exist, the Group determines the recoverable value of the asset, so as to determine the possible extent of the impairment loss.

In situations where the individual asset does not generate cash flow independently of other assets, the recoverable value is estimated for the cash flow generating unit to which the asset belongs.

Whenever the amount for which the asset is recorded is greater than its recoverable value, an impairment loss of the difference is recognised, which is recorded in the income statement under the heading "Provisions and impairment losses in depreciable and amortisable assets and goodwill".

The recoverable amount is the highest value between an asset's net sales price (sales price minus the costs of its sale) and its value in use. The net sales price is the amount that would be obtained from the sale of the asset in a transaction between independent and knowledgeable parties, minus the costs directly attributable to the sale. The value in use is the present value of estimated future cash flows that are expected from continued use of the asset and from its disposal at the end of its useful life. The recoverable amount is estimated for each individual asset or, when this is not possible, for the cash-generating unit to which the asset belongs.

The reversal of impairment losses is recorded when there are indications that the recognised impairment losses no longer exist or have decreased. The reversal of impairment losses is recognised in the income statement under "Provisions and impairment losses in depreciable and amortisable assets and goodwill" for the year when the reversal occurs. However, the reversal of the impairment loss is made up to the amount that would have been recognised (net of amortisation or depreciation) if the impairment loss had not been recorded in prior years.

2.8. Investment properties

Investment properties, which include land and buildings held for leasing, capital appreciation, or both, are recorded initially at their acquisition price or at construction cost (in the case of own construction investment), including any directly attributable expenditure.

After their initial recognition, all the investment properties, including those that are under construction, are measured at their fair value reflecting market conditions on the reporting date. All gains or losses arising from changes in the fair value of investment properties are recognised through profit or loss for the year when they occur and recorded under the heading "Variation in the fair value of investment properties", included in "Other operating income" or "Other operating costs", depending on whether they refer to gains or losses.

The fair value of each investment property is determined through valuations conducted, in the more relevant cases, by independent specialised entities and in accordance with generally accepted valuation criteria for the real estate market. In all other cases, the market value is determined internally, based on criteria similar to those considered by external valuers.

The costs incurred for investment properties in use, namely maintenance, repairs, insurance and taxes, are recognised in the income statement for the year to which they refer. Improvements or upgrades are only recorded as assets when they correspond to the replacement of goods, which are written-off, or lead to an increase in future economic benefits.

2.9. Assets, liabilities and transactions in foreign currency

The financial statements are presented in euro, since this is the currency used preferably in the economic environment in which the Group operates.

Transactions carried out in currencies other than the euro are recorded at the rates prevailing on the transaction date. On each reporting date, the monetary assets and liabilities expressed in foreign currencies are converted into euros using the exchange rates in force on that date. Non-monetary assets and liabilities recorded at fair value denominated in foreign currencies are converted into euros using the exchange rate in force on the date when the fair value was determined.

Favourable and unfavourable exchange rate differences arising from differences between the exchange rates on the date of the transactions and those in force on the date of the collection, payment, or the reporting date of such transactions are recorded as gains and costs in the income statement for the year, except those related to non-monetary items whose change in fair value is directly recorded in equity under the heading "Currency conversion adjustments."

The financial statements of subsidiaries expressed in foreign currencies are converted considering the exchange rate in force on the reporting date for the conversion of assets and liabilities, the historical exchange rate for the conversion of the balances of the equity headings, and the average exchange rate for the year of the conversion of the headings of the statement of profit and loss and other comprehensive income and cash flow statement.

Pursuant to IAS 21 - Effects of changes in foreign exchange rates ("IAS 21"), the goodwill and fair value corrections determined upon the acquisition of foreign entities are considered in the reporting currency of these entities, and are converted into Euro at the exchange rate in force on the reporting date. Exchange rate differences generated in this way are recorded in equity under the heading "Currency conversion adjustments."

2.10. Borrowing costs

Borrowing costs are recognised in the income statement for the year to which they refer, except when the financial costs of the loans received are directly related to the acquisition, construction and production of assets that take a substantial period of time to become ready for their intended use, and are capitalised as part of the costs of the asset. The capitalisation of these costs begins after the beginning of the preparation of construction activities or development of the asset and is interrupted after the beginning of use or end of production or construction of the asset or when the project concerned is suspended. Any financial gain arising from loans obtained in advance and which may be allocated to a specific investment is deducted from financial costs eligible for capitalisation.

2.11. Grants

Government grants are recognised at their fair value when there is reasonable assurance that they will be received and that the Group will comply with the grant conditions.

Operating grants, particularly for employee training, are recognised in the income statement in accordance with costs incurred.

Investment grants relating to the acquisition of tangible fixed assets are included under "Other current liabilities" and "Other non-current liabilities" (as applicable) and are credited to the income statement according to the straight-line depreciation / amortisation of the assets financed with the grants.

2.12. Inventories

Goods and raw materials are stated at acquisition cost, using the average cost as the costing method.

Intermediate and finished products and work in progress are stated at the weighted average cost of production, which includes the cost of the incorporated raw materials, labour and manufacturing overheads (considering the depreciation of production equipment calculated on the basis of normal usage levels), which is below the net realisable value. The net realisable value corresponds to the normal sales price minus the production completion costs and marketing costs.

The difference between the cost value and respective realisation value of the inventories, when the latter is lower than the book value, is recorded as impairment losses in inventories.

2.13. Provisions

Provisions are recognised when and only when: i) the Group has a present obligation (legal or constructive) as a result of a past event, ii) it is probable that a transfer of economic benefits will be required to settle the obligation, and iii) a reliable estimate can be made of the amount of the obligation. The provisions are reviewed on each reporting date and adjusted to reflect the best estimate on that reporting date.

2.14. Segmental reporting

A business segment is a group of assets and operations involved in the provision of products and services subject to risks and benefits that are different from other business segments. A geographic segment is a group of assets and operations involved in the provision of products and services in a specific economic environment, which is subject to risks and benefits different from those that affect segments that operate in other economic environments.

The Group presents business segments as operating segments, in a manner consistent with the way the management conducts the business.

2.15. Net operating income

Net operating income includes all the costs and revenues of operating activities, both recurrent and non-recurrent, including restructuring costs and the costs and revenues related to operating assets (tangible fixed assets and intangible assets). It also includes the capital gains or losses calculated on the sale of companies included in the consolidation using the full consolidation method. Hence, the net financing costs, net income of associates and joint ventures, net income of other financial investments and income tax are excluded from net operating income.

2.16. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party in the respective contractual relationship.

a) Cash and cash equivalents

The amounts included in "Cash and equivalent" heading correspond to cash, bank deposits, term deposits and other cash investments with a maturity of less than three months and which are immediately repayable on demand with no significant risk of change in value.

b) Accounts receivable

Accounts receivable are measured, when recognised initially, at fair value and subsequently at amortised cost in accordance with the effective interest rate method. When there is evidence that they are impaired, the corresponding adjustment is recorded through profit or loss under the heading "Other operating costs". The recognised adjustment is measured by the difference between the value at which the receivables are recognised and the present value of the cash flows discounted at the effective interest rate determined at their initial recognition.

c) Investments

Investments are recognised on the date when the inherent risks and rewards are transferred substantially. They are initially recorded at their acquisition value, corresponding to fair value, including transaction costs.

Investments are classified as follows:

Financial assets available for sale

Financial assets available for sale are financial investments which are available for sale and are classified as non-current assets.

After initial recognition, the financial assets available for sale are measured by reference to their market value on the reporting date, with no deduction for transaction costs that could arise up to the date of their sale. Gains or losses due to changes in the fair value are recorded in equity, under the heading "Fair value reserve" until the investment is sold, received or disposed in any other way, or when impairment losses are believed to exist, in which case the accumulated gain or loss is recorded in the income statement.

Other investments

Financial assets available for sale in equity instruments that do not have a market price listed in an active market and whose fair value cannot be measured reliably are measured at their acquisition cost minus any accumulated impairment losses, and are recorded under the heading "Other investments".

Furthermore, assets measured at fair value through profit or loss are revalued at their fair value with reference to their market value on the reporting date, without any deduction for transaction costs that may be incurred until their sale. These assets are recognised in the heading "Other investments" and any variation in their fair value is recorded under the heading "Earnings relative to investment activities - Other".

d) Equity instruments

Equity instruments are classified according to the nature of the contract regardless of their legal form. Equity instruments are contracts that have a residual interest in the Group's assets after deducting its liabilities.

Equity instruments issued by the Group are recorded at the amount received net of the costs incurred to issue them.

e) Accounts payable

Accounts payable are measured initially at fair value and subsequently at amortised cost in accordance with the effective interest rate method.

f) Loans

Loans are initially recorded and recognised as liabilities at their nominal value, net of the costs incurred to issue them and subsequently measured through the amortised cost method. Financial costs, calculated in accordance with the effective interest rate and including premiums payable, are accounted for in accordance with the accrual accounting principle, being added to the book value of the loan if they are not settled during the financial year.

g) Derivative financial instruments and hedge accounting

Derivative financial instruments are used to hedge the financial risks to which the Group is exposed due to changes in interest rates. Therefore, the Group does not resort to financial derivative instruments for speculative purposes.

Financial instruments are used in accordance with internal policies adopted by the Board of Directors.

Derivative financial instruments are measured at their respective fair value and recognised in the heading "Other liabilities/current assets" or "Other non-current liabilities/assets", as applicable. The method of recognition depends on the nature and purpose of their contracting.

The fair value of the derivative financial instruments is determined with reference to stock market values. If the stock market values are not available, the fair value is determined based on the analysis of discounted cash flows, which include assumptions supported on observable market prices or rates.

Hedge accounting

The possibility of classifying a derivative financial instrument as a hedging instrument follows the provisions of IAS 39 - Financial Instruments: recognition and measurement ("IAS 39"), namely relative to the respective documentation and effectiveness.

Changes in the fair value of derivative financial instruments classified as fair value hedges are recognised as a financial profit or loss for the year, as well as changes in the fair value of the asset or liability subject to that risk.

Changes in the fair value of derivative financial instruments classified as cash flow hedges are recorded in "Hedge operation reserves" for their effective component and in financial results for their non-effective component.

The values recorded under "Hedge operation reserves" are transferred to the financial results for the year when the hedged item also has an effect on profit or loss.

Hedge accounting is discontinued when the hedging instrument reaches maturity, is sold or exercised, or when the hedge relationship no longer meets the requirements established in "IAS 39".

2.17. Pension liabilities

The Group offers a retirement plan to its employees.

This insurance plan was established in the context of a social and incentive policy for workers and is of the exclusive initiative of the subsidiary companies where these benefits are attributed. Characterised by their voluntary nature, contributions that are deemed appropriate at any given time are subject to the sole discretion of their board of directors, taking into account the actuarial forecasts of disbursements and the economic and financial situation. Thus, the contributions made by the Group are recorded as a cost on the date when they are paid out.

2.18. Income tax

Income tax for the year is calculated based on taxable income of the companies included in consolidation and considers deferred taxation.

The current income tax rate is calculated based on the taxable income (which differs from accounting income) of the companies included in the consolidation in accordance with the tax rules in force at the head office of each company of the Group.

Deferred taxes refer to temporary differences between the amounts of assets and liabilities for accounting purposes and their amounts for taxation purposes, as well as the resulting tax benefits obtained.

Deferred tax assets and liabilities are calculated and periodically evaluated using tax rates that are expected to be in force at the date of reversal of the temporary differences, are not discounted and are recognised as non-current assets or liabilities.

Deferred tax assets are only recorded when there are reasonable expectations of sufficient future tax profits to use them. On each reporting date, the temporary differences underlying deferred tax assets are reviewed to recognise or adjust them according to the current expectation of future recovery. Deferred tax liabilities are recognised for all taxable temporary differences.

2.19. Contingent assets and liabilities

A contingent asset is a possible asset derived from past events and whose existence will only be confirmed by the occurrence or not of uncertain future events.

Contingent assets are not recognised in the consolidated financial statements but are disclosed when an inflow of future economic benefits is probable.

A contingent liability is (i) a possible liability arising from past events and whose existence will be confirmed by the occurrence or not of uncertain future events or (ii) a present liability which arises from past events, but which is not recognised because it is unlikely that there will be an outflow of funds or the possible outflow of funds cannot be measured reliably.

Contingent liabilities are not recognised in the consolidated financial statements but are disclosed in the notes to the financial statements, unless the possibility of an outflow of funds affecting future economic benefits is remote, in which case they are not subject to disclosure.

2.20. Revenue and the accrual principle

Sales

Revenue arising from the sale of goods is recognised in the income statement when all the following conditions have been met:

- The Group has transferred to the buyer the significant risks and rewards of the ownership of the assets;
- The Group maintains neither continued managerial involvement to the extent usually associated with ownership nor effective control over the sold assets;
- The amount of revenue can be measured reliably;
- It is probable that the economic benefits associated with the transaction will flow to the Group; and
- The costs incurred or to be incurred with respect to the transaction can be measured reliably.

Sales are recognised net of taxes, discounts and other costs incurred to realise the fair value of the amount received or receivable.

Services rendered

Revenue arising from services rendered is recognised in the income statement with reference to the stage of completion of services on the reporting date.

If the result of a construction contract can be estimated reasonably, the revenue and the related costs are recognised using the percentage of completion method as required by IAS 11 – Construction Contracts ("IAS 11"). According to this method, the income directly related to work in progress is recognised in the income statement according to its percentage of completion, which is determined by the ratio of costs incurred and the total estimated costs of works (costs incurred plus costs to be incurred). The differences between the income calculated through the application of this method and the turnover issued are recorded for under the headings "Other current assets" or "Other current liabilities", according to the nature of the differences.

Changes in the works under a construction contract, claims and premiums are considered as they are agreed and when they can be quantified in a sufficiently reliable manner.

To make a reasonable estimate of the result of a contract, the following conditions must be met:

- It is probable that the Group will obtain the economic benefits set out in the contract;
- The costs of the contract are identifiable and can be quantified reliably;
- On the reporting date, it must be possible to reliably measure the necessary costs to complete the construction and the degree of completion thereof, so that the actual costs incurred can be compared with the initial estimates.

In order to meet with the costs to be incurred during the warranty year of the works, the Group recognises a provision to hedge this risk, which is calculated taking into account annual production and the record of past costs incurred in works during the warranty year.

If it becomes probable that the costs exceed the income of the contract, the expected loss is recognised in the income statement for the year to which it refers.

The activities developed under public service concession contracts are accounted for in accordance with IFRIC 12 – Service concession arrangements ("IFRIC 12"), which establishes the provisions to be applied in the measurement, recognition, presentation and dissemination of activities developed under public service concession contracts.

Accrual principle

Income and costs are recorded on an accrual basis, through which they are recognised as they are generated, regardless of when they are received or paid. Income and costs whose actual value is unknown are estimated.

Differences between the amounts invoiced and the corresponding income and costs generated are recorded under "Other current assets" and "Other current liabilities".

2.21. Classification of financial position

Assets which are realisable and liabilities payable less than one year from the reporting date are classified, respectively, as current assets and liabilities.

Liabilities relative to which there is no unconditional right to defer their payment for a period of at least twelve months after the reporting date are also classified as current.

2.22. Impairment of financial assets

On each reporting date, the Group assesses whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Financial assets available for sale

In the case of financial assets classified as available for sale, a significant or prolonged decline in the fair value of the instrument below its cost is considered as an indicator that the instruments are impaired. If such evidence exists for financial assets classified as available for sale, the accumulated loss (measured as the difference between its acquisition cost and present fair value, minus any impairment loss already recognised through profit and loss) is removed from equity and recognised in the income statement. Impairment losses of equity instruments recognised through profit or loss are not reversed through the income statement.

Customers, receivables and other financial assets

Impairment losses are recorded whenever there are clear indicators that the Group will not be able to collect all the amounts to which it is entitled, in accordance with the original terms of the established contracts. Various indicators are used to identify them, such as:

- age of the loan;
- financial difficulties of the debtor;
- probability of insolvency of the debtor.

Impairment losses are measured by the difference between the recoverable amount and the financial position value of the financial asset and recognised through profit or loss. Whenever a certain amount is considered as uncollectible it is written-off through the respective accumulated impairment loss. Subsequent recoveries of amounts that have been written-off are recognised through profit or loss.

2.23. Non-current assets held for sale

Non-current assets (or discontinued operations) are classified as held for sale whenever it is determined that their value will be recovered through their sale and not through their continued use. This situation is considered to occur only when: (i) the sale is highly probable; (ii) the asset is available for sale immediately in its current conditions; (iii) the management is committed to a sales plan and, (iv) it is expected that the sale will take place within the period of twelve months.

Non-current assets (or discontinued operations) classified as held for sale are measured at the lowest value of their book value and respective fair value minus the costs of their sale.

2.24. Earnings per share

Basic earnings per share are calculated by dividing the earnings attributable to the ordinary shareholders of TD, SA by the weighted average number of shares in circulation during the year.

Diluted earnings per share are calculated by dividing the earnings attributable to the ordinary shareholders of TD, SA by the weighted average number of shares in circulation during the year, adjusted by potential ordinary diluted shares.

Potential ordinary diluted shares can result from options over shares and other financial instruments issued by the Group, convertible into shares of the Company.

2.25. Subsequent events

Events occurring after the reporting date that provide additional information about conditions that existed on the reporting date are duly reflected in the consolidated financial statements.

Events occurring after the reporting date that provide additional information on conditions that occurred after the reporting date are disclosed in the notes to the consolidated financial statements.

3. ALTERATIONS OF POLICIES, ESTIMATES AND ERRORS

During the year ended on 31 December 2014, there were no alterations to the accounting policies in relation to those considered in the preparation of the financial information relative to the year ended on 31 December 2013, except with respect to the standards and interpretations whose enforcement date corresponds to years started on or after 1 January 2014. This refers to the adoption of IFRS 11 – Joint Arrangements, which resulted in the discontinuation of the application of the proportional consolidation method to the investments in joint ventures, namely, Enterprise Groups ("ACE"). Furthermore, no material errors or alterations made to accounting estimates were recorded in relation to previous years.

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

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

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

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

Reconciliation of Financial Position as
at 31 December 2013

Reconciliation of the Consolidated
Cash Flow Statement for the year
ended on 31 December 2013

	2013 "Restated"	Application of IFRS 11	2013
OPERATING ACTIVITIES:			
Revenue from customers	1,402,759	(457)	1,403,216
Payments to suppliers	(1,014,930)	826	(1,015,756)
Staff payments	(268,790)	20	(268,810)
Cash flow generated by operations	119,039	389	118,650
Income tax payment/revenue	(47,693)	-	(47,693)
Other revenue/payments relative to operating activity	12,444	329	12,115
Cash flow from operating activities (1)	83,790	718	83,072
INVESTMENT ACTIVITIES:			
Revenue derived from:			
Financial investments	58,886	-	58,886
Tangible fixed assets and investment properties	7,559	-	7,559
Interest and similar income	8,874	(166)	9,040
Dividends	1,555	-	1,555
	76,874	(166)	77,040
Payments relative to:			
	(215,247)	-	(215,247)
Cash flow from investment activities (2)	(138,373)	(166)	(138,207)
FINANCING ACTIVITIES:			
Revenue derived from:			
Loans raised	2,852,302	-	2,852,302
Payments relative to:			
Loans raised	(2,725,661)	-	(2,725,661)
Interest and similar costs	(87,979)	79	(88,058)
Dividends	(6,300)	-	(6,300)
	(2,819,940)	79	(2,820,019)
Cash flow from financing activities (3)	32,362	79	32,283
Variation in cash and cash equivalents (4)=(1)+(2)+(3)	(22,221)	631	(22,852)
Effect of currency conversion differences	(32,228)	-	(32,228)
Cash and cash equivalents - perimeter change	(1,071)		(1,071)
Cash and cash equivalents at the beginning of the year	241,961	(4,102)	246,063
Cash and cash equivalents at the end of the year	186,441	(3,471)	189,912

	2013 "Restated"	Application IFRS 11	2013
Operating income	1,629,895	(32)	1,629,927
Operating costs	(1,416,014)	799	(1,416,813)
EBITDA	213,881	767	213,114
Amortisation and depreciation	(62,845)	11	(62,856)
Provisions and impairment losses	(36,682)	(469)	(36,213)
EBIT	114,354	309	114,045
Financial results	(101,555)	(309)	(101,246)
Earnings before tax	12,799	-	12,799
Income tax	51,947	-	51,947
Net income	64,746	-	64,746
Attributable to:			
Shareholders	63,974	-	63,974
Non-controlling interests	772	-	772

Reconciliation of the Consolidated
Income Statement for the year ended
on 31 December 2013

4. COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 31 December 2014, Teixeira Duarte, S.A. and the following controlled companies were included in the consolidation, by the full method:

Corporate name	Head office	Effective percentage holding
INTERNAL MARKET		
CONSTRUCTION		
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
OFM - Obras Fluviais e Marítimas, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 1, Lagoas Park Porto Salvo	60.00%
TEIXEIRA DUARTE - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
CONCESSIONS AND SERVICES		
RECOLTE, S.A., Serviços e Meio Ambiente (Porto), S.A.	Praça do Bom Sucesso, nº 61 - Escritórios 501 e 502 Porto	100.00%
MARINERTES, S.A.	Rotunda Eng.º Edgar Cardoso, n.º 23 - 8º Vila Nova de Gaia	51.00%
RECOLTE, Serviços e Meio Ambiente, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
SATU-Oeiras - Sistema Automático de Transporte Urbano, E.M., S.A. (a)	Edifício Paço de Arcos, E.N. 249/3 Paço de Arcos	49.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
TDHOSP - Gestão de Edifício Hospitalar, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
REAL ESTATE		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%

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

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

Corporate name	Head office	Effective percentage holding
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOPREDOUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOTD - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	93.75%
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
HOTEL SERVICES		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
EVA - Sociedade Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
GO CORP TRAVEL SOLUTIONS - Agência de Viagens, S.A.	Rua Comunidade Lusíada, nº 2, Letra C Faro	100.00%
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
ROCHORIENTAL - Sociedade Hoteleira, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
DISTRIBUTION		
BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - DISTRIBUIÇÃO S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
ENERGY		
ACG - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
DIGAL - Distribuição e Comércio, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
MULTIGÁS - Sociedade Comercial e Distribuidora de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%

Corporate name	Head office	Effective percentage holding	
PETRIN - Petróleos e Investimentos, S.A. (b)	Edifício 1, Lagoas Park Porto Salvo	47.91%	(b) The Group controls these subsidiaries through the subsidiary TDARCOL - SGPS, S.A.
PPS - Produtos Petrolíferos, S.A. (b)	Edifício 1, Lagoas Park Porto Salvo	50.00%	
PTG - Sociedade Gestora de Participações Sociais, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%	(c) The Group controls these subsidiaries through the subsidiary PTG - SGPS, S.A.
TANQUIGÁS - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%	
TDARCOL - Sociedade Gestora de Participações Sociais, S.A. (c)	Edifício 1, Lagoas Park Porto Salvo	50.00%	
AUTOMOTIVE			
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fração 4 D Funchal	100.00%	
OTHER			
C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%	
TDO - Sociedade Gestora de Participações Sociais, S.A.	Rua das Pretas, 4 - Fração 4 D Funchal	100.00%	
TEDAL - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%	
EXTERNAL MARKET			
SOUTH AFRICA			
DISTRIBUTION			
Global Net Distributors (PTY) Ltd.	10 Ninth Avenue Northmead, Gauteng 1501 South Africa	100.00%	
ANGOLA			
CONSTRUCTION			
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Alameda Manuel Van-Dúnem, nº 318 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.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%	
REAL ESTATE			
AFRIMO - Empreendimentos Imobiliários, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	51.00%	
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%	
IMOAFRO - Empreendimentos Imobiliários, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%	
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%	
URBÁFRICA - Sociedade Imobiliária, Lda.	Rua Amílcar Cabral, 51 - 1º C Luanda	90.00%	

Corporate name	Head office	Effective percentage holding
HOTEL SERVICES		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
ANGOIMO - Empreendimentos e Construções, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
HOTEL TRÓPICO, S.A.	Alameda Manuel Van-Dúnm, nº 318 Luanda	80.00%
HOTEL BAÍA, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
DISTRIBUTION		
CND - Companhia Nacional de Distribuição, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
DCG - Distribuição e Comércio Geral, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
OCC - Operador Central de Comércio, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	80.00%
AUTOMOTIVE		
AUTO COMPETIÇÃO Angola, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
AUTO 8, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Alameda Manuel Van-Dúnm, nº 318 Luanda	100.00%
VAUCO - Automóveis e Equipamentos, Lda.	Rua Ho Chi Min, Junto ao Largo da Independência Luanda	51.00%
ALGERIA		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Algiers	99.94%
BELGIUM		
CONCESSIONS AND SERVICES		
TDGI	Avenue Jean-Monnet, 1 À 1348 Louvain-La-Neuve	100.00%
BRAZIL		
CONSTRUCTION		
EMPA, S.A. - Serviços de Engenharia	Rua Major Lopes, 800 Bairro São Pedro - Belo Horizonte	100.00%
SOMAFEL - Obras Ferroviárias e Marítimas, Ltda.	Rua Major Lopes, 800 - sala 306 Bairro São Pedro - Belo Horizonte	60.00%
CONCESSIONS AND SERVICES		
GONGOJI Montante Energia, S.A.	Rua Major Lopes, 800, 3º - sala 310 Bairro São Pedro - Belo Horizonte	100.00%
PAREDÃO de Minas Energia, S.A.	Rua Major Lopes, 800, 3º - sala 306 Bairro São Pedro - Belo Horizonte	100.00%
TABOQUINHA Energia, S.A.	Rua Major Lopes, 800, 3º - sala 308 Bairro São Pedro - Belo Horizonte	100.00%

Corporate name	Head office	Effective percentage holding
REAL ESTATE		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 Boa Viagem - Cidade de Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 01 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 02 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista - Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 03 Itaim Bibi - São Paulo	92.65%
TDSP - Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 10 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 12 Itaim Bibi - São Paulo	92.65%
TDSP - Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 05 Itaim Bibi - São Paulo	92.65%
TDSP - Verum Mooca Empreendimento Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 06 Itaim Bibi - São Paulo	100.00%
TDSP - Gilberto Sabino Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 07 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 08 Itaim Bibi - São Paulo	92.65%
TDSP - Gualaxos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 09 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	92.65%
TDSP - Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 18 Itaim Bibi - São Paulo	92.50%
TDSP - Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	92.50%
TDSP - Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	100.00%
TDSP - Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 04 Itaim Bibi - São Paulo	95.00%
TDSP - Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 13 Itaim Bibi - São Paulo	95.00%
TDSP - Nilo Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401, sala 14 Itaim Bibi - São Paulo	100.00%
TDSP - Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP - 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 16 Itaim Bibi - São Paulo	100.00%
TDSP - 17 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 17 Itaim Bibi - São Paulo	100.00%
DISTRIBUTION		
TDD - Distribuição, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	100.00%

Corporate name	Head office	Effective percentage holding
<u>CYPRUS</u>		
OTHER		
LEVENEL, Limited	Irakli, Egkomi, 2413 Nicosia - Cyprus	100.00%
<u>SPAIN</u>		
CONSTRUCTION		
UTE DE VIANA	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
CONCESSIONS AND SERVICES		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
VALYGERSA, S.L.	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<u>GIBRALTAR</u>		
CONSTRUCTION		
Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100.00%
<u>MACAU</u>		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25 - Edifício Montepio - Apr. 26 e 28 - 3º andar Macau	100.00%
<u>MOZAMBIQUE</u>		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. Július Nyerere, nº 130 Maputo	74.46%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	69.55%
REAL ESTATE		
IMOPAR - Centro Comercial de Maputo, S.A.	Av. Július Nyerere, nº 130 Maputo	100.00%
HOTEL SERVICES		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. Július Nyerere, nº 627 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. Július Nyerere, nº 130 Maputo	98.72%
<u>NAMIBIA</u>		
CONCESSIONS AND SERVICES		
KARIBIB Portland Cement, LTD	PO Box 9574 Windhoek Namibia	95.00%

Corporate name	Head office	Effective percentage holding
KPC Trading and Services (Proprietary) Limited	PO Box 2558 Windhoek Namibia	57.00%
SQUIRREL Investments 115 PTY, Ltd.	12th Floor, Sanlam Center, 145-157 Namibia	95.00%
RUSSIA		
CONCESSIONS AND SERVICES		
Limited Liability Company MMK Cement	Tri Rutchia Murmansk Russia	70.00%
VENEZUELA		
CONSTRUCTION		
Consortio Boyacá - La Guaira	Av. San Juan Bosco, Edificio Centra Altamira Piso 5, Oficina 54, Urb. Altamira - Caracas Venezuela	57.20%
TEGAVEN - Teixeira Duarte y Asociados, C.A.	Av. Venezuela com Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal - Caracas Venezuela	95.31%

5. ALTERATIONS IN THE CONSOLIDATION PERIMETER

"TEGAVEN - Teixeira Duarte y Asociados, C.A." entered the consolidation perimeter during the year ended on 31 December 2014, thus changing the consolidation perimeter as at 31 December 2013.

The impacts of the entrance of "TEGAVEN - Teixeira Duarte y Asociados, C.A." reported as at 30 June 2014, the date on which the company was consolidated, were as follows:

Tangible fixed assets (Note 21)	908	(a) - Acquisition of 93.41% of the share capital of the participated company
Deferred tax assets (Note 27)	26	
Other non-current assets	19	(b) - Recorded in the income statement under "Provisions and impairment losses in depreciable and amortisable assets and Goodwill"
Customers and other receivables	40,172	
Cash and cash equivalents	414	
Other current assets	6,105	
Other provisions (Note 37)	(204)	
Other non-current liabilities	(10)	
Suppliers and other payables	(568)	
Other current liabilities	(7,623)	
Net Assets	39,239	
Non-controlling interests (Note 35)	2,586	
Share in Net Assets (a)	36,653	
Acquisition cost	7,322	
Goodwill (b)	(29,331)	

6. EXCHANGE RATES

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

Currency	Closing exchange rate			Average exchange rate		
	2014	2013	Var	2014	2013	Var
US Dollar	1.2141	1.3791	(12.0%)	1.3256	1.3300	(0.3%)
Macaense Pataca	9.6995	11.0141	(11.9%)	10.5893	10.6251	(0.3%)
Mozambican Metical	38.5300	41.2400	(6.6%)	40.7100	39.6346	2.7%
Venezuelan Bolivar	14.5692	8.6774	67.9%	14.8251	7.9551	86.4%
Angolan Kwanza	125.1110	134.5920	(7.0%)	130.3424	128.0569	1.8%
Algerian Dinar	106.7437	108.1034	(1.3%)	106.9753	105.7237	1.2%
Moroccan Dirham	10.9505	11.2621	(2.8%)	11.1546	11.1687	(0.1%)
Brazilian Real	3.2207	3.2576	(1.1%)	3.1207	2.8791	8.4%
Ukrainian Hryvnia	19.2052	11.3638	69.0%	15.7729	10.8397	45.5%
Namibian Dollar	14.0353	14.5660	(3.6%)	14.3580	12.8713	11.6%
Cape Verdean Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian Rouble	72.3370	45.3246	59.6%	51.4243	42.4441	21.2%
Tunisian Dinar	2.2566	2.2701	(0.6%)	2.2474	2.1578	4.2%
South Africa Rand	14.0353	14.5660	(3.6%)	14.3580	12.8713	11.6%
Columbian Peso	2,899.8800	2,661.6600	9.0%	2,659.1839	2,489.0092	6.8%

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

7. INFORMATION BY SEGMENT

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

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

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

Segment	Sales and services rendered						Net operating income	
	2014			2013 "Restated"			2014	2013 "Restated"
	Customers abroad	Inter-segmental	Total	Customers abroad	Inter-segmental	Total		
Construction (Note 32)	779,110	84,583	863,693	800,335	81,449	881,784	75,889	46,954
Concessions and services	92,104	27,901	120,005	74,221	21,897	96,118	8,086	(6,612)
Real estate	119,899	13,324	133,223	83,248	14,998	98,246	48,797	21,974
Hotel services	74,037	18,682	92,719	78,422	14,610	93,032	11,480	17,265
Distribution	272,783	7,182	279,965	210,535	8,758	219,293	16,383	15,967
Energy	62,483	2,062	64,545	114,717	2,259	116,976	(1,720)	1,731
Automotive	279,306	12,093	291,399	219,605	14,387	233,992	46,335	32,558
Not allocated to segments	-	-	-	-	-	-	(7,956)	(15,861)
Elimination	-	(165,827)	(165,827)	-	(158,358)	(158,358)	(59)	378
	1,679,722	-	1,679,722	1,581,083	-	1,581,083	197,235	114,354
Financial costs and losses (Note 15)							(269,823)	(155,993)
Financial income and gains (Note 15)							172,198	49,011
Earnings from investment activities (Note 15)							3,946	5,427
Earnings before tax							103,556	12,799

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

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

Other information:

Segment	Fixed capital expenditure		Amortisation and depreciation through profit or loss		Provisions and impairment losses	
	2014	2013 "Restated"	2014	2013 "Restated"	2014	2013 "Restated"
Construction	57,171	65,583	43,704	34,698	(35,225)	21,650
Concessions and services	5,442	7,519	4,356	4,119	1,975	14,648
Real estate	32,534	16,831	7,149	6,171	(1)	194
Hotel services	22,796	4,914	8,681	7,928	(700)	-
Distribution	34,224	35,081	7,426	6,078	-	-
Energy	2,769	6,811	1,823	1,813	978	-
Automotive	6,105	6,706	2,389	2,036	-	-
Not allocated to segments	119	-	9	2	-	190
	161,160	143,445	75,537	62,845	(32,973)	36,682

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

	Assets								Liabilities	
	2014				2013 "Restated"					
	Investments in associates and joint ventures (Note 23)	Financial assets available for sale (Note 25)	Other assets	Total	Investments in associates and joint ventures (Note 23)	Financial assets available for sale (Note 25)	Other assets	Total	2014	2013 "Restated"
Construction	1,176	-	1,916,045	1,917,221	1,552	-	1,849,050	1,850,602	1,309,497	1,431,171
Concessions and services	528	19,007	231,952	251,487	842	25,208	232,336	258,386	171,937	176,292
Real estate	643	29,236	1,647,746	1,677,625	71	54,080	1,565,408	1,619,559	880,493	887,726
Hotel services	-	-	389,796	389,796	-	-	303,808	303,808	284,613	215,297
Distribution	-	-	276,553	276,553	-	-	221,756	221,756	212,995	184,806
Energy	24	-	68,735	68,759	24	-	76,064	76,088	45,547	49,271
Automotive	-	-	207,658	207,658	-	-	146,448	146,448	126,693	108,128
Not allocated to segments	38,221	11,644	1,010,024	1,059,889	33,972	5,325	971,611	1,010,908	173,532	211,041
Elimination	-	-	(2,894,981)	(2,894,981)	-	-	(2,708,312)	(2,708,312)	(736,045)	(845,217)
	40,592	59,887	2,853,528	2,954,007	36,461	84,613	2,658,169	2,779,243	2,469,262	2,418,515

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

Geographic segment	Sales and services rendered		Non-monetary non-current assets	
	2014	2013 "Restated"	2014	2013 "Restated"
Portugal	220,196	297,990	586,937	608,311
Angola	798,412	748,176	493,223	369,578
Algeria	77,181	81,434	15,438	12,395
Brazil	192,338	98,504	46,464	52,643
Spain	33,646	28,253	13,861	12,946
Mozambique	66,271	62,817	32,368	24,911
Venezuela	284,783	253,648	21,242	33,343
Other	6,895	10,261	1,597	1,341
	1,679,722	1,581,083	1,211,130	1,115,468

8. OPERATING INCOME

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

	2014	2013 "Restated"
Sales and services rendered:		
Sales	1,339,256	1,316,224
Services rendered	340,466	264,859
	1,679,722	1,581,083
Other operating income:		
Own work capitalised (a)	8,823	7,559
Disposal of assets (b)	6,345	5,691
Reversal of impairment losses of inventories (Notes 9 and 10)	4,808	2,320
Supplementary income	3,719	6,367
Reversal of impairment losses of accounts receivable (Note 28)	1,607	4,192
Variation in the fair value of investment properties (Note 22)	1,384	438
Inventory gains	950	5,512
Correction of previous financial years	869	1,997
Tax refunds	35	1,853
Other operating income	7,273	12,883
	35,813	48,812
	1,715,535	1,629,895

(a) Own work capitalised essentially arises from the capitalisation of costs associated to the construction of properties

(b) The gains indicated above were obtained through the divestment of tangible fixed assets (Note 21)

9. COST OF SALES

During the years ended on 31 December 2014 and 2013, the cost of sales was as follows:

	Raw materials and consumables	Goods	Total
Gross assets:			
Balance as at 31.12.12	27,737	145,854	173,591
Currency conversion adjustments	(1,922)	(4,650)	(6,572)
Settlements	(200)	(11,619)	(11,819)
Purchases	156,724	442,971	599,695
Cost for the year	(163,961)	(419,401)	(583,362)
Balance as at 31.12.13	18,378	153,155	171,533
Currency conversion adjustments	1,590	15,135	16,725
Settlements	(53)	355	302
Purchases	153,556	535,715	689,271
Cost for the year	(151,468)	(497,940)	(649,408)
Balance as at 31 December 2014	22,003	206,420	228,423
Accumulated impairment losses in inventories:			
Balance as at 31.12.12	174	5,986	6,160
Currency conversion adjustments	151	(285)	(134)
Reinforcements (Note 14)	258	3,121	3,379
Reductions (Note 8)	(158)	(952)	(1,110)
Settlements	(149)	(77)	(226)
Balance as at 31.12.13	276	7,793	8,069
Currency conversion adjustments	26	640	666
Reinforcements (Note 14)	396	1,246	1,642
Reductions (Note 8)	-	(4,808)	(4,808)
Settlements	(12)	(164)	(176)
Balance as at 31 December 2014	686	4,707	5,393
Net value as at 31.12.13	18,102	145,362	163,464
Net value as at 31 December 2014	21,317	201,713	223,030

10. CHANGE IN PRODUCTION

The statement of change in production recorded for the years ended on 31 December 2014 and 2013 is as follows:

	Products and works in progress	Finished and intermediate products	Total
Gross assets:			
Balance as at 31 December 2012	130,751	16,449	147,200
Currency conversion adjustments	(9,191)	-	(9,191)
Settlements	(5,818)	-	(5,818)
Change in production	774	(6,535)	(5,761)
Balance as at 31 December 2013	116,516	9,914	126,430
Currency conversion adjustments	763	-	763
Settlements	8,515	60	8,575
Change in production	389	(3,316)	(2,927)
Balance as at 31 December 2014	126,183	6,658	132,841
Accumulated impairment losses in inventories:			
Balance as at 31 December 2012	1,056	-	1,056
Currency conversion adjustments	(64)	-	(64)
Reinforcements (Note 14)	218	-	218
Reductions (Note 8)	(1,210)	-	(1,210)
Balance as at 31 December 2013	-	-	-
Balance as at 31 December 2014	-	-	-
Net value as at 31 December 2013	116,516	9,914	126,430
Net value as at 31 December 2014	126,183	6,658	132,841

As at 31 December 2014 and 2013, the products and work in progress refer entirely to real estate enterprises.

As at 31 December 2014 and 2013, the real estate enterprises were being developed by the following entities:

	2014	2013
TD VIA - Sociedade Imobiliária, S.A.	28,988	28,838
QUINTA DE CRAVEL - Imobiliária, S.A.	17,533	17,451
V8 - Gestão Imobiliária, S.A.	15,696	15,599
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	11,931	11,894
TDSP - Galeano de Castro Empreendimentos Imobiliários SPE, Ltda.	7,860	7,296
TDSP - Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	7,339	-
TDSP - Gilberto Sabino Empreendimentos Imobiliários SPE, Ltda.	6,422	2,357
TDSP - Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	4,856	10,163
TDSP - Baceunas Empreendimentos Imobiliários SPE, Ltda.	3,875	-
TDSP - Gualaxos Empreendimentos Imobiliários SPE, Ltda.	3,266	8,118
TDSP - Bela Vista Empreendimentos Imobiliários SPE, Ltda.	3,084	2,696
IMOPREDOUÇOS - Sociedade Imobiliária, S.A.	2,519	2,494
TDSP - Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	1,860	1,780
TDSP - Zanzibar Empreendimentos Imobiliários SPE, Ltda.	1,804	1,181
TDSP - Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	1,523	1,347
TDSP Nilo Empreendimentos Imobiliários, Ltda.	1,198	-
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	1,096	-
TDSP - Don Klabin Empreendimentos Imobiliários SPE, Ltda.	1,041	1,438
TDSP - Verum Mooca Empreendimentos Imobiliários SPE, Ltda.	766	540
TDSP - Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	764	475
TDSP - Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	462	97
ANGOIMO - Empreendimentos e Construções, Lda.	398	351
TDSP - Maratona Empreendimentos Imobiliários SPE, Ltda.	-	329
Other	1,902	2,072
	126,183	116,516

As at 31 December 2014 and 2013, the following inventories had been pledged as security for liabilities:

QUINTA DE CRAVEL — Imobiliária, S.A. mortgaged the lots for construction numbers 8, 10, 11, 12, 13, 19, 26 and 31, located at Quinta de Cravel, Mafamude, Vila Nova de Gaia (Note 42);

V8 - Gestão Imobiliária, S.A. mortgaged the lots for construction numbers 1, 2, 3, 5, 6, 8 and 16, 18, 20 and 30 located at Empreendimento Santa Maria Design District, Santa Marinha, Vila Nova de Gaia (Note 42);

V8 - Gestão Imobiliária, S.A. mortgaged the units owned in its urban property located on Rua de Castro Portugal, numbers 497 and 511; Rua Professora Rita Lopes Ribeiro Fonseca, numbers 28, 34, 40, 46, 52, 58, 64, 70, 76, 80, 94 and 96; and Rua Doutor Miguel Assunção Lopes, number 15, Locality and Parish of Vila Nova de Gaia, as well as the units of the urban property called lot 14, located on Rua Guilherme Duarte Camarinha, numbers 30, 38, 42, 48, 54, 62, 70 and 74, and Rua Professora Rita Lopes Ribeiro Fonseca, numbers 12 and 18, Locality of Candal, Parish of Vila Nova de Gaia (Note 42).

11. EXTERNAL SUPPLIES AND SERVICES

For the years ended on 31 December 2014 and 2013 "Restated", external supplies and services were as follows:

	2014	2013 "Restated"
Outsourcing	173,022	198,095
Specialised work	67,200	61,204
Hire and rental charges	49,226	42,697
Transport of goods	25,932	31,686
Maintenance and repair	23,696	22,571
Fuel	12,027	11,393
Travel and accommodation	8,386	10,305
Transport of people	6,244	8,113
Advertising	6,230	5,872
Electricity	5,519	5,514
Fees	5,280	6,867
Surveillance and security	5,127	5,185
Other	66,892	54,946
	454,781	464,448

12. STAFF COSTS

The average number of employees during the years ended on 31 December 2014 and 2013 "Restated", by operating segment, was as follows:

	2014	2013 "Restated"
Construction	6,857	6,388
Concessions and services	1,765	1,493
Real estate	114	107
Hotel services	1,585	1,568
Distribution	1,550	1,250
Energy	230	228
Automotive	1,000	899
Not allocated to segments	160	78
	13,261	12,011

The heading of "staff costs", for the years ended on 31 December 2014 and 2013 "Restated", is broken down as follows:

	2014	2013 "Restated"
Normal remunerations	154,670	145,844
Other remunerations	88,122	80,619
Charges on remunerations	27,788	31,010
Insurance	3,072	4,492
Retirement benefits	9	1,774
Other staff costs	17,042	11,884
	290,703	275,623

13. OPERATING LEASES

For the financial years ended on 31 December 2014 and 2013, 252 thousand euros and 291 thousand euros were recorded, respectively, relative to operating lease instalments, which were recognised under the heading "External supplies and services".

The instalments of operating leases held by the Group at 31 December 2014 and 2013 have the following maturities:

	2014	2013
2014	-	140
2015	123	73
2016	58	44
2017	3	3
	184	260

14. OTHER OPERATING COSTS

For the years ended on 31 December 2014 and 2013 "Restated", other operating costs were as follows:

(a) The reported losses were incurred through the divestment of tangible fixed assets to the value of 1,331 thousand euros (2,441 thousand euros as at 31 December 2013) (Note 21) and 1,471 thousand euros derived from the winding-up of DNGÁS - Distribuição e Comércio de Gás, S.A., a company which had been included in the consolidation perimeter as at 31 December 2013

	2014	2013 "Restated"
Taxes	32,287	37,538
Inventory losses	6,989	16,993
Variation in the fair value of investment properties (Note 22)	3,189	6,537
Losses incurred in the divestment of assets (a)	2,802	2,441
Impairment losses of debts receivable (Note 28)	2,127	7,208
Reversal of inventory impairment losses (Notes 9 and 10)	1,642	3,597
Bad debt	40	102
Other operating costs	28,841	12,404
	77,917	86,820

15. FINANCIAL RESULTS

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

	2014	2013 "Restated"
Financial costs and losses:		
Interest paid	(123,164)	(89,547)
Unfavourable currency conversion differences	(118,776)	(41,639)
Other financial costs and losses	(27,883)	(24,807)
	(269,823)	(155,993)
Financial income and gains:		
Interest received	18,739	9,807
Favourable currency conversion differences	148,540	34,289
Cash discounts received	349	559
Other financial income and gains	4,570	4,356
	172,198	49,011
Earnings from investment activities:		
Earnings from associates and joint ventures (a)	(10,598)	(321)
Dividends (b)	930	1,555
Other investments (c)	(1,325)	2,994
Gains / losses in the measurement of assets available for sale (d)	14,939	1,199
	3,946	5,427
Financial results	(93,679)	(101,555)

(a) The earnings from associates and joint ventures relative to the year ended on 31 December 2014 include the effect of the application of the equity method to the investments in associates and joint ventures of (10,311) thousand euros ((592) thousand euros as at 31 December 2013 "Restated") (Note 23).

During the year ended on 31 December 2014, "STELGEST - Gestão Hoteleira, S.A." was wound-up, with a loss of 287 thousand euros having been recorded.

During the year ended on 31 December 2013, the Group sold 20% of the share capital of "VOTORANTIM Macau Investimentos, S.A." for the value of 11,668 thousand euros (Note 30), having recorded capital gains of 271 thousand euros.

(b) As at 31 December 2014 the values presented correspond to dividends received from "Financial assets available for sale" of 192 thousand euros (552 thousand euros as at 31 December 2013) (Note 25) and the rest refers to "Other investments" (Note 26).

(c) The heading "Other investments" records gains and losses upon the divestment of "Financial assets available for sale at fair value" (Note 26).

(d) The values presented for the year ended on 31 December 2014 are detailed as follows:

Divestments of shares of "Financial assets available for sale":

Description	Book value (a)	Sales value (b)	Fair value reserve in equity (c)	Capital gain (b-a+c)	Value received (Note 30)
Divestment of 3,445,239 shares of "Banco Comercial Português, S.A."	574	257	323	7	257
Divestment of 472,414 shares of "Banco Bilbao Vizcaya Argentaria, S.A."	4,226	4,467	1,055	1,296	4,467
Total	4,800	4,724	1,378	1,303	4,724

As at 31 December 2013, the Group sold 37,211,281 shares of "Banco Comercial Português, S.A." (Note 25) for the value of 3,990 thousand euros, having recorded capital gains of 1,199 thousand euros.

Impairment loss of "Financial assets available for sale":

Description	Impairment for the year		
	Total (Note 25)	Fair value reserve in equity	Loss through profit or loss
Impairment loss in the holding of "Banco Comercial Português, S.A."	(40,739)	32,307	(8,432)
Impairment loss in the holding of "Banco Bilbao Vizcaya Argentaria, S.A."	(1,974)	(1,974)	-
Total	(42,713)	30,333	(8,432)

During the year ended on 31 December 2014, the Group divested its subscription rights of "Banco Comercial Português, S.A." of the value of 22,068 thousand euros (Note 30).

During the year ended on 31 December 2014, interest was capitalised in the acquisition cost of qualifying assets of the total value of 908 thousand euros (956 thousand euros as at 31 December 2013). For the purposes of the capitalisation of financial costs associated to the acquisition cost of the qualifying assets, an average rate of 6.49% was used as at 31 December 2014 (7% as at 31 December 2013).

16. INCOME TAX

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

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

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

In the calculation of the taxable profit, to which the aforesaid tax rates are applied, amounts not accepted for tax purposes are added to and subtracted from the book value profit or loss. These differences between the book value profit or loss and the profit or loss for tax purposes may be of a temporary or permanent nature.

Pursuant to the legislation in force, tax returns in Portugal may be reviewed and corrected by the tax authorities for a period, in general, of four years (five years for Social Security). Regarding entities with presence in other countries, the period of revision of their tax returns varies between three and five years.

The Board of Directors believes that any corrections which might arise from any tax reviews/inspections to these tax returns will not significantly affect the consolidated financial statements reported as at 31 December 2014.

The Group records deferred taxes corresponding to the temporary differences between the book value of the assets and liabilities and the corresponding tax base, as laid down in IAS 12 - Income Tax (Note 27).

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

	2014	2013
Current tax:		
Income tax in Portugal	(7,868)	(12,193)
Income tax in other jurisdictions	(29,739)	(40,101)
Current tax	(37,607)	(52,294)
Deferred tax (Note 27):	(4)	104,241
	(37,611)	51,947

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to 9,961 thousand euros were recorded directly in equity for the year ended on 31 December 2014 (6,836 thousand euros as at 31 December 2013) (Note 27).

As at 31 December 2014 and 2013, the reconciliation between the nominal and effective income tax rate is detailed as follows:

	2014		2013	
	Rate %	Tax	Rate %	Tax
Earnings before tax		103,556		12,799
Nominal rate and tax on income	(23.0%)	(23,818)	(25.0%)	(3,200)
Differential of tax rates of other countries	(15.2%)	(15,768)	(396.0%)	(50,688)
Net income – associated companies and joint ventures (equity method)	(2.3%)	(2,372)	(1.2%)	(148)
Tax losses generated in the year for which deferred tax assets were not recognised	0.2%	244	4.0%	518
Difference between capital gains and losses for tax and accounting purposes	(0.7%)	(706)	(3.6%)	(462)
Non-taxed income	6.5%	6,746	-	-
Autonomous taxation	(1.4%)	(1,432)	(7.2%)	(925)
Municipal surcharge	(1.5%)	(1,553)	(1.5%)	(192)
Differences in estimates	4.0%	4,140	12.6%	1,619
Other tax components	(3.0%)	(3,088)	9.3%	1,184
Deferred tax for the year	-	(4)	302.8%	38,754
Deferred tax – Tax statement of capital gains and losses of holdings	-	-	511.7%	65,487
Effective rate and tax on income	(36.3%)	(37,611)	405.9%	51,947

17. EARNINGS PER SHARE

Earnings per share for the years ended on 31 December 2014 and 2013 were calculated taking into account the following amounts:

	2014	2013
Earnings for the effect of calculating net earnings per basic share (net income for the year)	70,281	63,974
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420,000	420,000
Earnings per basic share	0.17	0.15

Since, for the financial years ended on 31 December 2014 and 2013, there were no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

18. DIVIDENDS

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

Dividends of 6,300 thousand euros were paid up in June 2013, relative to the year of 2012.

19. GOODWILL

During the years ended on 31 December 2014 and 2013, the movement which occurred in the values of goodwill calculated upon the acquisition of subsidiaries, as well as in the respective impairment losses were as follows:

	2014	2013
Gross assets:		
Opening balance	37,155	37,164
Currency conversion adjustments	28	(9)
Closing balance	37,183	37,155
Accumulated impairment losses	(7,449)	(7,449)
Net assets:	29,734	29,706

The values of the goodwill as at 31 December 2014 and 2013 refer to the following entities:

Participated company	Operating segment	2014	2013
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Construction	12,107	12,107
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Real estate	1,979	1,979
ACG - Distribuição e Comércio de Gás, S.A.	Energy	142	142
DIGAL - Distribuição e Comércio, S.A.	Energy	7,335	7,335
MULTIGAS - Sociedade Comercial e Distribuidora de Gás, S.A.	Energy	60	60
TANQUIGAS - Distribuição e Comércio de Gás, S.A.	Energy	71	71
Auto Competição Angola, Lda.	Automotive	234	206
C+PA - Cimento e Produtos Associados, S.A.	Other	7,806	7,806
		29,734	29,706

The goodwill relative to the associates and joint ventures is an integral part of the values of the corresponding investments and is disclosed in Note 23.

The values of goodwill are annually tested for impairment or whenever there are indications that they may be impaired.

The recoverable amount of the cash-generating units to which goodwill is allocated is determined based on the calculation of its use value, which uses cash flow forecasts based on the latest financial forecasts approved by the respective Boards of Directors over a period of five years, discounted by the discount rates shown in the table below, which were calculated based on the weighted average cost of capital ("WACC"), adjusted for risks, specific to the market in which each unit is placed. Cash flows beyond this five-year period were forecast using the rates specified in the same table. These rates do not exceed the average long-term growth for the markets in which those cash-generating units are allocated.

The Boards of Directors believe that any reasonably possible change in the key assumptions on which the recoverable amount is based would not cause the book value of these cash-generating units to exceed its recoverable amount.

Thus, the main assumptions considered in determining the value in use of goodwill are as follows:

Participated company	2014			2013		
	Book value of the goodwill	Discount rate	Perpetuity growth rate	Book value of the goodwill	Discount rate	Perpetuity growth rate
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	12,107	8.3%	2.0%	12,107	10.9%	2.0%
C+PA - Cimento e Produtos Associados, S.A.	7,806	17.0%	-	7,806	17.0%	-
DIGAL - Distribuição e Comércio, S.A.	7,335	7.5%	1.5%	7,335	10.6%	1.5%
BONAPARTE - Imóveis Comerciais e Participações, S.A.	1,979	6.1%	2.0%	1,979	6.5%	2.0%
Auto Competição Angola, Lda.	234	14.3%	1.5%	206	16.9%	1.5%
ACG - Distribuição e Comércio de Gás, S.A.	142	8.3%	1.5%	142	10.9%	1.5%
TANQUIGAS - Distribuição e Comércio de Gás, S.A.	71	8.3%	1.5%	71	10.9%	1.5%
MULTIGAS - Sociedade Comercial e Distribuidora de Gás, S.A.	60	8.3%	1.5%	60	10.9%	1.5%
	29,734			29,706		

20. INTANGIBLE ASSETS

During the years ended on 31 December 2014 and 2013, the movement in intangible assets and in its depreciation and accumulated impairment losses was as follows:

	Industrial property	Other	Fixed assets in progress	Advances for intangible assets	Total
Gross assets:					
Balance as at 31.12.12	19,094	648	15,171	1,087	36,000
Currency conversion adjustments	(756)	(45)	(504)	(48)	(1,353)
Additions	1,618	-	4,925	-	6,543
Transfers and write-offs	309	(75)	(998)	-	(764)
Divestments	(11)	-	-	-	(11)
Balance as at 31.12.13	20,254	528	18,594	1,039	40,415
Currency conversion adjustments	1,912	44	34	141	2,131
Additions	12,555	-	322	-	12,877
Transfers and write-offs	(757)	(261)	(15,695)	(1,180)	(17,893)
Balance as at 31 December 2014	33,964	311	3,255	-	37,530
Accumulated amortisation and impairment losses:					
Balance as at 31.12.12	4,314	405	-	-	4,719
Currency conversion adjustments	(131)	(19)	-	-	(150)
Transfers and write-offs	221	(6)	-	-	215
Reinforcements	1,062	17	-	-	1,079
Divestments	(11)	-	-	-	(11)
Balance as at 31.12.13	5,455	397	-	-	5,852
Currency conversion adjustments	268	43	-	-	311
Transfers and write-offs	(762)	(261)	-	-	(1,023)
Reinforcements	1,280	16	-	-	1,296
Balance as at 31 December 2014	6,241	195	-	-	6,436
Net value:					
As at 31.12.13	14,799	131	18,594	1,039	34,563
As at 31 December 2014	27,723	116	3,255	-	31,094

During the year ended on 31 December 2014, the additions in the heading of "Industrial property" essentially refer to area rights of the value of 11,565 thousand euros.

As at 31 December 2014, the heading of "Industrial property" presents the amount of 24,248 thousand euros, relative to area rights.

21. TANGIBLE FIXED ASSETS

During the years ended on 31 December 2014 and 2013 "Restated", the movement in fixed tangible assets and their depreciation and accumulated impairment losses was as follows:

(a) In the year ended on 31 December 2014, impairments of tangible fixed assets of the value of 13,396 thousand euros were recorded under the heading "Provisions and impairment losses in depreciable and amortisable assets and Goodwill"

	Land and natural resources	Building and other constructions	Basic equipment	Transport equipment	Tools and utensils	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tangible fixed assets	Total
Gross assets:										
Balance as at 31 December 2012 "Restated"	33,826	409,337	377,713	79,540	36,989	40,078	18,721	43,985	183	1,040,372
Perimeter alteration	(724)	(854)	(276)	(308)	(7)	(26)	-	-	-	(2,195)
Currency conversion adjustments	(800)	(11,321)	(17,323)	(5,387)	(1,121)	(1,655)	(569)	(3,280)	(63)	(41,519)
Additions	-	18,540	52,473	13,589	5,201	3,619	1,875	41,336	-	136,633
Transfers and write-offs	(586)	18,748	1,760	1,097	53	(589)	(9,799)	(16,089)	(120)	(5,525)
Divestments	(33)	(387)	(8,084)	(6,175)	(50)	(293)	(224)	(79)	-	(15,325)
Balance as at 31 December 2013 "Restated"	31,683	434,063	406,263	82,356	41,065	41,134	10,004	65,873	-	1,112,441
Perimeter alteration (Note 5)	434	514	165	185	4	22	-	-	-	1,324
Currency conversion adjustments	155	26,525	(285)	(1,234)	595	2,128	454	4,447	-	32,785
Additions	-	48,130	44,361	13,117	3,930	3,718	1,070	33,090	12	147,428
Transfers and write-offs	(158)	27,391	193	(660)	(433)	(4,933)	(1,056)	(25,761)	139	(5,278)
Divestments	-	(1,494)	(16,688)	(4,053)	(1,010)	(888)	(17)	-	-	(24,150)
Balance as at 31 December 2014	32,114	535,129	434,009	89,711	44,151	41,181	10,455	77,649	151	1,264,550
Accumulated depreciation and impairment losses:										
Balance as at 31 December 2012 "Restated"	166	112,976	274,235	57,893	28,893	31,316	5,155	-	-	510,634
Perimeter alteration	-	(375)	(88)	(118)	(5)	(22)	-	-	-	(608)
Currency conversion effect	-	(3,750)	(6,545)	(3,602)	(223)	(1,116)	(63)	-	-	(15,299)
Reinforcements	-	16,945	28,935	9,400	2,680	3,187	619	-	-	61,766
Transfers and write-offs	-	7,808	(8,685)	514	(207)	(729)	(49)	-	-	(1,348)
Divestments	-	(324)	(7,477)	(5,604)	(45)	(269)	(219)	-	-	(13,938)
Balance as at 31 December 2013 "Restated"	166	133,280	280,375	58,483	31,093	32,367	5,443	-	-	541,207
Perimeter alteration (Note 5)	-	232	71	95	3	15	-	-	-	416
Currency conversion effect	-	3,609	(588)	(782)	27	1,581	181	-	-	4,028
Reinforcements (a)	1	28,972	41,849	9,691	3,079	3,333	677	35	-	87,637
Transfers and write-offs	-	(4,422)	(7,690)	(1,093)	(273)	(5,061)	(32)	(35)	-	(18,606)
Divestments	-	(1,472)	(11,893)	(3,467)	(644)	(756)	(17)	-	-	(18,249)
Balance as at 31 December 2014	167	160,199	302,124	62,927	33,285	31,479	6,252	-	-	596,433
Net value:										
As at 31 December 2013 "Restated"	31,517	300,783	125,888	23,873	9,972	8,767	4,561	65,873	-	571,234
As at 31 December 2014	31,947	374,930	131,885	26,784	10,866	9,702	4,203	77,649	151	668,117

The additions to tangible fixed assets during the year ended on 31 December 2014 mainly refer to investments in facilities and equipment.

As at 31 December 2014, the tangible assets in progress include 43,802 thousand euros relative to buildings and other constructions in progress, in particular the following:

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

22. INVESTMENT PROPERTIES

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

	2014	2013
Opening balance	479,965	498,236
Currency conversion adjustments	10,478	(3,810)
Increases / (divestments)	(6,349)	(7,101)
Change in fair value (Notes 8 and 14)	(1,805)	(6,099)
Transfers of assets held for sale	(409)	-
Transfer of tangible fixed assets	305	(1,261)
Closing balance	482,185	479,965

The income gained from investment property arising from operating leasing contracts reached 32,398 thousand euros for the year ended on 31 December 2014 (33,765 thousand euros as at 31 December 2013). For the year ended on 31 December 2014, direct operating costs related to investment properties reached 4,063 thousand euros (6,521 thousand euros as at 31 December 2013).

The fair value of each operational investment property is periodically determined through assessments, in the most relevant cases, made by specialised and independent entities and in accordance with the evaluation methodologies generally accepted for the real estate market, namely income methods, comparatively with market prices or replacement costs, depending on the specific situations of each property.

In the remaining cases, the determination of the market value is carried out internally, based on criteria similar to those considered by external valuers, taking into account the expected discounted cash flows.

The main assumptions and methods inherent to the measurement underlying the market value of the investment properties were as follows:

- Yield between 7% and 10%;
- Average of the comparative method and income multiples;
- Average of the comparative method and cost.

IAS 40 - Investment property ("IAS 40") does not require the determination fair value of investment properties on the basis of a valuation made by an independent evaluator. However, approximately 82% of the fair value of the Group's investment properties is determined through independent valuers with significant and recognised professional qualification (registered at the CMVM) and with recent experience in the location and category of the valued investment property. These valuers have applied methods currently used in this market, based on the use of the income method, replacement cost method or market price comparisons, according to the specific situations of each property. Considering that the assets are leased, the income method was used, but also taking into account the other methods used to assess the reasonableness of the results achieved through this method. According to this method, the income of the current leasing contracts under the current conditions was used and, once the year of these contracts had ended, a yield adapted to each property was used. For the rest of the valuations carried out internally, yields adapted according to the indications given by independent professionals were used.

23. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

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

Corporate name	Head office	Effective percentage holding
ALVORADA PETRÓLEO, S.A.	Av. Getúlio Vargas, nº 54, sala 405 - Br. Funcionários Belo Horizonte - Minas Gerais - Brazil	43.20%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret - France	27.00%
AVIAS - Grupo Ferroviário para a Alta Velocidade, ACE	Edifício 1, Lagoas Park Porto Salvo	14.10%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 1, Lagoas Park Porto Salvo	19.16%

Corporate name	Head office	Effective percentage holding
CAIS DE CRUZEIROS 2ª FASE, ACE	Rua da Tapada da Quinta de Cima Linhó Sintra	15.00%
CONBATE, ACE	Edifício 2, Lagoas Park Porto Salvo	20.00%
CONSORCIO MINERO LUSO VARGAS C.A. (CONLUVAR)	Av. Venezuela com Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal - Caracas - Venezuela	49.00%
CONSORCIO OPSUT 2010	Calle 4, Casa nº 4, Urbanizacion Los Laureles Valle de la Pascoa - Venezuela	51.00%
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%
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%
IMOC - Empreendimentos Imobiliários, S.A.	Av. Julius Nyerere, 130 Maputo	49.92%
Limited Liability Company Cement	Khutorskya Str., 70 Odessa	49.00%
METROLIGEIRO - Construção de Infraestruturas, ACE	Rua Abranches Ferrão, nº 10 - 5º F Lisbon	26.80%
NOVA ESTAÇÃO, ACE	Edifício 6 - Piso 1, Lagoas Park Porto Salvo	25.00%
RPK Gulfstream, Ltd.	Tri Ruchja str. 183003, Murmansk	42.70%
AK10 - Empreendimentos e Participações SPE Ltda.	Rua Iguatemi, nº 448, 6º andar, conjunto 602 Itaim Bibi - São Paulo	25.00%
SOMAFEL E FERROVIAS, ACE	Edifício 1, Lagoas Park Porto Salvo	36.00%
TEIX.CO, SPA	Parc Miremont, Rue A, nº 136 Algiers	48.78%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park Porto Salvo	57.30%
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque da Nações em Lisboa 3.ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	Edifício 2, Lagoas Park Porto Salvo	60.00%
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. das Forças Armadas, 125 - 2º C Lisbon	50.00%

The investments in associates and joint ventures showed the following movements during the years ended on 31 December 2014 and 2013 "Restated":

	Equity stakes	Goodwill	Total
Balance as at 31.12.12 "Restated"	40,155	11,703	51,858
Effects of the application of the equity method:			
- Effect on net income for the year (Note 15)	(592)	-	(592)
- Effect on equity	62	-	62
Increases	477	-	477
Divestments (a)	(11,397)	-	(11,397)
Currency conversion effect	(844)	(10)	(854)
Other	(3,093)	-	(3,093)
Balance as at 31 December 2013 "Restated"	24,768	11,693	36,461
Effects of the application of the equity method:			
- Effect on net income for the year (Note 15)	(10,311)	-	(10,311)
- Effect on equity	8,001	-	8,001
Increases	866	-	866
Currency conversion adjustments	(621)	-	(621)
Other	6,246	(50)	6,196
Balance as at 31 December 2014	28,949	11,643	40,592

(a) During the year ended on 31 December 2013, the Group sold 20% of the share capital of "VOTORANTIM Macau Investimentos, S.A." for the value of 11,668 thousand euros (Note 30), having recorded capital gains of 271 thousand euros (Note 15)

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

Associates and joint ventures	2014			2013 "Restated"		
	Equity stakes	Goodwill	Value of financial position	Equity stakes	Goodwill	Value of financial position
Limited Liability Company Cement (a)	16,072	11,643	27,715	16,072	11,643	27,715
IMOC - Empreendimentos Imobiliários, S.A.R.L.	10,506	-	10,506	6,257	-	6,257
Alvorada Petróleos, S.A.	623	-	623	-	-	-
RPK Gulfstream Ltd.	528	-	528	842	-	842
SCP AK-10 Empreendimentos e Participações SPE LTDA.	20	-	20	21	50	71
Other	1,200	-	1,200	1,576	-	1,576
	28,949	11,643	40,592	24,768	11,693	36,461

The holdings referred to above are stated using the equity method, which, for the years ended on 31 December 2014 and 2013 "Restated", had the following impacts:

Associates and joint ventures	2014		
	Gains and losses in associates and joint ventures (Note 15)	Adjustments of holdings	Total
Alvorada Petróleos, S.A.	(46)	4	(42)
Limited Liability Company Cement	(8,582)	3,696	(4,886)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	232	4,017	4,249
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(1)	-	(1)
Other	(1,914)	284	(1,630)
	(10,311)	8,001	(2,310)

2013 "Restated"			
Associates and joint ventures	Gains and losses in associates and joint ventures (Note 15)	Adjustments of holdings	Total
Alvorada Petróleos, S.A.	(122)	-	(122)
Limited Liability Company Cement	(1,525)	259	(1,266)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,095	276	1,371
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(2)	-	(2)
TEIX.CO, SPA	(678)	(9)	(687)
Other	640	(464)	176
	(592)	62	(530)

The main financial information with respect to the associates and joint ventures at 31 December 2014 and 2013 "Restated" is as follows:

(a) As at 31 December 2014, the Group has recorded provisions for holdings (Note 37) corresponding to its share in the equity of the aforesaid participated companies

(b) Loan of 16,072 thousand euros as at 31 December 2014 and 2013

	Total assets		Total liabilities		Total net assets		Share of the Group in net assets	
	2014	2013 "Restated"	2014	2013 "Restated"	2014	2013 "Restated"	2014	2013 "Restated"
Alvorada Petróleos, S.A.	2,004	1,947	561	2,412	1,443	(465)	623	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	35,364	16,375	14,318	3,840	21,046	12,535	10,506	6,257
Limited Liability Company Cement (a) (b)	16,584	26,905	35,029	35,378	(18,445)	(8,473)	16,072	16,072
SCP AK-10 Empreendimentos e Participações SPE LTDA.	40	140	-	56	40	84	20	21
TEIX.CO SPA (a)	4,112	5,653	4,759	5,950	(647)	(297)	-	-
Other	16,755	41,292	16,127	38,451	628	2,841	1,728	2,418
	74,859	92,312	70,794	86,087	4,065	6,225	28,949	24,768

	Sales and services rendered		Net income for the year		Share of the Group in net income for the year	
	2014	2013 "Restated"	2014	2013 "Restated"	2014	2013 "Restated"
Alvorada Petróleos, S.A.	-	118	(106)	(282)	(46)	(122)
Limited Liability Company Cement	15,831	20,832	(17,514)	(3,112)	(8,582)	(1,525)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	58	77	464	2,194	232	1,095
SCP AK-10 Empreendimentos e Participações SPE LTDA.	-	-	(1)	(9)	(1)	(2)
Other	12,238	21,884	(3,779)	(611)	(1,914)	(38)
	28,127	42,911	(20,936)	(1,820)	(10,311)	(592)

24. ASSETS HELD FOR SALE

As at 31 December 2014, this heading refers to a unit of a property of the value of 409 thousand euros, previously classified as an investment property (Note 22).

25. FINANCIAL ASSETS AVAILABLE FOR SALE

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

		2014	2013
Opening balance		84,613	48,597
Acquisitions during the year	(a)	22,787	-
Divestments during the year	(b)	(4,800)	(2,791)
Increase / decrease in fair value	(c)	(42,713)	38,807
Closing balance		59,887	84,613

As at 31 December 2014 and 2013, the Group held 622,229,693 and 357,000,000 shares of "Banco Comercial Português, S.A.", respectively.

(a) During the year ended on 31 December 2014, the Group acquired 268,674,932 shares of "Banco Comercial Português, S.A." for the value of 22,787 thousand euros (Note 30).

(b) The values presented for the year ended on 31 December 2014 are detailed as follows:

Divestments of shares of "Financial assets available for sale":

2014

Description	Book value (a)	Sales value (b)	Fair value reserve in equity (c)	Capital Gain (b-a+c) (Note 15)	Value received (Note 30)
Divestment of 3,445,239 shares of "Banco Comercial Português, S.A."	574	257	323	7	257
Divestment of 472,414 shares of "Banco Bilbao Vizcaya Argentaria, S.A."	4,226	4,467	1,055	1,296	4,467
Total	4,800	4,724	1,378	1,303	4,724

2013

Description	Book value (a)	Sales value (b)	Fair value reserve in equity (c)	Capital Gain (b-a+c) (Note 15)	Value received (Note 30)
Divestment of 37,211,281 shares of "Banco Comercial Português, S.A."	2,791	3,990	-	1,199	3,990
Total	2,791	3,990	-	1,199	3,990

(c) The values presented for the year ended on 31 December 2014 are detailed as follows:

Impairment loss of "Financial assets available for sale":

2014

Description	Impairment for the year		
	Total (Note 25)	Fair value reserve in equity	Loss through profit or loss (Note 15)
Impairment loss in the holding of "Banco Comercial Português, S.A."	(40,739)	32,307	(8,432)
Impairment loss in the holding of "Banco Bilbao Vizcaya Argentaria, S.A."	(1,974)	(1,974)	-
Total	(42,713)	30,333	(8,432)

For the year ended on 31 December 2013, the Group recorded an increase of Financial assets available for sale of the value of 38,807 thousand euros, minus 5,728 thousand euros of deferred tax (Note 27), with a positive impact on equity of 33,079 thousand euros.

Also during the year ended on 31 December 2014, the Group divested its subscription rights of "Banco Comercial Português, S.A." of the value of 22,068 thousand euros (Note 30).

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

	2014		2013	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	739,822	40,880	717,321	59,405
Banco Bilbao Vizcaya Argentaria, S.A.	31,801	19,007	35,958	25,208
	771,623	59,887	753,279	84,613

Furthermore, during the years ended on 31 December 2014 and 2013, dividends were received from the investment in "Banco Bilbao Vizcaya Argentaria, S.A." to the value of 192 thousand euros and 552 thousand euros, respectively, which were recognised in the income statement for the year ended on that date (Note 15).

26. OTHER INVESTMENTS

As at 31 December 2014 and 2013, this heading includes investments in the following entities:

a) This heading essentially includes investments in equity instruments that do not have a market price listed in an active market and whose fair value cannot be measured reliably. These investments are measured at their acquisition cost minus any accumulated impairment losses

Furthermore, during the years ended on 31 December 2014 and 2013, dividends were received from these investments to the value of 738 thousand euros and 1,003 thousand euros, respectively, which were recognised in the income statement for the year ended on that date (Note 15)

	Non-current		Current	
	2014	2013	2014	2013
Financial assets available for sale at cost (a)				
AEBT - Vias do Baixo Tejo, S.A.	5,373	819	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	5,456	5,606	-	-
AEDL - Auto Estradas do Douro Litoral, S.A.	1,212	1,212	-	-
LONGAPAR - Sociedade Gestora de Participações Sociais, S.A.	1,006	1,006	-	-
JÚPITER - Indústria Hoteleira, S.A.	784	784	-	-
VOTORANTIM Macau Investimentos, S.A.	715	715	-	-
LONGAVIA, S.A.	670	670	-	-
MTS - Metro Transporte do Sul, S.A.	570	570	-	-
MATADOURO DE MACAU, S.A.R.L.	317	317	-	-
EIA - Ensino, Investigação e Administração, S.A.	300	300	-	-
VSL Sistemas Portugal - Pré-Esforço, Equipamento e Montagens, S.A.	-	258	-	-
ILTA - Urbanizadora da Ilha de Tavira, S.A.	256	256	-	-
CPM - Companhia de Parques de Macau, S.A.R.L.	205	205	-	-
TEGAVEN - Teixeira Duarte Y Associados, C.A.	-	95	-	-
Other	187	220	-	-
	17,051	13,033	-	-
Financial assets available for sale at fair value				
Banco Bilbao Vizcaya Argentaria, S.A.	-	-	3,848	18
COLT Resources Inc.	532	2,504	-	-
Other	-	-	41	44
	532	2,504	3,889	62
	17,583	15,537	3,889	62

27. DEFERRED TAXES

All situations which could significantly affect future taxes are recorded by applying the rules on deferred taxes.

For the years ended on 31 December 2014 and 2013, the movements which occurred in deferred tax assets and liabilities, according to the temporary differences which generated them, are as follows:

	2014						
	Opening balance	Perimeter alteration (Note 5)	Constitution		Reversal		Closing balance
			Net income (Note 16)	Equity (Note 16)	Net income (Note 16)	Equity (Note 16)	
Deferred tax assets:							
Inventory impairments	128	-	2	-	(2)	-	128
Bad debt impairments	52	-	123	-	(144)	-	172
Financial assets available for sale	138,496	-	1,212	7,991	(12,156)	-	133,767
Tax losses carried forward	30,649	-	23,619	-	(5,234)	-	21,588
Provision for losses in works	3,617	26	2,247	-	(406)	-	1,616
Other	15,572	-	2,372	1,215	(9,790)	-	13,948
	188,514	26	29,575	9,206	(27,732)	-	171,219
Deferred tax liabilities:							
Future taxable earnings	338	-	1,224	-	(16)	-	1,513
Financial assets available for sale	1,792	-	-	-	-	(1,056)	736
Investment properties	44,174	-	886	-	(217)	-	45,819
Revaluation of tangible fixed assets	5,010	-	-	-	(623)	(9)	5,733
Other	1,379	-	862	-	(269)	310	2,279
	52,693	-	2,972	-	(1,125)	(755)	56,080

	2013						
	Opening balance	Net income (Note 16)	Equity (Note 16)	Reversal		Currency conversion & adjust	Closing balance
				Net income (Note 16)	Equity (Note 16)		
Deferred tax assets:							
Inventory impairments	68	82	-	-	-	(22)	128
Bad debt impairments	20	35	-	(3)	-	-	52
Financial assets available for sale	84,238	70,863	-	(8,976)	(3,936)	(3,693)	138,496
Tax losses carried forward	22,557	27,426	-	(2,054)	(61)	(17,219)	30,649
Provision for losses in works	635	1,901	-	-	-	1,081	3,617
Other	4,394	10,210	-	(564)	(1,055)	2,587	15,572
	111,912	110,517	-	(11,597)	(5,052)	(17,266)	188,514
Deferred tax liabilities:							
Future taxable earnings	1,138	164	-	(850)	-	(114)	338
Financial assets available for sale	-	-	1,792	-	-	-	1,792
Investment properties	48,832	3	-	(3,756)	-	(905)	44,174
Revaluation of tangible fixed assets	6,017	-	-	(1,247)	(8)	248	5,010
Other	1,992	442	-	(77)	-	(978)	1,379
	57,979	609	1,792	(5,930)	(8)	(1,749)	52,693

According to the tax returns of the companies that recorded deferred tax assets due to tax losses as at 31 December 2014 and 2013, they were carried forward as follows:

	2014			2013		
	Tax loss	Deferred tax assets	Deadline for use	Tax loss	Deferred tax assets	Deadline for use
Generated in 2008	-	-	2014	909	270	2014
Generated in 2009	1,137	283	2015	5,387	1,384	2015
Generated in 2010	13,015	3,365	2014	22,202	6,773	2014
Generated in 2011	9,453	2,155	2015	16,676	4,389	2015
Generated in 2012	10,645	3,032	2017	18,227	4,277	2017
Generated in 2013	27,100	9,002	2018	41,699	13,556	2018
Generated in 2014	13,009	3,751	2026	-	-	2026
	74,359	21,588		105,100	30,649	

Furthermore, as at 31 December 2014 and 2013, the tax losses and credits for which no deferred tax assets were recorded as a precaution, are broken down as follows:

	2014			2013		
	Tax loss	Tax credit	Deadline for use	Tax loss	Tax credit	Deadline for use
Generated in 2008	-	-	2014	3,471	798	2014
Generated in 2009	3,321	697	2015	3,321	764	2015
Generated in 2010	3,180	668	2014	3,180	731	2014
Generated in 2011	3,108	653	2015	3,108	715	2015
Generated in 2012	2,922	614	2017	2,922	672	2017
Generated in 2013	2,252	473	2018	2,252	518	2018
Generated in 2014	1,162	244	2026	-	-	2026
	15,945	3,349		18,254	4,198	

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

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

28. CUSTOMERS AND OTHER RECEIVABLES

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

	Current		Non-current	
	2014	2013 "Restated"	2014	2013 "Restated"
Customers:				
Customers – current account	462,758	507,287	55,225	53,224
Customers – bad debt	36,397	32,020	–	–
	499,155	539,307	55,225	53,224
Impairment losses	(49,077)	(47,172)	–	–
	450,078	492,135	55,225	53,224
Other receivables:				
Employees	2,215	1,094	–	–
Other receivables	73,218	69,285	125	97
	75,433	70,379	125	97
Impairment losses	(893)	(1,064)	–	–
	74,540	69,315	125	97

During the years ended on 31 December 2014 and 2013, the movements which occurred in the impairment of the accounts receivable were as follows:

Accumulated impairment losses on customers and other receivables:	
Balance as at 31.12.12	47,594
Perimeter alteration	(869)
Currency conversion adjustments	(1,299)
Reinforcements (Note 14)	7,208
Reversals (Note 8)	(4,192)
Settlements	(206)
Balance as at 31.12.13	48,236
Currency conversion adjustments	2,888
Reinforcements (Note 14)	2,127
Reversals (Note 8)	(1,607)
Settlements	(1,674)
Balance as at 31 December 2014	49,970

The Group's exposure to credit risk (Note 43) is attributable to the accounts receivable from its operating activity. The balances shown in the statement of the financial position are net of impairment losses arising from bad debt which were estimated by the Group in accordance with its experience and based on its assessment of the economic situation and environment.

The Board of Directors believes that the book value of the accounts receivable corresponds to the best estimate of their fair value.

The Group has no significant concentration of credit risks, since it is diluted over a wide range of customers and other debtors.

29. RELATED PARTIES

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

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

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

	Balance receivable		Balance payable		Loans granted		Other debts	
	2014	2013 "Restated"	2014	2013 "Restated"	2014	2013 "Restated"	2014	2013 "Restated"
AEBT – Auto Estradas do Baixo Tejo, S.A.	-	-	-	-	5,373	819	-	-
AEDL – Auto Estradas do Douro Litoral, S.A.	-	-	-	-	1,202	1,202	-	-
ALSOMA, GEIE	-	-	-	24	-	-	-	-
AVIAS, ACE	-	48	-	-	-	-	-	-
CINTEL – Construção Interceptor Esgotos, S.A.	46	46	-	-	4	4	-	-
CONBATE, ACE	22	57	-	-	-	-	-	24
Consórcio Mineiro Luso Vargas – CONLUVAR	3,808	4,783	1,500	779	-	-	3	6
Consórcio OPSUT 2010	2,569	1,560	323	-	-	-	-	-
DOURO LITORAL, ACE	7	50	30	61	-	-	-	(102)
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	-	-	-	-	(269)	(269)
EIA – Ensino de Investigação e Administração, S.A.	9	-	-	-	-	-	(324)	(324)
GMP – Grupo Marítimo Português, ACE	56	58	10	10	-	-	-	-
GMP – Grupo Marítimo Português MEK, ACE	20	21	-	-	-	-	-	-
GPCC – Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	79	-	59	-	-	-	(48)
GPCIE – Grupo Português de Construção de Infraestruturas da Expo, ACE	-	-	-	-	-	-	-	(1)
IMOC – Empreendimentos Imobiliários, S.A.R.L.	10,050	1,554	5	-	-	-	(2)	(2,092)
Limited Liability Company Cement	147	-	-	-	16,072	16,072	-	-
LUSOPONTE – Concessionária para a Travessia do Tejo, S.A.	-	-	-	-	-	150	-	-
METROLIGEIRO – Construção de Infraestruturas, ACE	13	14	-	1	-	-	-	(2)
Moreira e Cunha, Lda.	7	33	-	-	-	-	-	(80)
MTS – Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	1,017	1,005	51	35	-	-	-	-
Promociones Inmobiliárias 3003, C.A.	-	55	-	-	-	-	(27)	(37)
RPK Gulfstream, Ltd.	-	-	-	-	1,379	2,200	-	-
SOMAFEL/FERROVIAS, ACE	5	1	-	-	-	-	-	-
STELGEST – Gestão Hoteleira, S.A.	-	19	-	-	-	-	-	(736)
TEDEVEN Imobiliária, C.A.	1	-	15	-	-	-	-	-
TEGAVEN – Teixeira Duarte Y Asociados, C.A.	-	6,106	-	1,349	-	139	-	68,521
TEIX.CO SPA	1,396	1,381	524	720	-	-	(281)	(291)
Teixeira Duarte/OPCA – Fungere – Parcela 1.18 do Parque da Nações em Lisboa 3.ª Fase – Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	-	64	-	6	-	-	-	(2)
TEIXEIRA DUARTE – SOPOL – Metro Superfície, ACE	-	17	44	54	-	-	-	-
TRÊS PONTO DOIS – Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	1	35	35	-	-	-	(134)
VSL Sistema de Pré-Esforço – Equipamento de Montagem, S.A.	1	-	12	-	-	-	-	-
	19,174	16,952	2,549	3,133	24,770	21,326	(900)	64,433

The main transactions carried out with related parties during the years ended on 31 December 2014 and 2013 "Restated" were as follows:

	Sales and services rendered		Purchases and services received		Interest debited	
	2014	2013 "Restated"	2014	2013 "Restated"	2014	2013 "Restated"
AEBT – Auto Estradas do Baixo Tejo, S.A.	23	-	-	-	-	-
AVIA PORTUGAL, S.A.	-	-	21	25	-	-
AVIAS, ACE	-	46	-	-	-	-
CONBATE, ACE	142	224	-	-	-	-
Consórcio Mineiro Luso Vargás – CONLUVAR	1,618	3,467	6,025	15,422	-	-
Consórcio OPSUT 2010	1,047	1,536	1,378	2,973	-	-
DOURO LITORAL, ACE	64	98	33	4	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	2	-	-	-	-	-
GMP – Grupo Marítimo Português, ACE	50	51	-	1	-	-
GMP – Grupo Marítimo Português MEK, ACE	5	6	-	-	-	-
GPCC – Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	-	2	2	-	-
IMOC – Empreendimentos Imobiliários, S.A.R.L.	8,278	1,687	55	79	-	-
Limited Liability Company Cement	-	-	-	-	1,768	1,768
METROLIGEIRO – Construção de Infraestruturas, ACE	21	22	-	-	-	-
Moreira e Cunha, Lda.	53	126	-	-	-	-
NOVA ESTAÇÃO, ACE	212	1	16	48	-	-
STELGEST – Gestão Hoteleira, S.A.	21	111	3	2	-	59
SOMAFEL/FERROVIAS, ACE	3	3	-	-	-	-
TEGAVEN – Teixeira Duarte Y Asociados, C.A.	-	-	-	2,028	-	-
Teixeira Duarte/OPCA – Fungere – Parcela 1.18 do Parque da Nações em Lisboa						
3.ª Fase – Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	1	27	5	5	-	-
TRÊS PONTO DOIS – Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	1	-	-	-	-
TEIXEIRA DUARTE – SOPOL – Metro Superfície, ACE	16	57	31	44	-	-
VSL Sistema de Pré-Esforço – Equipamento de Montagem, S.A.	1	-	22	-	-	-
	11,557	7,463	7,591	20,633	1,768	1,827

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

	2014	2013
Executive directors:		
Short term benefits	1,738	1,445
Supervisory board:		
Short term benefits	61	72
Chartered accountant:		
Short term benefits	61	61
	1,860	1,578

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

	2014	2013
Senior staff:		
Short term benefits	7,483	7,561
	7,483	7,561

30. NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents

As at 31 December 2014 and 2013 "Restated", the cash and cash equivalents were detailed as follows:

	2014	2013 "Restated"
Demand deposits	111,264	134,088
Term deposits	71,097	34,104
Other cash investments	3,822	2,704
Cash	5,294	15,545
	191,477	186,441

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

Cash flow from investment activities

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

	2014	2013
Banco Bilbao Vizcaya Argentaria, S.A. (a)	35,164	34,836
Banco Comercial Português, S.A. (b)	22,325	12,163
VOTORANTIM Macau Investimentos, S.A.	-	11,668
Other	150	219
	57,639	58,886

(a) During the year ended on 31 December 2014, the Group sold 472,414 shares of "Banco Bilbao Vizcaya Argentaria, S.A." classified as Financial assets available for sale for the value of 4,467 thousand euros. The rest of the amount received refers to the divestment of shares classified as Financial assets available for sale at fair value - "Other investments" (Note 26).

During 2013, the presented values refer to the divestment of shares classified as Financial assets available for sale at fair value - "Other Investments" (Note 26).

(b) During the year ended on 31 December 2014, the Group sold 3,445,239 shares of "Banco Comercial Português, S.A." classified as Financial assets available for sale for the value of 257 thousand euros. The rest of the amount received refers to the divestment of subscription rights of "Banco Comercial Português, S.A." of the value of 22,068 thousand euros.

During the year ended on 31 December 2013, the Group sold 37,211,281 shares of "Banco Comercial Português, S.A." classified as Financial assets available for sale for the value of 3,990 thousand euros. The rest of the amount received refers to the divestment of shares classified as Financial assets available for sale at fair value - "Other investments" (Note 26).

The payments relative to financial investments during the years ended on 31 December 2014 and 2013 refer to the acquisition of equity interests in the following entities:

	2014	2013
Banco Bilbao Vizcaya Argentaria, S.A.	34,429	24,616
Banco Comercial Português, S.A.	22,787	5,503
AEBT - Vias do Baixo Tejo, S.A.	4,554	-
DIGAL - Distribuição e Comércio, S.A.	930	928
C + P.A. - Cimento e Produtos Associados, S.A.	-	23,259
Other	202	497
	62,902	54,803

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

	2014	2013
Banco Bilbao Vizcaya Argentaria, S.A.	207	772
CPM - Companhia de Parques de Macau, S.A.R.L.	205	213
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	158	392
Other	1,163	178
	1,733	1,555

31. OTHER CURRENT AND NON-CURRENT ASSETS

As at 31 December 2014 and 2013 "Restated", the other current and non-current assets are broken down as follows:

	Current		Non-current	
	2014	2013 "Restated"	2014	2013 "Restated"
State and other public bodies:				
Corporate Income Tax (IRC)	13,421	-	-	-
Value Added Tax	37,998	32,685	-	-
	51,419	32,685	-	-
Associates, participated companies and other shareholders:				
Associates	1,774	2,930	-	-
Participated companies	748	3,346	955	955
Other shareholders	355	296	18	-
	2,877	6,572	973	955
Accrued income:				
Interest receivable	833	1,611	-	-
Values to be invoiced (Note 32)	141,489	84,322	-	-
Other accrued income	41,804	36,478	-	-
	184,126	122,411	-	-
Deferred costs:				
Insurance paid in advance	2,529	4,914	-	-
Interest payable	46	53	-	-
Other deferred costs	26,339	22,483	330	606
	28,914	27,450	330	606
Other current assets:				
Advances to suppliers	53,343	56,803	-	-
	320,679	245,921	1,303	1,561

32. CONSTRUCTION CONTRACTS

For the years ended on 31 December 2014 and 2013 "Restated", the costs and income recognised for construction contracts in progress are as follows:

	2014	2013 "Restated"
Net income:		
Issued invoices	669,527	827,487
Change in:		
- Deferred income - works (Note 40)	52,416	(4,594)
- Accrued income - works (Note 31)	57,167	(22,558)
	779,110	800,335
Net costs:		
Invoiced costs	701,124	749,748
Change in:		
- Provisions for guarantees (Note 37)	1,338	1,924
- Provisions for future losses (Note 37)	759	1,709
	703,221	753,381
Calculated earnings (Note 7):	75,889	46,954

Additionally, as at 31 December 2014 and 2013, the withholdings made by customers relative to construction contracts amounted to 2,494 thousand euros and 928 thousand euros, respectively.

33. CAPITAL

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

As at 31 December 2014, TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A. directly held 203,520,000 shares representing the capital of Teixeira Duarte, S.A., corresponding to 48.46% of its share capital (197,950,000 shares representing the capital, corresponding to 47.13% of its share capital, as at 31 December 2013).

34. RESERVES AND RETAINED EARNINGS

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

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

Free reserves: The free reserves are available for distribution, under the terms and within the limits established in the Commercial Companies Code.

Hedge operation reserve: As described in Note 2.16 g), the hedge operation reserve reflects the effective component (net of the tax effect) of the changes in the fair value of the derivative financial instruments classified as cash flow hedges.

35. NON-CONTROLLING INTERESTS

The movements under this heading during the years ended on 31 December 2014 and 2013 were as follows:

	2014	2013
Opening balance	35,321	73,863
Perimeter alterations (Note 5)	2,586	(1,082)
Currency conversion adjustments	2,076	(1,595)
Dividends	(7,874)	(493)
Acquisition of non-controlling interests (a)	(641)	(29,737)
Other changes in the equity of the participated companies	(74)	(6,407)
Net income for the year attributable to non-controlling interests	(4,336)	772
Closing balance	27,058	35,321

(a) During 2014, the Group acquired the remaining 5% of the participated company "DIGAL – Distribuição e Comércio de Gás, S.A." for the value of 930 thousand euros (Note 30), as well as 5% of companies of the Energy sector for 116 thousand euros, companies that had already been consolidated

During 2013, the Group acquired the remaining 48% of the participated company "C+P.A. – Cimento e Produtos Associados, S.A." for the value of 23,259 thousand euros (Note 30) and 5% of the participated company "DIGAL – Distribuição e Comércio de Gás, S.A." for the value of 928 thousand euros (Note 30), as well as 5% of companies of the Energy sector for 116 thousand euros, companies that had already been consolidated.

36. LOANS

As at 31 December 2014 and 2013, the loans received were as follows:

	2014	2013
Non-current liabilities:		
Bank loans a)	243,200	209,200
Commercial paper b)	503,015	471,780
Debenture loan c)	15,300	-
	761,515	680,980
Current liabilities:		
Bank loans a)	624,788	569,278
Commercial paper b)	98,557	112,348
	723,345	681,626
	1,484,860	1,362,606

a) Bank loans

As at 31 December 2014, the internal bank loans, bank overdrafts and pledged current accounts earned interest at the weighted annual average rate of 4.95% (3.92% as at 31 December 2013).

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

Loan raised from Banco Caixa Geral (Spain), contracted on 11 February 2008 of the value of 13,570 thousand euros on the closing date of 2014, which will fall due on 11 February 2016.

Loan raised from Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A., contracted on 21 February 2008, of the value of 45,937 thousand euros on the closing date of 2014, which will be repaid in 38 equal and successive instalments, ending on 10 December 2033.

Loan taken out by the Group at Caixa Geral de Depósitos, S.A. on 30 December 2008, of the value of 31,879 thousand euros on the closing date of 2014, which will be repaid in 108 equal and successive monthly instalments, ending on 30 December 2023.

Loan raised from Banco Caixa Geral Totta Angola, contracted on 21 December 2011 of the value of 13,528 thousand euros on the closing date of 2014, which will fall due on 28 February 2019.

Loan raised from Banco Espírito Santo de Investimento, S.A. contracted on 29 December 2011, of the value of 943 thousand euros on the closing date of 2014, which will fall due on 27 November 2015.

Loan raised from Banco Bradesco, S.A., contracted on 27 March 2012 of the value of 14,921 thousand euros on the closing date of 2014, which will fall due on 20 September 2015.

Loan raised from Banco BPI, S.A., contracted on 19 July 2012 of the value of 1,830 thousand euros on the closing date of 2014, which will fall due on 19 July 2015.

Loan raised from Banco BIC de Angola, contracted on 09.10.12 of the value of 11,291 thousand euros on the closing date of 2014, which will fall due on 5 December 2019.

Loan raised from Banco BIC de Angola, contracted on 09.10.12 of the value of 24,601 thousand euros on the closing date of 2014, which will fall due on 13 December 2019.

Loan raised from Banco Privado Atlântico de Angola, contracted on 12 October 2012 of the value of 16,950 thousand euros on the closing date of 2014, which will fall due on 18 October 2017.

Loan raised from Banco Popular Portugal, S.A., contracted on 13 December 2012, of the value of 2014 thousand euros on the closing date of 2014. The present principal will be repaid over the contract period, and in accordance with the table of agreed haircuts, by the product of the sale of the mortgaged real estate properties, with the remainder being settled through bullet repayment on 13 December 2015.

Loan raised from Banco Bradesco, S.A., contracted on 21 February 2013 of the value of 7,002 thousand euros on the closing date of 2014, which will fall due on 20 October 2016.

Loan raised from Banco Itaú, contracted on 30.08.13 of the value of 1,251 thousand euros on the closing date of 2014, which will fall due on 20 November 2016.

Loan raised from Banco Itaú, contracted on 28 September 2013 of the value of 6,104 thousand euros on the closing date of 2014, which will fall due on 20 October 2016.

Loan raised from Banco Caixa Geral Totta Angola, contracted on 23.01.14 of the value of 15,689 thousand euros on the closing date of 2014, which will fall due on 30 April 2021.

Loan raised from Banco Angolano de Investimento, contracted on 20 February 2014 of the value of 34,406 thousand euros on the closing date of 2014, which will fall due on 31 October 2020.

Loan raised from Banco BIC de Angola, contracted on 22 September 2014 of the value of 11,767 thousand euros on the closing date of 2014, which will fall due on 31 December 2021.

Loan raised from Banco do Brasil S.A., contracted on 17 October 2014 of the value of 7,800 thousand euros, which shall be repaid on a six-monthly basis with instalments of 1,300 thousand euros.

Loan raised from Caixa Económica Montepio Geral, contracted on 23 October 2014, of the value of 8,000 thousand euros on the closing date of 2014, which will be repaid in 84 constant and successive monthly instalments of principal and interest after a period of grace of twenty-four months, ending on 23 October 2023.

Loan raised from Caixa Económica Montepio Geral, contracted on 23 October 2014 of the value of 3,201 thousand euros on the closing date of 2014, which will be repaid in 60 constant and successive monthly instalments, ending on 23 October 2019.

Loan raised from Novo Banco, S.A., contracted on 24 October 2014 for the value of 7,000 thousand euros, standing at 5,834 thousand euros on the closing date of 2014, which will be repaid in 12 successive monthly instalments, with the first 11 being of 583 thousand euros and the last being 587 thousand euros.

Loan raised from Novo Banco, S.A., contracted on 24 October 2014 of the value of 15,000 thousand euros, the repayment of which shall be made in 3 instalments of 3,000, 5,000 and 7,000 thousand euros falling due on 30 April 2015, 30 September 2015 and 30 April 2016, respectively.

Loan raised from Banco BANRISUL, S.A., contracted on 24 November 2014 of the value of 1,294 thousand euros on the closing date of 2014, which will fall due on 27 November 2016.

Loan raised from Banco CAIXA GERAL, S.A., contracted on 16 December 2014 of the value of 2,760 thousand euros on the closing date of 2014, which will fall due on 18 September 2015.

Loan raised from Banco Caixa Geral Totta Angola, contracted on 31 December 2014 of the value of 11,767 thousand euros on the closing date of 2014, which will fall due on 31 December 2021.

Factoring line from Novo Banco, S.A., of the value of 13,000 thousand euros, which is being used entirely on the closing date of 2014.

Under a commercial discount line for abroad (Venezuela) granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. with Caixa Geral de Depósitos, S.A. of the value of 26,000 thousand dollars of the United States of America, on the closing date of 2014, it was being used to the value of 12,382 thousand dollars of the United States of America, corresponding to 9,644 thousand euros.

Under a commercial discount line for abroad (Algeria) granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. with Caixa Geral de Depósitos, S.A. of the value of 20,000 thousand euros, on the closing date of 2014, which was being used to the value of 16,261 thousand euros.

Under a commercial discount line for abroad (Angola) granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A., TEIXEIRA DUARTE – Distribuição, S.A. and TDO – Investimento e Gestão, S.A. with Caixa Geral de Depósitos, S.A. of the value of 20,000 thousand euros, on the closing date of 2014, which the first two were using to the value of 6,521 and 12,408 thousand euros, respectively.

Under a credit line granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. – Venezuela Branch with Mercantil, C.A. Banco Universal, on 4 April 2013, of the maximum amount of 150,000 thousand Venezuelan bolivars, increased in May 2014 to a maximum limit of 300,000 thousand Venezuelan bolivars, used to the value of 200,000 thousand Venezuelan bolivars on the closing date of 2014 which, at the closing exchange rate of the year, corresponds to 13,728 thousand euros.

Under a credit line granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. – Venezuela Branch with Banco Nacional de Crédito, C.A., on 4 April 2013, of the maximum amount of 175,000 thousand Venezuelan bolivars, increased in May 2014 to a maximum limit of 220,000 thousand Venezuelan bolivars, used to the value of 45,000 thousand Venezuelan bolivars on the closing date of 2014 which, at the closing exchange rate of the year, corresponds to 3,089 thousand euros.

Under a credit line, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. – Venezuela Branch, on 29 July 2013 with CorpBanca, C.A. (which was extinguished as a consequence of its merger by incorporation into Banco Occidental de Descuento, S.A.C.A.), of the maximum amount of 100,000 thousand Venezuelan bolivars, increased to 200,000 thousand Venezuelan bolivars, in May 2014, with approval, in November 2014, of a new extension up to 300,000 thousand Venezuelan bolivars, used to the value of 135,750 thousand Venezuelan bolivars on the closing date of 2014 which, at the closing exchange rate of the year, corresponds to 9,318 thousand euros.

Under a credit line, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. – Venezuela Branch, on 28 October 2013 with Banco Occidental de Descuento, C.A., of the maximum amount of 250,000 thousand Venezuelan bolivars, increased to 300,000 thousand Venezuelan bolivars, in July 2014, with approval, in November 2014, of a new extension up to 450,000 thousand Venezuelan bolivars, used to the value of 70,000 thousand Venezuelan bolivars on the closing date of 2014, against the constitution of collateral by the Company, which, at the closing exchange rate of the year, corresponds to 4,805 thousand euros.

Under a credit line granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. – Venezuela Branch with Banco del Caribe C.A. on 13 February 2014, of the maximum amount of 200,000 thousand Venezuelan bolivars, entirely used, which, at the closing exchange rate of the year, corresponds to 13,278 thousand euros.

Under a credit line granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. – Venezuela Branch in May 2014, with Banesco Universal, C.A. with a maximum ceiling of 150,000 thousand Venezuelan bolivars, used to the value of 50,000 thousand Venezuelan bolivars on the closing date of 2014, which, at the closing exchange rate of the year, corresponds to 3,432 thousand euros.

All the credit lines granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. – Venezuela Branch are negotiated and renegotiated for periods of 12, 18 or 24 months and the amounts used under them earn interest at normal rates for identical operations on the local market, at their dates of use, which are charged on a monthly, quarterly or six-monthly basis, accordingly.

As at 31 December 2014 and 2013, the bank loans also include the pledged accounts of the value of 447,029 and 453,408 thousand euros, respectively.

b) Commercial paper

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

Grouped programme for commercial paper issues, contracted with Banco Espírito Santo de Investimento S.A. and Novo Banco, S.A. on 16 December 2005, of the value of 100,000 thousand euros, corresponding to 46,000 thousand euros on the closing date of 2014, in which TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. take part, with the entire amount being used by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. The participation of each company in the programme may vary each time it is used. The duration of the programme is five years minus one day, counted as of the contract signing date. The issue periods are from 1 to 6 months and earn interest in advance at the Euribor rate of the period plus a spread of 3%, with the repayment of the last issue being on 20 August 2018. This programme stipulates six-monthly repayments starting on 20 August 2015 of the value of 1,000 thousand euros on the first date and 2,500 thousand euros thereafter, and settlement of the remaining value on the repayment date of the last issue of the programme.

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

Programme for commercial paper issues contracted with Banco Comercial Português, S.A. on 20 August 2008, of 12,500 thousand euros, with annual renovation. The interest is earned in arrears, with the rate being indexed to the three-month Euribor plus a spread of 5.75% determined according to each issue date.

Grouped programme for commercial paper issues contracted with Caixa Geral de Depósitos, S.A. on 7 July 2010, of the value of 70,000 thousand euros, in which TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. take part, with the entire amount being used by TEIXEIRA DUARTE – Engenharia e Construções, S.A. The participation of each company in each programme may vary each time it is used. The programme was reduced to 60,000 thousand euros on 28 April 2011 and renewed on 11 May 2012 for a further 3 years counted as of 14 May 2012. The amount on the closing date of 2014 of 50,000 thousand euros, with another repayment of 10,000 thousand having been established for 14 May 2015. The interest is earned in advance on each subscription date, with the intervention rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus 4.25% up to 14 May 2015, 4% from 14 May 2015 up to May 2016, and 3.75% for the remaining period of the programme and determined in accordance with the date of each auction.

Programme for commercial paper issues contracted with Banco Espírito Santo Investimento, S.A. and Novo Banco, S.A. on 28 December 2010, of the amount of 34,000 thousand euros, in which TEIXEIRA DUARTE – Engenharia e Construções, S.A. participates. The programme had an initial use of three years, and is currently subject to the annual renewal. The interest is earned in advance on each subscription date, with the intervention rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus 3% and determined in accordance with the date of each auction.

Grouped programme for commercial paper issues, through private subscription, contracted on 14 January 2011 with Banco Comercial Português, S.A., with the total amount used being 20,750 thousand euros, in which TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. take part, to the amounts of 18,650 thousand euros and 2,100 thousand euros, respectively. The participation of each company in the programme may vary each time the programme is used, with TEIXEIRA DUARTE – Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. The programme has a duration of five years from the contract signing date. Interest is payable semi-annually in arrears and the intervention rate is indexed to one- to six-month Euribor by competitive auction of 7 to 180 days by direct placement plus 4.375% and determined in accordance with the date of each auction, with the repayment of the last issue taking place on 6 January 2016.

Grouped programme for commercial paper contracted on 28 December 2011, with Banco Comercial Português, S.A. of the total amount of 43,000 thousand euros, corresponding to 41,000 thousand euros on the closing date of 2014, in which TEIXEIRA DUARTE, S.A., TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. take part, where on this date the amounts used by each were 500 thousand euros, 500 thousand euros and 40,000 thousand euros, respectively. Each of the issues must necessarily be carried out together by all the issuers and the participation of each issuer cannot be less than 250 thousand euros. The programme shall be enforced up to 30 December 2021, with repayments being foreseen at the end of each semester at increasing values between 2,000 thousand euros and 3,000 thousand euros, with the exception of the last repayment which shall be 5,500 thousand euros. The applicable interest rate is the Euribor for each issue period, in force on the second business day prior to its beginning, increased by a spread of 4.25%.

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

Grouped programme for commercial paper issues, contracted on 30 December 2013 with Novo Banco, S.A. and Banco Espírito Santo de Investimento, S.A., of the value of 200,500 thousand euros on the closing date of 2014, granted by the issuers TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., and by the guarantors TEDAL - Sociedade Gestora de Participações Sociais, S.A., TEIXEIRA DUARTE - Engenharia e Construções, S.A., QUINTA DO CRAVEL - Imobiliária, S.A., and V8 - Gestão Imobiliária, S.A., which is being entirely used by TEIXEIRA DUARTE - Engenharia e Construções, S.A. The participation of each company in each programme may vary in each of its issues. The duration of the programme is five years minus 1 day, counted as of the contract signing date, with the interest falling due in advance and the reference rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus a spread of 5% and determined according to the date of each auction, with the repayment of the last issue being on 29 November 2018. The Programme will be subject to partial repayments, to occur on a semi-annual basis as of April 2014 of 1,250 thousand euros, on December 2015 of 8,000 thousand euros, and as of June 2016 of 5,000 thousand euros.

Grouped programme for commercial paper issues contracted on 2 May 2014 with Banco Finantia, S.A., of the value of 20,000 thousand euros, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., which, on the closing date of 2014, is being used entirely by TEIXEIRA DUARTE - Engenharia e Construções, S.A., and where the participation of each issuer may vary upon each issue. The programme has a duration of 3 years, and the issue period may vary from 7 to 365 days. Interest is payable in arrears at the rate corresponding to that arising from direct placement or the respective intervention rate which would be equal to the Euribor applicable to the issue period plus 4.7%.

Grouped programme for commercial paper issues contracted on 27 June 2014 with Banco Comercial Português, S.A. of the value of 55,000 thousand euros, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. The programme has a duration of 5 years, and the issue period may vary from one to three months. Interest is payable in arrears at the rate corresponding to the Euribor applicable to the issue period plus 6%.

Grouped programme for commercial paper issues contracted on 18 November 2014 with Banco BIC Português, S.A. of the value of 5,000 thousand euros, granted by TEIXEIRA DUARTE, S.A., TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. The programme is valid up to 2 January 2020, and the issue period may vary from one to six months. Interest is payable in arrears at the rate corresponding to the Euribor applicable to the issue period plus 3.25%.

Due to the commitment of successive renewal of the programme contracts during the year, some existing issues as at 31 December 2014 and 2013 are classified as non-current liabilities.

c) Debenture Loan

TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. have signed, with Banco Comercial Português, S.A., a Contract for Provision of Services of Assistance and Placement of a Private Offer of Issue of Bonds, as well as the Contract of Paying Agent relative to the Grouped Issue by Private Subscription of Bonds of the value of 15,300 thousand euros (1,500 thousand euros of TEIXEIRA DUARTE - Engenharia e Construções, S.A. and 13,800 thousand euros of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.) called "TEIXEIRA DUARTE - Engenharia e Construções, S.A. / TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. - 2014/2021". The interest is paid quarterly at the rate of 4.57% and the repayment is made at par value in three instalments of equal amount which fall due on 2 April 2019, 2 April 2020 and 2 April 2021.

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

	2014	2013
2015	-	164,209
2016	137,032	82,051
2017	98,781	46,190
2018	346,910	323,461
2019	68,901	18,760
2020 and following	109,891	46,309
	761,515	680,980

As at 31 December 2014 and 2013, the funding in foreign currency was expressed in the following currencies:

Currency	2014		2013	
	Currency	Euros	Currency	Euros
Venezuelan Bolivar	935,082	64,182	409,000	47,134
US Dollar	21,553	17,752	80,572	58,423
Moroccan Dirham	7,034	642	-	-
Angolan Kwanza	21,262,829	169,952	12,754,485	94,764
South Africa Rand	2,264	161	1,117	77
Brazilian Real	110,391	34,275	40,487	12,428

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

37. PROVISIONS

The movement in the accumulated provisions during the years ended on 31 December 2014 and 2013 "Restated" was as follows:

	Provisions for legal and tax risks	Other provisions related to the staff	Bonds to customers (Note 32)	Lawsuits	Losses in works (Note 32)	Other provisions for risks and charges	Total
Balance as at 31.12.12 "Restated"	-	8,675	20,091	609	2,766	4,007	36,148
Perimeter alteration	-	-	-	(223)	-	(653)	(876)
Currency conversion adjustments	-	-	(110)	(139)	(847)	-	(1,096)
Reinforcements	360	8,173	8,760	112	3,906	32,623	53,934
Reductions	-	-	(6,306)	(92)	(499)	(849)	(7,746)
Uses	-	(6,847)	(420)	-	-	(172)	(7,439)
Transfers	-	-	-	-	(851)	860	9
Balance as at 31 December 2013 "Restated"	360	10,001	22,015	267	4,475	35,816	72,934
Perimeter alteration (Note 5)	-	-	-	-	-	204	204
Currency conversion adjustments	8	-	437	116	(22)	34	573
Reinforcements	89	7,447	1,326	1,382	3,701	18,487	32,432
Reductions	-	-	(319)	-	(2,920)	(27,817)	(31,056)
Uses	-	(8,224)	(106)	-	-	(4,662)	(12,992)
Balance as at 31 December 2014	457	9,224	23,353	1,765	5,234	22,062	62,095

The reinforcements and reductions were made against:

	2014			2013 "Restated"		
	Reinforcements	Reductions	Total	Reinforcements	Reductions	Total
Net income for the year:						
Provisions	13,812	(30,850)	(17,038)	43,581	(6,899)	36,682
Staff costs	8,143	(157)	7,986	8,260	(382)	7,878
Earnings from associates and joint ventures	10,431	-	10,431	1,884	(50)	1,834
Other operating costs	46	(49)	(3)	-	-	-
Equity	-	-	-	209	(415)	(206)
	32,432	(31,056)	1,376	53,934	(7,746)	46,188

During the year ended on 31 December 2014, negative goodwill of 29,331 thousand euros, relative to the acquisition of the participated company "TEGAVEN - Teixeira Duarte y Asociados, C.A." was recorded under the heading "Provisions and impairment losses in depreciable and amortisable assets and Goodwill".

Also, in the year ended on 31 December 2014, impairments of tangible fixed assets were recorded under the heading "Provisions and impairment losses in depreciable and amortisable assets and Goodwill", of the value of 13,396 thousand euros.

38. SUPPLIERS AND OTHER PAYABLES

As at 31 December 2014 and 2013 "Restated", these headings were broken down as follows:

	Current		Non-current	
	2014	2013 "Restated"	2014	2013 "Restated"
Other payables	52,978	83,927	455	9,833
Suppliers				
Suppliers - current account	187,388	167,002	-	-
	187,388	167,002	-	-

39. FINANCIAL LEASES

As at 31 December 2014 and 2013, the total net value of the assets acquired under finance leases amounted to:

	2014	2013
Land and natural resources	2,423	2,558
Buildings and other constructions	180,796	194,045
Basic equipment	21,713	21,718
Transport equipment	5,302	3,853
Tools and utensils	33	18
Administrative equipment	191	191
Other tangible fixed assets	1,384	1,703
Industrial property	-	12
	211,842	224,098

As at 31 December 2014 and 2013, the present value of the minimum financial lease payments fell due as follows:

	2014	2013
2014	-	21,634
2015	20,144	18,392
2016	18,358	16,465
2017	16,557	14,360
2018	15,293	13,779
After 2018	121,168	121,066
	191,520	205,696

As at 31 December 2014, the Group had contracted a sale and leaseback operation involving the Lagoas Park undertaking, which is essentially recorded as an investment property (Note 22). The ownership of lots 7, 8, 9, 10, 11, 12, 15, 16 and 23 of this enterprise was transferred in order to secure this operation (Note 42).

The financial lease contracts earn interest at market rates and have a defined duration.

The financial liabilities due to leases are secured by the ownership of the leased assets.

40. OTHER CURRENT AND NON-CURRENT LIABILITIES

As at 31 December 2014 and 2013 "Restated", these headings were broken down as follows:

	Current		Non-current	
	2014	2013 "Restated"	2014	2013 "Restated"
State and other public bodies:				
Corporate Income Tax (IRC)	-	904	-	-
Income Tax Withholdings	4,181	3,462	-	-
Value Added Tax	14,799	26,061	-	-
Social Security Contributions	4,001	4,682	-	-
Other	5,697	5,547	-	-
	28,678	40,656	-	-
Associates, participated companies and other shareholders:				
Associates	7	128	-	-
Participated companies	358	115	-	-
Other shareholders	86	4,638	10	-
	451	4,881	10	-
Accrued costs:				
Insurance payable	98	112	-	-
Remunerations payable	33,677	22,385	-	-
Interest payable	4,527	2,263	-	-
Other costs payable	33,783	40,232	-	-
	72,085	64,992	-	-
Deferred income:				
Work invoiced and not executed (Note 32)	52,485	104,901	-	-
Other deferred income	9,771	16,670	1,904	2,731
	62,256	121,571	1,904	2,731
Other:				
Advances from customers	159,942	147,447	90,686	70,149
Advances on account of sales	472	371	27	26
Derivative financial instruments (Note 41)	-	-	17,375	11,000
	160,414	147,818	108,088	81,175
	323,884	379,918	110,002	83,906

41. DERIVATIVE FINANCIAL INSTRUMENTS

As at 31 December 2014 and 2013, the Group had contracted a derivative financial instrument to minimise the risks of exposure to changes in interest rate, consisting of an interest rate swap contract.

These instruments are contracted by considering the risks affecting the assets and liabilities and after checking which instruments available on the market are the most appropriate to cover these risks.

These operations, the contracting of which is subject to prior approval by the Board of Directors, are permanently monitored, particularly through the analysis of various indicators relative to these instruments, in particular the trend of their market value and sensitivity of the forecast cash flows and of the actual market value to changes in key variables that condition the structures, for the purpose of evaluating their financial effects.

Derivative financial instruments are recorded in accordance with the provisions of "IAS 39" and measured at fair value, which is based on assessments made by financial institutions. The existing derivative financial instrument as at 31 December 2014 and 2013 was assessed by an independent company external to the Group through appropriate methodologies and techniques, commonly used by the experts for each type of instrument contracted by the Group.

These are qualified as hedge instruments or instruments held for trading, pursuant to the provisions in "IAS 39".

Derivative financial instruments qualified as hedges

As at 31 December 2014 and 2013, an interest rate swap had been contracted at a fixed rate, which will fall due on 1 July 2033, for the purpose of hedging against the risk of interest rate volatility of the loan contracted with Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A. indicated in Note 36.

The fair value of this instrument as at 31 December 2014 and 2013 reached 17,375 thousand euros and 11,000 thousand euros, respectively, unfavourable to the Group, which is recognised in the heading "Other non-current liabilities" (Note 40).

In view of the provisions of IAS 39, this instrument was initially recorded as a trading derivative financial instrument since it does not meet all of the requirements for the application of hedge accounting. Up to 31 December 2009, the changes in the fair value of this trading instruments were recorded directly in the income statements of the periods when they occurred.

As of 1 January 2010, these requirements were met and, therefore, the derivative was then recorded as a cash flow hedge. Hence, during the years ended on 31 December 2014 and 2013, the effective component of the change of the hedging instrument was recognised in the Hedge operation reserve, at the value of (5,161) and 2,706 thousand euros, net of the tax effect, respectively.

The main information underlying the determination of the fair value of this instrument as at 31 December 2014 was as follows:

Days	Euribor	Dates	Updating Factor
3	0.08000%	05-01-2015	0.9999889
31	0.01800%	05-02-2015	0.9999734
92	0.07800%	07-04-2015	0.9997896
182	0.17100%	06-07-2015	0.9991251
365	0.32500%	05-01-2016	0.9967046
731	0.17500%	05-01-2017	0.9965008
1096	0.22110%	05-01-2018	0.9933855
1463	0.28440%	07-01-2019	0.9886676
1827	0.36000%	06-01-2020	0.9821323
2192	0.44200%	05-01-2021	0.9737729
2557	0.52800%	05-01-2022	0.9635843
2922	0.62400%	05-01-2023	0.9510309
3287	0.72100%	05-01-2024	0.9366670
3654	0.81200%	06-01-2025	0.9211742
4018	0.90250%	05-01-2026	0.9042519
4383	0.97650%	05-01-2027	0.8877333
4748	1.04320%	05-01-2028	0.8709796
5114	1.09200%	05-01-2029	0.8556015
5481	1.14800%	07-01-2030	0.8385173
5845	1.18700%	06-01-2031	0.8232865
6209	1.22500%	05-01-2032	0.8077621
6575	1.26100%	05-01-2033	0.7921243
6940	1.28900%	05-01-2034	0.7774869
7305	1.32100%	05-01-2035	0.7618985
7672	1.33800%	07-01-2036	0.7487604
8036	1.36000%	05-01-2037	0.7346933
8401	1.38000%	05-01-2038	0.7208443
8766	1.39000%	05-01-2039	0.7089668
9131	1.41200%	05-01-2040	0.6945536
9499	1.41900%	07-01-2041	0.6832897
9863	1.43100%	06-01-2042	0.6710356
10227	1.44300%	05-01-2043	0.6587971
10592	1.45200%	05-01-2044	0.6472707
10958	1.46100%	05-01-2045	0.6357954
11323	1.47920%	05-01-2046	0.6265278
11690	1.48550%	07-01-2047	0.6174191
12054	1.49100%	06-01-2048	0.6085234
12419	1.49610%	05-01-2049	0.5997574
12784	1.50110%	05-01-2050	0.6054775
13149	1.50610%	05-01-2051	0.6110394
13514	1.51110%	05-01-2052	0.6165119
13879	1.51570%	04-01-2053	0.6218656
14244	1.51970%	04-01-2054	0.6312772
14609	1.51200%	04-01-2055	0.6407064

42. CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Contingent liabilities:

Following various inspections conducted by the Taxation and Customs Authority (AT) to the accounts of TEIXEIRA DUARTE – Gestão de Participações Investimentos Imobiliários, S.A., a company 100% held indirectly by TEIXEIRA DUARTE, S.A. relative to the financial years of 2007 to 2012, the following corrections were made to the tax losses that had initially been reported for this participated company:

Year	Calculated tax loss	AT correction
2007	46,632	29,331
2008	50,590	45,938
2009	50,182	24,807
2010	18,165	6,467
2011	12,779	3,213
2012	13,294	3,971

With the exception of the amounts of 611 and 1,666 thousand euros, included in the correction to the tax loss for 2008 and 2012, respectively (and relative, according to the AT, to the undue application of number 10 of article 22 of the EBF to the distribution of income by the TDF Closed Real Estate Investment Fund), these corrections arise entirely from the non-acceptance, as a tax cost, of the financial costs incurred with the investment made in participated companies under the form of additional paid-in capital.

Since TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. is subject to corporate income tax (IRC) in accordance with the special taxation scheme for groups of companies (RETGS) (article 69 and following of the IRC Code), the corrections to the tax losses for the years of 2007 to 2011 were subject to additional IRC tax assessments and compensatory interest issued to the controlling company of these years, TEIXEIRA DUARTE – Engenharia e Construções, S.A. This company objected, under the terms of the law, to the corrections made by the Taxation and Customs Authority to the years of 2007 to 2010, and is currently preparing an identical proceeding in relation to the corrections for the year of 2011.

Notwithstanding the unfavourable outcome to the claims of TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., and, consequently, the controlling company, under the proceedings relative to the year of 2006 on the acceptance, as a tax cost, of the financing costs incurred with the investment made in participated companies under the form of additional paid-in capital, the Board of Directors continues to expect a different outcome for the other years subject to corrections.

In addition to the corrections described above relative to the participated company TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., the following corrections made by the AT to the participated company TEIXEIRA DUARTE – Engenharia e Construções, S.A. are disclosed:

- Correction of the taxable amount calculated for the year of 2008, amounting to 35,467 thousand euros, of which TEIXEIRA DUARTE – Engenharia e Construções, S.A. objected to 32,595 thousand euros, related to tax credit, the system of re-investment of tax gains and the undue application of number 10 of article 22 of the EBF;
- Correction of the tax credit due to international double taxation calculated for the year of 2010, amounting to 1,519 thousand euros, which TEIXEIRA DUARTE – Engenharia e Construções, S.A. shall object to concerning 461 thousand euros, due to the way that the AT is calculating the amount established in subparagraph b) of number 1 of article 91 of the IRC Code;

Guarantees:

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

	2014	2013 "Restated"
Bank guarantees provided	460,269	326,831
Fidelity insurance	360,865	379,078

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

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

For the effect of suspension of the tax enforcement proceedings filed against the participated company TEIXEIRA DUARTE – Engenharia e Construções, S.A., relative to the corporate income tax debt for the year of 2008, in the meantime contested, a bank guarantee has been issued, in favour of the AT, for the amount of 14,752 thousand euros. Subsequently, TEIXEIRA DUARTE – Engenharia e Construções, S.A. applied for the replacement of the bank guarantee for a security, which was refused by the AT, which TEIXEIRA DUARTE, S.A. contested under the legal terms, having received a favourable decision from the South Administrative Central Court, and its enforcement as the final decision is pending.

For the effect of suspension of the tax enforcement proceedings filed against the participated company TEIXEIRA DUARTE – Engenharia e Construções, S.A., relative to the corporate income tax debt for the year of 2010, in the meantime contested, TEIXEIRA DUARTE, S.A. submitted a security, of the value of 10,139 thousand euros, which was accepted by the Taxation and Customs Authority.

A mortgage was also constituted in favour of Caixa Geral de Depósitos, S.A. on lot 3, situated in Lagoas Park, owned by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., to secure a loan contract granted by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. of the value of 31,879 thousand euros on the closing date of 2014.

In order to secure a contract signed with Banco Caixa Totta Angola, of the present value of 15,528 thousand euros on the closing date of 2014, HOTEL BAÍA, Lda. mortgaged a property owned by it, number 256 – 1st section, located in Chicala.

In order to secure a contract signed with BIC, of the value of 11,291 thousand euros on the closing date of 2014, ANGOIMO – Empreendimentos e Construções, Lda. mortgaged a property owned by it, number 2554, located in Samba.

In order to secure a contract signed with BIC, of the value of 24,601 thousand euros on the closing date of 2014, ANGOIMO – Empreendimentos e Construções, Lda. mortgaged a property owned by it, number 2554, located in Samba.

In order to secure a contract signed with BIC, of the value of 11,767 thousand euros on the closing date of 2014, ANGOIMO – Empreendimentos e Construções, Lda. mortgaged a property owned by it, number 354, located in Samba.

In order to secure a contract signed with Banco Angolano de Investimentos, of the value of 34,406 thousand euros on the closing date of 2014, CND – Companhia Nacional de Distribuição, Lda. mortgaged a property owned by it, number 123 and 874, located respectively at Ingombotas and Sambizanga.

In order to secure a contract signed with Banco Caixa Geral Totta Angola, of the value of 11,767 thousand euros on the closing date of 2014, ANGOIMO – Empreendimentos e Construções, Lda. mortgaged a property owned by it, number 187, located in Ingombotas.

In order to secure a contract signed with Banco Caixa Geral Totta Angola, of the value of 15,689 thousand euros on the closing date of 2014, HOTEL TRÓPICO, S.A. mortgaged a property owned by it, number 1826, located in Ingombotas.

In order to secure a loan contract signed with Banco BPI, S.A., of the value of 1,830 thousand euros on the closing date of 2014, TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. mortgaged 8 units of the property located at Campo Grande, number 9 in Lisbon.

In order to secure the commercial paper contract signed with Banco Comercial Português, S.A., of the value of 41,000 thousand euros on the closing date of 2014, granted by TEIXEIRA DUARTE, S.A., TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., mortgaged the properties implanted respectively on lots 6, 18 and 19, located in Lagoas Park, owned by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.

In order to guarantee the loan of the value of 2,905 thousand euros on the closing date of 2014, concluded with Banco Popular Portugal, S.A. on 13 December 2012, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A., TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários S.A., QUINTA DE CRAVEL – Imobiliária, S.A. and V8 – Gestão Imobiliária, S.A., V8 – Gestão Imobiliária, S.A. mortgaged the fractions it owns of the urban property located on Rua de Castro Portugal, numbers 497 and 511; Rua Professora Rita Lopes Ribeiro Fonseca, numbers 28, 34, 40, 46, 52, 58, 64, 70, 76, 80, 94 and 96; and Rua Doutor Miguel Assunção Lopes, number 15, Locality and Parish of Vila Nova de Gaia, as well as the fractions of the urban property called lot 14, located on Rua Guilherme Duarte Camarinha, numbers 30, 38, 42, 48, 54, 62, 70 and 74, and Rua Professora Rita Lopes Ribeiro Fonseca, numbers 12 and 18, Locality of Candal, Parish of Vila Nova de Gaia, for the total value of 2,905 thousand euros.

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

In order to secure the loan contract signed with Banco Caixa Geral, S.A., of the value of 13,570 thousand euros on the closing date of 2014, granted by RECOLTE, Servicios y Medioambiente, S.A.U., RECOLTE, Servicios y Medioambiente, S.A.U. pledged 2,000,000 shares of Banco Bilbao Vizcaya Argentaria, S.A..

In order to secure the commercial paper contract signed with Banco Espírito Santo Investimento, S.A. and Novo Banco, S.A. of the value of 46,000 thousand euros, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. and TEDAL – Sociedade Gestora de Participações Sociais, S.A. pledged 325,000,000 and 32,000,000 shares of Banco Comercial Português, S.A., respectively.

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

In order to secure the commercial paper contract signed with Caixa Geral de Depósitos, S.A. of the value of 70,000 thousand euros, corresponding to 50,000 thousand euros on the closing date of 2014, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. pledged 4,675,000 participation units of the TDF Closed Real Estate Investment Fund.

In order to secure the commercial paper contract signed with Banco Espírito Santo de Investimento, S.A. and Novo Banco, S.A., of the value of 34,000 thousand euros, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. pledged 1,000,000 shares in TDGI - Tecnologia de Gestão de Imóveis, S.A..

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

In order to secure debts to third parties, of the value of 14 thousand euros, IMOTD - Sociedade Gestora de Participações Sociais, S.A. pledged 14,000 shares of V8 - Gestão Imobiliária, S.A.

In order to secure the loan contract granted by TDHOSP - Gestão de Edifício Hospitalar, S.A. of the value of 45,937 thousand euros on the closing date of 2014, TEIXEIRA DUARTE - Engenharia e Construções, S.A. pledged to Caixa Geral de Depósitos, S.A. and Caixa Banco de Investimentos, S.A. 1,540,000 shares in TDHOSP - Gestão de Edifício Hospitalar, S.A. Under the same loan contract, TEIXEIRA DUARTE - Engenharia e Construções, S.A., as shareholder, pledged the credit rights over TDHOSP - Gestão de Edifício Hospitalar, S.A..

In order to secure the loan contract concluded with Caixa Económica Montepio Geral, of the value of 3,201 thousand euros on the closing date of 2014, granted by DIGAL - Distribuição e Comércio, S.A., DIGAL - Distribuição e Comércio, S.A. constituted a commercial pledge over equipment of the value of 3,394 thousand euros.

In order to secure the loan contract signed with Caixa Económica Montepio Geral, of the value of 8,000 thousand euros, granted by PPS - Produtos Petrolíferos, S.A., TDARCOL - Sociedade Gestora de Participações Sociais, S.A. pledged the shares of PPS - Produtos Petrolíferos, S.A..

Financial commitments:

As at 31 December 2014 and 2013, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached 546,054 thousand euros and 475,758 thousand euros, respectively.

As at 31 December 2014 and 2013, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of 11,609 and 99,829 thousand euros, respectively. According to the contractual conditions, the Group's liability is essentially restricted to the guaranteed acceptance of the invoices object of the factoring on the part of the customers.

43. FINANCIAL RISK MANAGEMENT

General principles:

The Group is exposed to a number of financial risks arising from its activities, among which the following deserve special mention:

- interest rate risks arising from financial liabilities;
- exchange rate risk arising mainly from the existence of operations and assets located outside the Euro zone, namely in Angola, Algeria, Brazil, Macao, Morocco, Mozambique, Namibia, Russia and Venezuela;
- credit risk, particularly from amounts receivable from customers related to the Group's operating activities;
- liquidity risk, as regards the maintenance of cash balance stability.

The Group's Financial Department ensures the centralised management of the financing operations, applications of cash surplus, currency conversion transactions, as well as the counterpart risk of the Group. In addition to the above, it is responsible for identifying, measuring, proposing and implementing measures to manage/mitigate the financial risks to which the Group is exposed.

The main financial risks to which the Group is exposed and the main measures implemented to manage them are analysed in greater detail below.

Interest rate risk

The objective of the interest rate risk management policy is the minimisation of the cost of debt subject to the maintenance of a low level of volatility of financial costs.

As at 31 December 2014, 84% of the financial liabilities had a variable interest rate (86% as at 31 December 2013) and 16% had a fixed interest rate (14% as at 31 December 2013).

Had the market interest rates been higher (lower) by 1% during the year ended on 31 December 2014 and 2013, the financial results of these years would have (decreased) increased by (14,610) / 14,610 thousand euros and (13,463) / 13,463 thousand euros, respectively.

Exchange rate risk

The Group's operating activities are exposed to variations in the euro exchange rate against other currencies.

Moreover, considering the different countries in which the Group operates, its exposure to exchange rate risk arises from the fact that its subsidiaries report their assets and liabilities in currencies other than the reporting currency, namely in Angola, Algeria, Brazil, Macao, Morocco, Mozambique, Namibia, Russia and Venezuela.

The exchange rate risk management policy followed by the Group is ultimately aimed at reducing the sensitivity of the Group's net income to currency fluctuations.

The monetary assets and liabilities denominated in foreign currency, converted into euros as at 31 December 2014 and 2013, were as follows:

Currency	Assets		Liabilities	
	2014	2013	2014	2013
Venezuelan Bolivar	42	-	110,653	44,890
Algerian Dinar	7,207	15,456	84,180	35,630
Moroccan Dirham	-	-	3,109	-
Tunisian Dinar	-	-	121	-
US Dollar	411,139	489,410	547,531	479,144
Australian Dollar	-	-	44	155
Canadian Dollar	-	-	-	104
Namibian Dollar	-	-	1,819	1,726
Japanese Yen	4,974	5,321	71	382
Pound Sterling	1,662	-	-	-
Angolan Kwanza	4,812	-	12,600	-
Mozambican Metical	33,164	1,914	25,840	9,960
Macaense Pataca	-	-	168	138
South African Rand	-	-	82	16
Brazilian Real	4,100	-	24,251	26,391
Russian Rouble	-	-	3,156	2,828
	467,100	512,101	813,625	601,364

Exchange rate risk management is based on the continuous measurement and monitoring of relevant financial and accounting exposures.

The possible impacts generated in the heading "Currency conversion adjustments" as at 31 December 2014 and 2013 and in the net income for the years ended on that date, if there was a 5% appreciation of the currencies referred to above, can be summarised as follows:

Currency	2014		2013	
	Profit or loss	Equity	Profit or loss	Equity
Venezuelan Bolivar	(5,530)	-	(2,245)	-
Algerian Dinar	(3,849)	-	(1,009)	-
Moroccan Dirham	(155)	-	-	-
Tunisian Dinar	(6)	-	-	-
US Dollar	(6,820)	-	513	-
Australian Dollar	(2)	-	(8)	-
Canadian Dollar	-	-	(5)	-
Namibian Dollar	(91)	-	(86)	-
Japanese Yen	245	-	247	-
Pound Sterling	83	-	-	-
Angolan Kwanza	(389)	-	-	-
Mozambican Metical	366	-	(402)	-
Macaense Pataca	(8)	-	(7)	-
South African Rand	(4)	-	(1)	-
Brazilian Real	(1,008)	-	(1,320)	-
Russian Rouble	(158)	-	(141)	-
	(17,326)	-	(4,464)	-

The Board of Directors considers that the sensitivity analysis presented above, based on the position on the stated dates, may not be representative of the exchange rate risk exposure to which the Group is subject throughout the year.

Credit risk

Credit risk is primarily related to the balances receivable from customers and other receivables related to the Group's operating activities. The deterioration of global economic conditions or adversities that affect the economies on a local, national or international scale may result in the inability of the Group's customers to meet their obligations, with possible negative effects on the Group.

This risk is monitored on a regular basis by each of the Group's businesses for the purpose of:

- limiting credit granted to customers, considering their profile and age of the account receivable;
- monitoring the evolution of the level of credit granted;
- analysing the recoverability of receivables on a regular basis;
- the impairment losses of the accounts receivable are calculated considering:
 - the analysis of the age of the accounts receivable;
 - the customer's risk profile;
 - the customers' financial situation.

As at 31 December 2014 and 2013, the Board of Directors believes that the estimated impairment losses of the accounts receivable are adequately disclosed in the financial statements.

As at 31 December 2014 and 2013 "Restated", the accounts receivable from customers (Note 28) for which no impairment losses were recorded, because the Board of Directors considered that they are achievable, are as follows:

	2014	2013 "Restated"
Balances		
Not due	199,687	204,414
Up to 180 days	154,028	136,392
180 to 360 days	39,304	31,796
Over 360 days	112,284	172,757
	505,303	545,359

The credit quality of the accounts receivable which are not yet due included in the table above is monitored on a regular basis, based on the objectives described above.

Liquidity risk

This risk can occur if the sources of financing, such as the cash flows from operating activities, divestment, credit lines and from financing operations, do not meet the financing needs, such as the cash outflows for operating and financing activities, investments, remuneration of shareholders and debt repayment.

In order to mitigate this risk, the Group seeks to maintain a liquidity position and an average maturity of debt that allows it to repay its debt within reasonable periods of time.

Financial liabilities maturing within one year are replaced with medium and long term maturities as deemed appropriate.

The maturity of the financial liabilities as at 31 December 2014 and 2013 "Restated" is as follows:

	2014				Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Loans	723,345	137,032	98,781	525,702	1,484,860
Suppliers	187,388	-	-	-	187,388
Financial leases	20,144	18,358	16,557	136,461	191,520
Other payables	52,978	64	96	295	53,433
Other liabilities	323,884	67,481	31,996	10,525	433,886
	1,307,739	222,935	147,430	672,983	2,351,087

	2013 "Restated"				Total
	Up to 1 year	1 to 2 years	2 to 3 years	Over 3 years	
Loans	681,626	164,209	82,051	434,720	1,362,606
Suppliers	167,002	-	-	-	167,002
Financial leases	21,634	18,392	16,465	149,205	205,696
Other payables	83,927	1,498	1,436	6,899	93,760
Other liabilities	379,918	46,680	20,713	16,513	463,824
	1,334,107	230,779	120,665	607,337	2,292,888

As at 31 December 2014 and 2013 "Restated", the amount of available cash and the unused amount of the commercial paper programme and credit lines reached 463,914 thousand euros and 391,340 thousand euros, respectively.

44. FINANCIAL ASSETS AND LIABILITIES UNDER IAS 39

The accounting policies established in IAS 39 for financial instruments were applied to the following items:

2014						
	Loans and accounts receivable	Financial assets available for sale	Other financial liabilities and loans	Financial assets / liabilities at fair value against profit or loss	Derivative hedge instruments	Total
Assets:						
Cash and cash equivalents	191,477	-	-	-	-	191,477
Customers	505,303	-	-	-	-	505,303
Financial assets available for sale	-	59,887	-	-	-	59,887
Other investments	-	17,051	-	4,421	-	21,472
Other receivables	74,665	-	-	-	-	74,665
Other assets	241,319	-	-	-	-	241,319
Total financial assets	1,012,764	76,938	-	4,421	-	1,094,123
Liabilities:						
Loans	-	-	1,484,860	-	-	1,484,860
Suppliers	-	-	187,388	-	-	187,388
Other payables	-	-	53,433	-	-	53,433
Other liabilities	-	-	323,673	-	17,375	341,048
Financial leases	-	-	191,520	-	-	191,520
Total financial liabilities	-	-	2,240,874	-	17,375	2,258,249

2013 "Restated"						
	Loans and accounts receivable	Financial assets available for sale	Other financial liabilities and loans	Financial assets / liabilities at fair value against profit or loss	Derivative hedge instruments	Total
Assets:						
Cash and cash equivalents	186,441	-	-	-	-	186,441
Customers	545,359	-	-	-	-	545,359
Financial assets available for sale	-	84,613	-	-	-	84,613
Other investments	-	13,033	-	2,566	-	15,599
Other receivables	69,412	-	-	-	-	69,412
Other assets	186,741	-	-	-	-	186,741
Total financial assets	987,953	97,646	-	2,566	-	1,088,165
Liabilities:						
Loans	-	-	1,362,606	-	-	1,362,606
Suppliers	-	-	167,002	-	-	167,002
Other payables	-	-	93,760	-	-	93,760
Other liabilities	-	-	287,866	-	11,000	298,866
Financial leases	-	-	205,696	-	-	205,696
Total financial liabilities	-	-	2,116,930	-	11,000	2,127,930

45. MEASUREMENT AT FAIR VALUE

Estimated fair value - assets and liabilities measured at fair value

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

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

Category	Item	Level 1	Level 2	Level 3
Assets:				
Financial assets available for sale	Shares	59,887	-	-
Financial assets at fair value through profit or loss	Shares	4,421	-	-
Investment properties	Buildings and land	-	482,185	-
Liabilities:				
Financial liabilities at fair value	Hedge derivatives	17,375	-	-

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

Regarding loans, as demonstrated in Note 36, most loans are taken out at variable interest rates. Therefore, it is deemed that the corresponding book value (amortised cost) does not differ significantly from the corresponding market value.

46. FEES AND SERVICE OF THE AUDITORS

During the years ended on 31 December 2014 and 2013 "Restated", the fees for services provided by the Group's auditors were as follows:

	2014	2013 "Restated"
Legal accounts review services	463	445
Other reliability assurance services	-	48
Tax advisory services	140	14
Other services	-	-
	603	507

47. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year ended on 31 December 2014 were approved by the Board of Directors at its meeting held on 24 April 2015, although they are still subject to approval, under the commercial legislation in force in Portugal, by the General Meeting of Shareholders, which is scheduled for 30 May 2015.

48. SUBSEQUENT EVENTS

Teixeira Duarte pursued its activity in the different sectors and markets in which it operates, where note should be made of the following relevant fact which occurred after the closing of the financial year, and was disclosed in due time to the market:

Contract for the Execution of Work in Algeria, of the value of 204 million euros

The enterprise group, led by "Teixeira Duarte - Engenharia e Construções, S.A." with a 47.5% stake, received the contract and respective service order on 8 April from "Agence Nationale des Autoroutes" of Algeria, for the execution of the "Réalisation de la Liaison Autoroutière Reliant le Port de Ténès à l'Autoroute Est-Ouest sur 22 kms (Wilaya de Chlef) en 2x3 voies".

The established execution period of this work is 24 months and its total value is 204 million euros, increased by VAT at the legal rate in force, where 38.3% will be paid in euros and the remaining 61.7% in Algerian dinar. Pursuant to its share in the aforesaid enterprise group, the Teixeira Duarte Group is entitled to receive 96.9 million euros.

Reports, Opinions and Certifications of the Supervisory Bodies **2014**



Report and Opinion of the Supervisory Board

Dear Shareholders,

Pursuant to subparagraph g) of article 420 of the Portuguese Commercial Companies Code, we present our audit report, our opinion on the individual and consolidated annual report of TEIXEIRA DUARTE, S.A. relative to the year ended on 31 December 2014, approved by the Board of Directors on 29 May 2015, as well as the proposed appropriation of net income. This document also includes the statement of responsibility referred to in subparagraph c) of number 1 of article 245 of the Securities Market Code.

Under our duties and competences we have followed the activity developed by the Group, namely through the regular participation of the chairman of the Supervisory Board in meetings of the Board of Directors and other meetings and contacts with the Management, staff and other senior members of the Group, as well as with the Chartered Accountants. The Supervisory Board also held periodic meetings, where the following was undertaken:

- supervision of the Company's management and verification of compliance with the law and memorandum of association;
- follow-up of the management of the Group's companies;
- analysis of the documents presenting the accounts, accounting policies and valuation criteria adopted by the Company, in order to ensure that they lead to a correct valuation of its financial position and net income;

Under the competence legally entrusted to us, we have found that:

- the management report provides a clear overview of the key aspects of the business evolution, performance and financial position of the Company and Group;
- the individual and consolidated financial statements and respective notes present a true and fair view of the financial situation of the Company and Teixeira Duarte Group, respectively.

Under these terms, in view of the information provided to us by the Board of Directors and by the Company's Services, as well as the conclusions presented in the Legal Certification of Accounts and Audit Report issued by the auditor registered at the CMVM, we are of the opinion that:

- a) the Management Report should be approved;
- b) the individual and consolidated financial statements relative to 2014 should be approved;
- c) the proposed appropriation of net income submitted by the Board of Directors should be approved.

Pursuant to subparagraph c) of number 1 of article 245 of the Securities Market Code, the members of the Supervisory Board state that, to the best of their knowledge, the annual accounts and other documents presenting the accounts were prepared in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial situation and net income of TEIXEIRA DUARTE, S.A. and the companies included in the consolidation perimeter. They further state that the management report faithfully reflects the business evolution, performance and position of TEIXEIRA DUARTE, S.A. and the companies included in the consolidation perimeter, presenting a description of the main risks and uncertainties of the business.

Lisbon, 29 May 2015

Óscar Manuel Machado de Figueiredo – Chairman

Mateus Moreira – Member

Miguel Carmo Pereira Coutinho – Member

STATUTORY AUDIT CERTIFICATION AND REPORT OF STATUTORY AUDITORS (Individual accounts)

INTRODUCTION

- Under the terms of the applicable legislation, we present the Statutory Audit Certification and Report of Statutory Auditors on the financial information contained in the Management report and in the financial statements attached herewith for the year ended on 31st December 2014, of TEIXEIRA DUARTE, S.A., which include: the Balance Sheet as at 31st December 2014 (showing a total of EUR 670,950 thousand and total equity of EUR 534,789 thousand, including a net income of EUR 65,390 thousand), the Income Statement by nature, the Statement of the changes in equity and the Cash flow statement for the year ended on that date and the corresponding Notes.

RESPONSIBILITIES

- The Board of Directors is responsible for:
 - the preparation of the financial statements, presenting the true and appropriate financial position of the Company, the net income of its operations, the change in its equity and cash flow;
 - the historical financial information, prepared in accordance with the generally accepted accounting principles and which are complete, true, current, clear, objective and licit, as required by the Securities Market Code;
 - the adoption of appropriate accounting policies and criteria;
 - the maintenance of an appropriate internal control system; and
 - information on any relevant fact which has influenced its activity, financial position or net income.
- It is our responsibility to verify the financial information contained in the documents presenting the accounts referred to above, namely as to whether it is complete, true, current, clear, objective and licit, as required by the Securities Market Code, and to issue a professional and independent report based on our examination.

SCOPE

- Our examination was conducted in accordance with the Auditing Standards issued by the "Ordem dos Revisores Oficiais de Contas" (Chartered Accountants Association), which require that the examination be planned and implemented for the purpose of obtaining a reasonable degree of certainty as to whether the financial statements are free of materially relevant distortions. For such, this examination included:
 - verification, based on samples, of the documents supporting the amounts and disclosures presented in the financial statements and assessment of the estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation;
 - appraisal as to whether the adopted accounting policies and their disclosure are appropriate, in view of the circumstances;

- verification of the applicability of the principle of continuity;
 - appraisal as to whether the presentation of the financial statements is appropriate, in overall terms; and
 - appraisal as to whether the financial information is complete, true, current, clear, objective and licit.
5. Our examination also covered verification of the concordance of the financial information contained in the management report with the rest of the documents presenting the accounts as well as the verification established in numbers 4 and 5 of article 451 of the Commercial Companies Code.
6. We believe that our examination provides a reasonable basis upon which to express our opinion.

OPINION

7. In our opinion, the abovementioned financial statements present, in a true and appropriate manner, in all materially relevant aspects, the financial position of TEIXEIRA DUARTE, S.A. as at 31st December 2014, the net income of its operations, the change in its equity and cash flow for the year ended on that date, in conformity with the accounting principles generally accepted in Portugal, and the information contained therein is complete, true, current, clear, objective and licit.

REPORTING ON OTHER LEGAL REQUIREMENTS

8. We are also of the opinion that the information presented in the management report is concordant with the financial statements for the year and that the corporate governance report includes the elements required under the terms of article 245-A of the Securities Market Code.

Linda-a-Pastora, 29th May 2015

MARIQUITO, CORREIA & ASSOCIADOS - SROC
Represented by:

António Francisco Escameia Mariquito - ROC

STATUTORY AUDIT CERTIFICATION AND REPORT OF STATUTORY AUDITORS ON CONSOLIDATED ACCOUNTS

INTRODUCTION

- Under the terms of the applicable legislation, we present the Statutory Audit Certification And Report of Statutory Auditors on the consolidated financial information contained in the Management report and in the financial statements attached herewith for the year ended on 31st December 2014, of TEIXEIRA DUARTE, S.A., which include: the Consolidated statement of financial position as at 31st December 2014 (showing a total of EUR 2,954,007 thousand and total equity of EUR 484,745 thousand, including a consolidated net income attributable to shareholders of EUR 70,281 thousand), the Consolidated income statement, the Consolidated comprehensive income statement, the Consolidated statement of changes in equity and the Consolidated cash flow statement for the year ended on that date and the corresponding Notes.

RESPONSIBILITIES

- The Board of Directors is responsible for:
 - the preparation of the financial statements, presenting the true and appropriate financial position of the group of companies included in the consolidation, the consolidated net income and comprehensive income of its operations, the consolidated change in its equity and consolidated cash flow;
 - the historical financial information, prepared in accordance with the International Financial Reporting Standards as adopted in the European Union and which are complete, true, current, clear, objective and licit, as required by the Securities Market Code ("Código dos Valores Mobiliários");
 - the adoption of appropriate accounting policies and criteria;
 - the maintenance of an appropriate internal control system; and
 - information on any relevant fact which has influenced the activity of the group of companies included in the consolidation, their financial position or net income.
- It is our responsibility to verify the financial information contained in the documents presenting the accounts referred to above, namely as to whether it is complete, true, current, clear, objective and licit, as required by the Securities Market Code ("Código dos Valores Mobiliários"), and to issue a professional and independent report based on our examination.

SCOPE

- Our examination was conducted in accordance with the Auditing Standards issued by the Chartered Accountants Association ("Ordem dos Revisores Oficiais de Contas"), which require that the examination be planned and implemented for the purpose of obtaining a reasonable degree of certainty as to whether the consolidated financial statements are free of materially relevant distortions. For such, this examination included:

- verification as to whether the financial statements of the companies included in the consolidation have been examined appropriately and, for significant cases where they have not been, verification, based on sampling, of the documents supporting the amounts and disclosures presented therein and assessment of the estimates, based on judgements and criteria defined by the Board of Directors, used in their preparation;
- verification of the consolidation operations and application of the equity method;
- appraisal as to whether the adopted accounting policies and their disclosure are appropriate, in view of the circumstances;
- verification of the applicability of the principle of continuity;
- appraisal as to whether the presentation of the financial statements is appropriate, in overall terms; and
- appraisal as to whether the consolidated financial information is complete, true, current, clear, objective and licit.

5. Our examination also covered verification of the concordance of the financial information contained in the management report with the rest of the documents presenting the accounts as well as the verification established in numbers 4 and 5 of article 451 of the Commercial Companies Code (“Código das Sociedades Comerciais”).

6. We believe that our examination provides a reasonable basis upon which to express our opinion.

OPINION

7. In our opinion, the abovementioned consolidated financial statements present, in a true and appropriate manner, in all materially relevant aspects, the consolidated financial position of TEIXEIRA DUARTE, S.A. as at 31st December 2014, the consolidated net income and comprehensive income of its operations, the consolidated change in its equity and consolidated cash flow for the year ended on that date, in conformity with the International Financial Reporting Standards as adopted in the European Union, and the information contained therein is complete, true, current, clear, objective and licit.

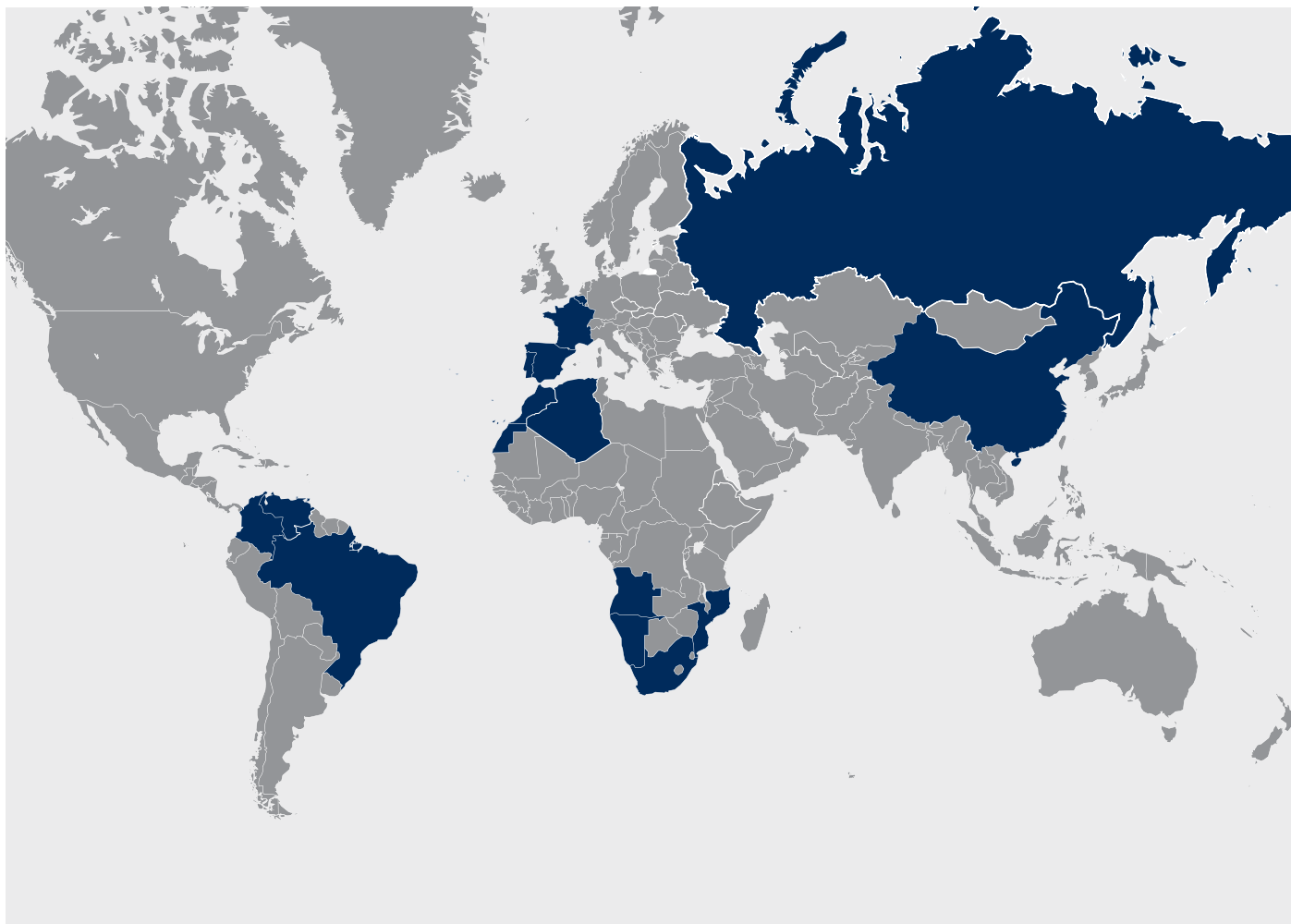
REPORTING ON OTHER LEGAL REQUIREMENTS

8. We are also of the opinion that the information presented in the management report is concordant with the financial statements for the year and that the corporate governance report includes the elements required under the terms of article 245-A of the Securities Market Code (“Código dos Valores Mobiliários”).

Linda-a-Pastora, 29th May 2015

MARIQUITO, CORREIA & ASSOCIADOS — SROC
Represented by:

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