



EXTRAORDINARY GENERAL SHREHOLDERS' MEETING OF THE 17TH OF MAY 2012

To the
Chairman of the General Meeting of
Teixeira Duarte, S.A.

PROPOSAL PRESENTED WITHIN THE SCOPE OF THE SOLE ITEM OF THE AGENDA

WHEREAS:

- A) "TEIXEIRA DUARTE, S.A." (TD,SA) recorded, in 2011, negative net profits of 175.616.665,80€;
- B) Those losses were strongly affected by the impact of the impairment losses concerning the financial holdings owned, by the losses on disposal of assets strategically ignored and by the devaluation relative to the Euro of other currencies with which the Group operates;
- C) As stated on the last balance sheet approved on the Annual General Meeting of the 17th of May 2012, TD,SA has a capital stock of 420.000.000,00€, each share has a nominal value of 1,00€ and equity in the amount of 363.867.113,42€, corresponding to a book value of 0,87€ per share;
- D) The importance on the balance sheet of the financial holdings owned is currently lower and, even though the present circumstances, the potential for devaluation is also smaller;
- E) The accounts at the end of the first half of 2012 disclosed an improvement in EBIT and EBITDA, revealing the sustainability of the Group activity;
- F) Under these circumstances, it is appropriate and opportune to reorganize the balance sheet structure, namely regarding the items on equity, reducing the capital stock in order to totally cover the accumulated losses;
- G) It is also understood that the mentioned capital stock reduction shall preserve the maintenance of the company's 420.00.000 shares, through the modification of their nominal value;



- H) The reduction of the shares' nominal value to 0,50€ each, implying the capital stock reduction of 420.000.000,00€ to 210.000.000,00€, will permit to totally cover the accumulated losses and the enhancement the free reserves in 28.216.958,01€;
- I) That reduction will permit that, after being concluded and maintaining the book value of each share on 0,87€, TD,SA equity value will be superior to its capital stock,

The Board of Directors proposes that the General Meeting resolves, concerning the sole item of the agenda:

1. To reduce the capital stock of 420.000.000,00€ to 210.000.000,00 through the reduction of the shares' nominal value to 0,50€ each, in order to cover all accumulated losses up to 181.783.041,99€ and to enhance the free reserves in the amount of 28.216.958,01€;
2. To change paragraph 1 of article 5 of the company's By-laws so that it will have the following wording:

ARTICLE FIVE

ONE - *The capital stock, integrally subscribed and paid for, corresponds to € 210.000.000,00 (two hundred and ten million Euros), represented by 420,000,000 shares with the nominal value of 0,50€ each.*

Lagoas Park, the 18th of September 2012

The Board of Directors