



Report and Accounts

1<sup>st</sup> Quarter **2015**

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# Teixeira Duarte, S.A.

PUBLIC COMPANY

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

Share Capital: € 210,000,000

Sole Legal Person and Registration number at Cascais-Oeiras

Commercial Register 509 234 526

## KEY INDICATORS

	1st Q 2011	1st Q 2012	1st Q 2013	1st Q 2014	1st Q 2015	Variation 2015/2014 %
Average number of employees	11,817	10,412	11,358	12,705	13,548	6.6%
Turnover	309	283	342	357	359	0.8%
Operating Income	319	293	354	360	368	2.1%
EBITDA	51	39	54	71	34	(51.3%)
EBITDA / Turnover Margin	16.4%	13.9%	15.7%	19.8%	9.6%	(51.7%)
EBIT	37	27	38	54	10	(82.2%)
Net Income Attributable to Shareholders	8	6	7	16	15	(4.3%)
Net Debt	1,116	927	1,101	1,194	1,357	13.6%
Total Equity Attributable to Shareholders	462	246	284	380	493	29.9%
Total Equity	549	319	357	411	520	26.4%
Total Net Assets	2,773	2,692	2,765	2,755	3,103	12.6%

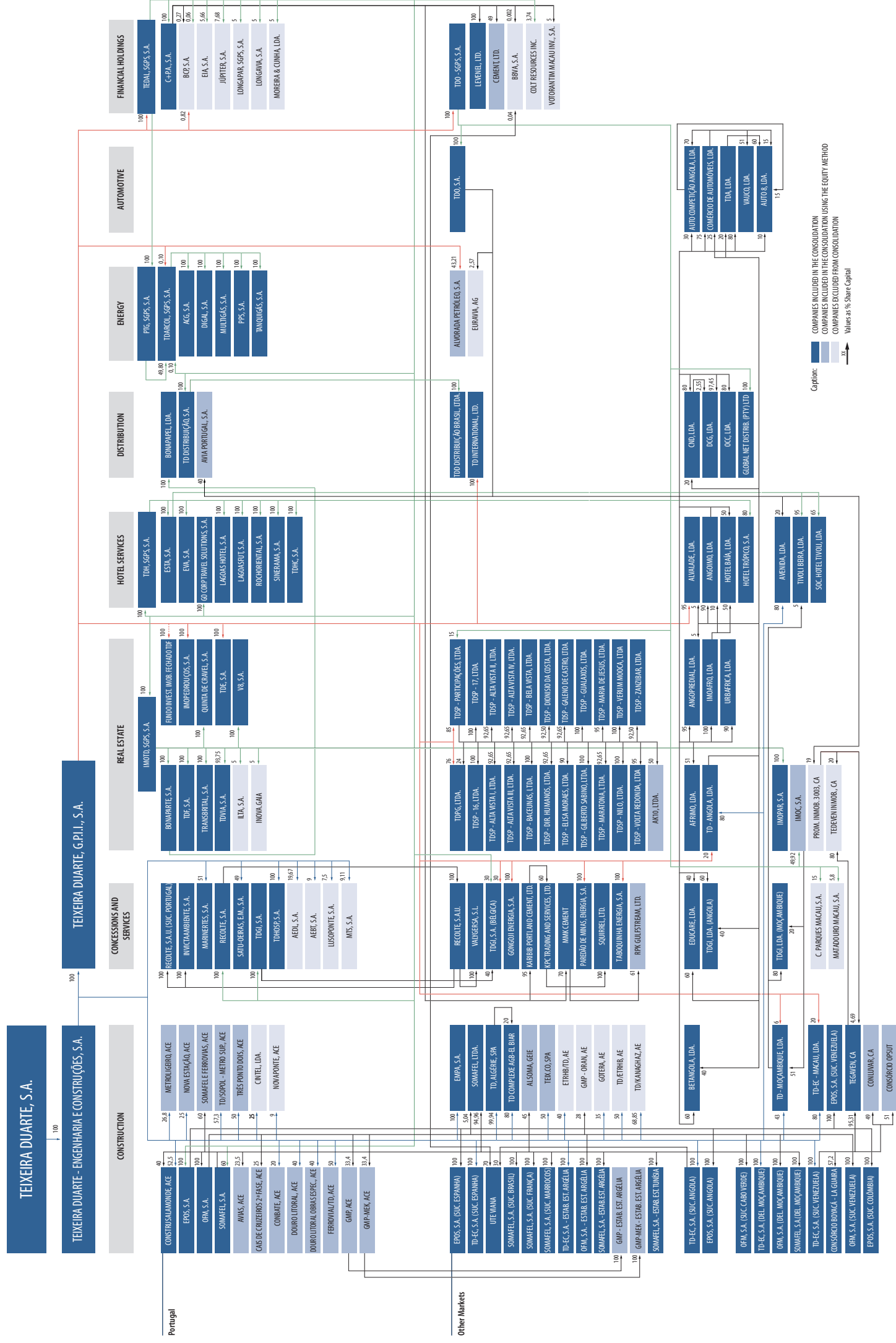
### Notes:

The book values are expressed in million euros.

The figures in the "Variation 2015/2014 %" column were calculated based on amounts that were not rounded off.

Total Equity includes non-controlling interests.

TEIXEIRA DUARTE GROUP - 1<sup>st</sup> Quarter 2015





# Interim Management Report



## **I - INTRODUCTION**

Under the terms and for the effect of the applicable legal and regulatory provisions, TEIXEIRA DUARTE, S.A. ("TD, S.A.") hereby discloses the Interim Report relative to the first three months of 2015, of which the consolidated financial statements attached herewith are also an integral part.

In compliance with and under the regulations on the presentation of periodic information, it is hereby clarified that the elements disclosed herein refer only to the consolidated aspect and that the consolidated financial Statements as at 31 March 2015 were prepared using accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, enforced for periods beginning on 1 January 2015 onwards and in accordance with IAS 34 – Interim Financial Reporting.

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

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

- **Net Income Attributable to Shareholders** was positive by 15.3 million euros;
- **Turnover** stood at 359.5 million euros;
- **Foreign Market** represents 85.6% of Turnover;
- **EBITDA** reached 34.4 million euros;
- **EBITDA / Turnover margin** of 9.6%;
- **Net Debt** of 1,357 million euros;
- **Group's Net Assets** of 3,103 million euros;
- **Financial Autonomy** of 16.7%;
- **Teixeira Duarte's Group Order Book** in the construction sector stood at 2,301 million euros.

## II – GENERAL OVERVIEW OF THE ACTIVITY

### Income Statement for quarters ended on 31 March 2015 and 2014

	1st Q 15	1st Q 14	Var (%)
Operating income	367,818	360,389	2.1%
Operating costs	(333,425)	(289,752)	15.1%
<b>EBITDA</b>	<b>34,393</b>	<b>70,637</b>	<b>(51.3%)</b>
Amortization and depreciation	(22,650)	(15,959)	41.9%
Provisions and impairment losses	(2,202)	(933)	136.0%
<b>EBIT</b>	<b>9,541</b>	<b>53,745</b>	<b>(82.2%)</b>
<b>Financial results</b>	<b>17,891</b>	<b>(25,710)</b>	<b>-</b>
<b>Earnings before tax</b>	<b>27,432</b>	<b>28,035</b>	<b>(2.2%)</b>
Income tax	(12,058)	(14,279)	(15.6%)
<b>Net income</b>	<b>15,374</b>	<b>13,756</b>	<b>11.8%</b>
<b>Attributable to:</b>			
<b>Shareholders</b>	<b>15,268</b>	<b>15,948</b>	<b>(4.3%)</b>
Non-controlling interests	106	(2,192)	-

(Values in thousand euros)

The **Net Income Attributable to Shareholders** was positive by 15,268 thousand euros.

It is important to highlight that, apart from the performance of the Group's companies compared with the same quarter of the previous year, this indicator was influenced by currency conversion differences of the value of 41,183 thousand euros in 2015 and 4,676 thousand euros in 2014.

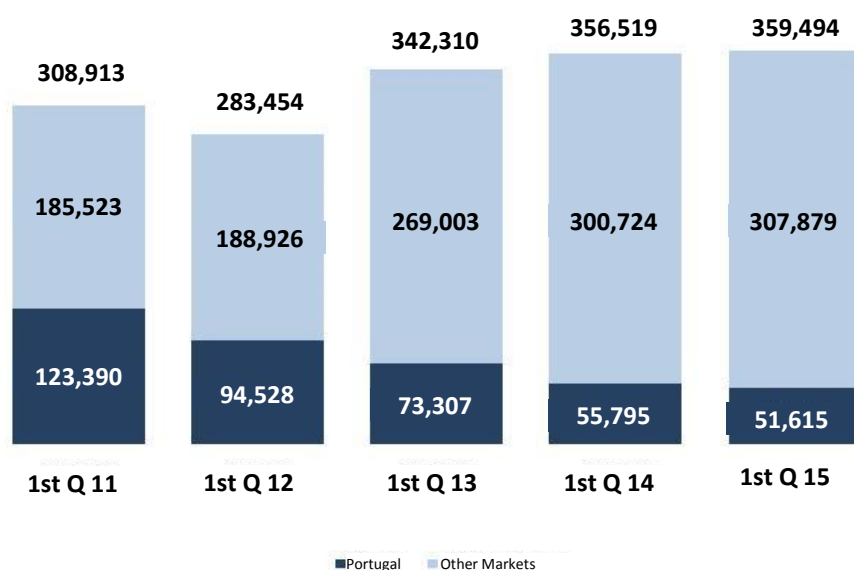
**Turnover**, as a whole, recorded a modest increase of 0.8% compared to the same period of 2014, reaching 359,494 thousand euros.

Taking into account the divestment of the participated company "PETRIN" which contributed with 11,267 thousand euros to the Group's Turnover in the first quarter of 2014, the increased Turnover of the Group would have been 4.1% relative to March 2014.

Other markets, which already accounted for 84.4% of this indicator in March of the preceding year, increased as a whole by 2.4%, to represent 85.6% of the Turnover of the Teixeira Duarte Group. Portugal recorded a decline of 7.5%, influenced by the divestment of the participated company "PETRIN". Excluding this effect, Portugal would have recorded an increase of 15.9% year-on-year.



### Evolution of Turnover by Market



(Values in thousand euros)

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

### Turnover by Country

Country	1st Q 15		1st Q 14		Variation
	Value	Contribution	Value	Contribution	
Portugal	51,615	14.4%	55,795	15.6%	(7.5%)
Angola	194,369	54.1%	160,093	44.9%	21.4%
Algeria	21,793	6.1%	17,287	4.8%	26.1%
Brazil	38,855	10.8%	33,072	9.3%	17.5%
Spain	10,571	2.9%	7,032	2.0%	50.3%
Mozambique	15,468	4.3%	10,478	2.9%	47.6%
Venezuela	26,254	7.3%	71,722	20.1%	(63.4%)
Other	569	0.2%	1,040	0.3%	(45.3%)
	<b>359,494</b>	<b>100.0%</b>	<b>356,519</b>	<b>100.0%</b>	<b>0.8%</b>

(Values in thousand euros)

An analysis of turnover is presented below, showing its evolution by activity sector:

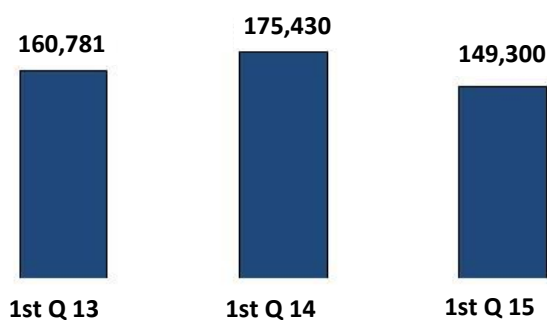
**Turnover by Activity Sector**

Activity Sector	1st Q 15	Contribution	1st Q 14	Contribution	Variation
Construction	149,300	41.5%	175,430	49.2%	(14.9%)
Concessions and Services	25,941	7.2%	17,902	5.0%	44.9%
Real estate	29,711	8.3%	22,344	6.3%	33.0%
Hotel services	18,885	5.3%	15,238	4.3%	23.9%
Distribution	71,993	20.0%	46,941	13.2%	53.4%
Energy	5,179	1.4%	16,452	4.6%	(68.5%)
Automotive	58,485	16.3%	62,212	17.4%	(6.0%)
	<b>359,494</b>	<b>100.0%</b>	<b>356,519</b>	<b>100.0%</b>	<b>0.8%</b>

(Values in thousand euros)

Brief notes are presented on each sector:

#### Turnover of Construction



The Turnover of Construction Business declined by 14.9% compared to the same period of 2014.

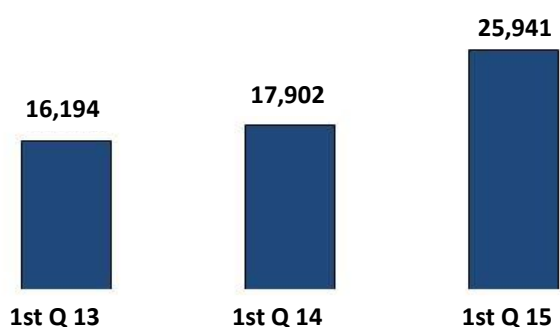
Portugal recorded an increase of 17% in relation to the first three months of 2014.

In the other markets, reference is made to the growth observed in Angola, Algeria and Mozambique, with increases of 11.9%, 26.1% and 67.6%, respectively.

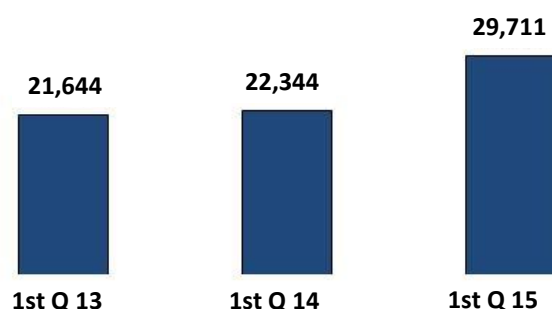
In the opposite direction, Venezuela recorded a decrease of 63.4%, having declined from 71,722 thousand euros in the first quarter of 2014, to 26,254 thousand euros for the same period of 2015. This reduction was essentially due to the fact that the "Puerto La-Guaira" work was completed last year.

Thus, as at 31 March 2015, the foreign market accounted for 83.6% of Construction turnover.

#### Turnover of Concessions and Services



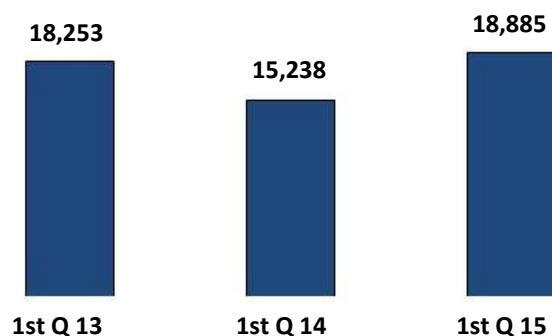
In Concessions and Services, Turnover grew by 44.9% in relation to March 2014, with good performance in all the markets in which the Group operates, especially in Portugal and Angola, where the attraction of new customers, essentially by the participated company TDGI, S.A., led to an increase of 38.4% and 90.3%, respectively, in comparison to the same period of 2014.

**Turnover of Real Estate**

The Real Estate business, as a whole, increased by 33%, in relation to the first three months of 2014.

Portugal recorded an increase of 8.4% in relation to March 2014.

Angola and Brazil recorded significant increases, respectively of 33.3% and 52.7%, year-on-year. Excluding the currency conversion effect, the increases would have been 10.3% in the first case and 54% in the second.

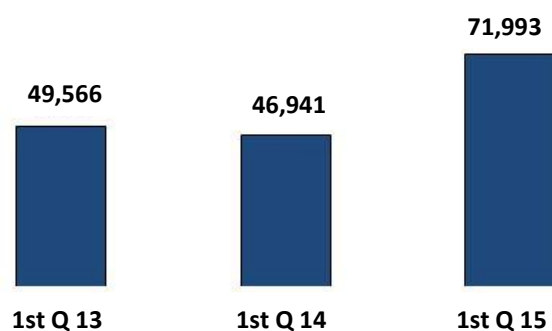
**Turnover of Hotel Services**

The Turnover of Construction Business grew, as a whole, by 23.9% compared to the same period of 2014.

In Angola, the increase was of 36.5% compared to the first three months of 2014. The fact that "Hotel Trópico" was closed for remodelling works during the first semester of 2014 also contributed to this variation.

A decline of 22.2% was recorded in Mozambique in relation to March of the previous year.

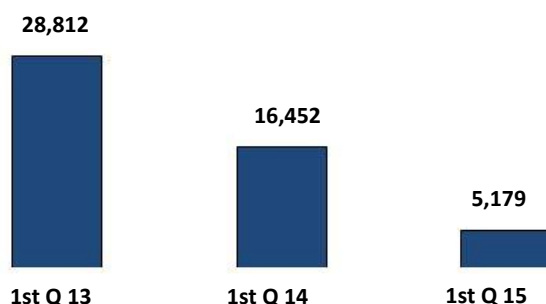
In Portugal, and in spite of the adverse circumstances, the Group recorded an increase of 15.9% in relation to the first quarter of 2014.

**Turnover of Distribution**

Distribution recorded an increase of 53.4% relative to the first three months of 2014, which, excluding the currency conversion effect, would have been 27.4%.

In Angola, during the period under review, an autonomous operation of marketing pharmaceutical products was started, with the opening of two retail outlets in the metropolitan area of Luanda, in addition to the continued pursuit of consolidation of the existing business units.

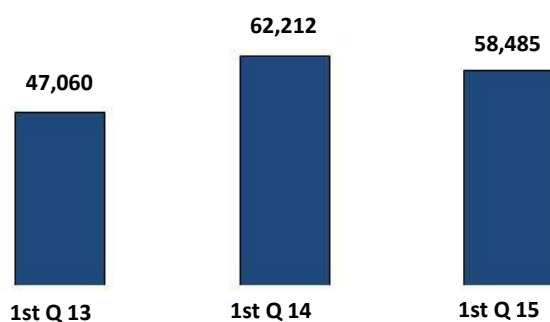
### Turnover of Energy



The Group's Energy Turnover declined by 68.5% year-on-year.

During the first quarter of 2015, the Group divested "PETRIN" which had contributed with 11,3 million euros to the Turnover of the Energy sector in the first quarter of 2014.

### Turnover of the Automotive sector



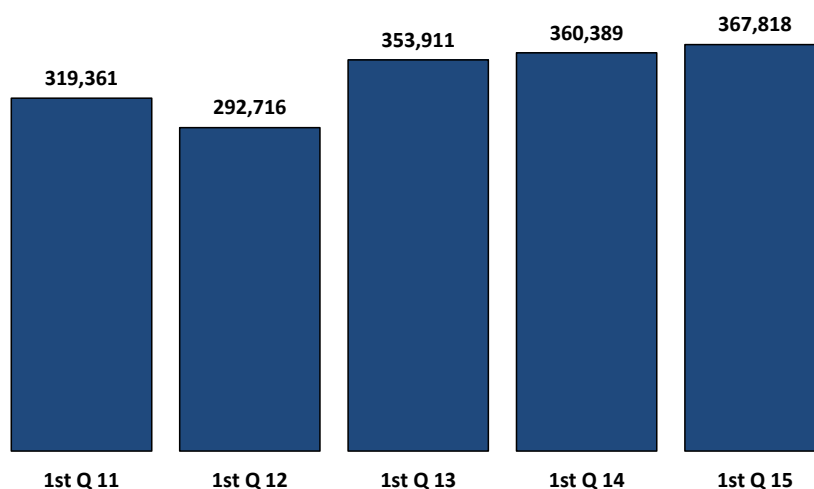
The Turnover of the Automotive sector decreased by 6% in relation to March 2014, where, excluding the foreign exchange effect, activity fell by 22.2% year-on-year.

During the first three months of the year, a 30% reduction was recorded of the units sold in the light vehicle segment and a 6% decline in after-sales services.

(Values in thousand euros)

**Operating income** increased by 2.1% year-on-year, having reached the value of 367,818 thousand euros.

### Evolution of Operating Income



(Values in thousand euros)

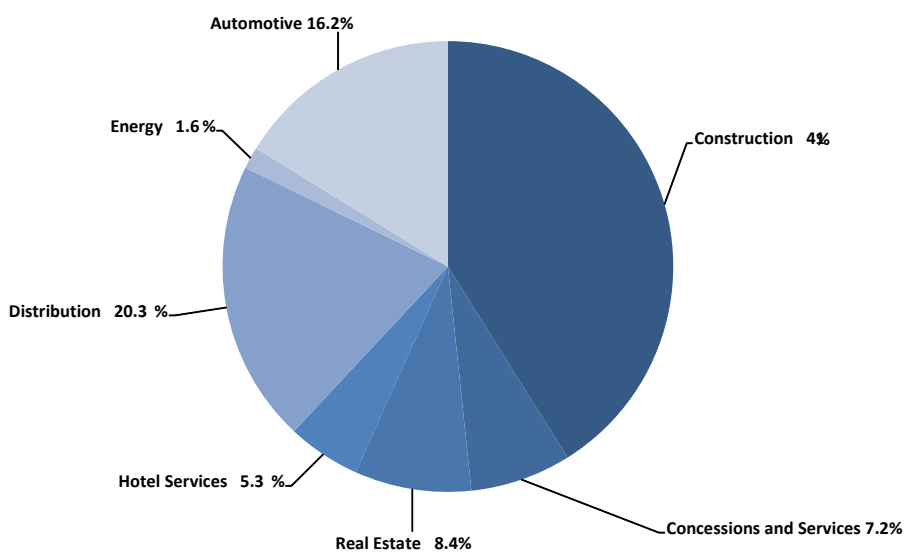
The table below illustrates the good performance in the Concessions and Services, Real Estate, Hotel and Distribution sectors.

### Operating Income by activity and geographic market:

Activity Sector	Internal Market			External Market			Total		
	1st Q 15	1st Q 14	Var(%)	1st Q 15	1st Q 14	Var(%)	1st Q 15	1st Q 14	Var(%)
Construction	25,657	21,863	17.4%	125,452	155,053	(19.1%)	151,109	176,916	(14.6%)
Concessions and Services	8,818	6,401	37.8%	17,862	12,190	46.5%	26,680	18,591	43.5%
Real estate	10,476	8,818	18.8%	20,297	13,709	48.1%	30,773	22,527	36.6%
Hotel services	3,600	3,079	16.9%	15,749	12,295	28.1%	19,349	15,374	25.9%
Distribution	263	378	(30.4%)	74,246	47,380	56.7%	74,509	47,758	56.0%
Energy	5,781	16,510	(65.0%)	-	22	-	5,781	16,532	(65.0%)
Automotive	-	-	-	59,617	62,691	(4.9%)	59,617	62,691	(4.9%)
<b>Total</b>	<b>54,595</b>	<b>57,049</b>	<b>(4.3%)</b>	<b>313,223</b>	<b>303,340</b>	<b>3.3%</b>	<b>367,818</b>	<b>360,389</b>	<b>2.1%</b>

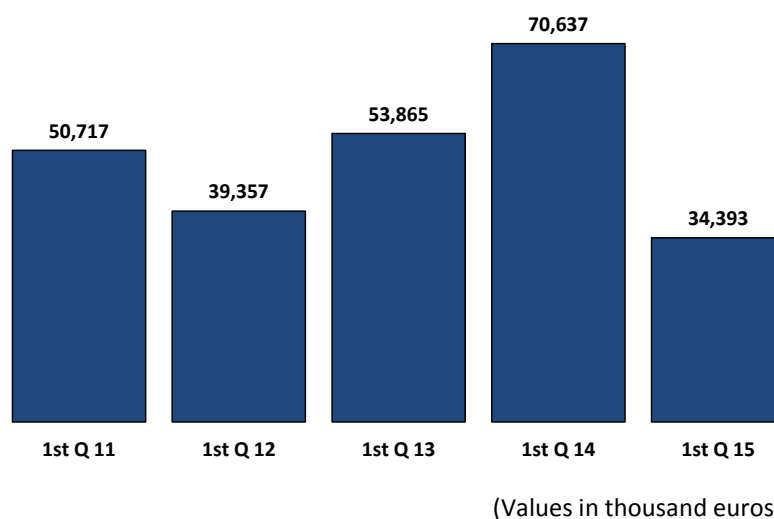
(Values in thousand euros)

In view of the evolution referred to above, the contribution of each activity sector to the total value of the operating income achieved as at 31 March 2015 was as follows:



**EBITDA** declined by 51.3% relative to March 2014, to stand at 34,393 thousand euros.

#### Evolution of EBITDA



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

The performance of the Construction sector was especially penalised during this quarter due to the start-up of works, particularly when compared to the first quarter of 2014, a period marked by the completion of important works in Angola and Venezuela.

#### Evolution of EBITDA by Activity Sector

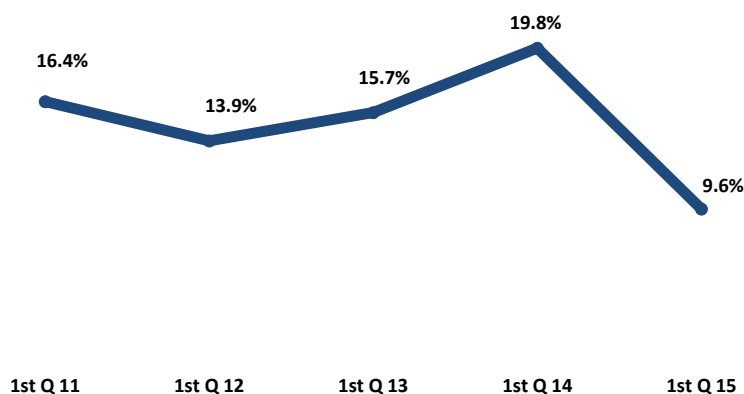
Activity Sector	1st Q 15	1st Q 14	Var (%)
Construction	(3,207)	46,215	-
Concessions and Services	5,370	1,506	256.6%
Real estate	16,947	11,137	52.2%
Hotel services	3,360	3,209	4.7%
Distribution	2,980	(690)	-
Energy	1,846	635	190.7%
Automotive	9,979	12,615	(20.9%)
Not allocated to segments	(2,881)	(3,956)	(27.2%)
Elimination	(1)	(34)	(97.1%)
	<b>34,393</b>	<b>70,637</b>	<b>(51.3%)</b>

(Values in thousand euros)



The **EBITDA / Turnover Margin** declined by 51.7% in relation to the same period of the previous year, having fallen from 19.8% to 9.6% in March 2015.

#### Evolution of the EBITDA / Turnover Margin



The **financial results** were positive by 17,891 thousand euros for the period ended on 31 March 2015, compared with the negative financial results of 25,710 thousand euros in 2014.

	1st Q 15	1st Q 14	Var (%)
<b>Financial costs and losses:</b>	<b>(173,660)</b>	<b>(53,178)</b>	<b>226.6%</b>
Interest paid	(24,767)	(22,747)	8.9%
Unfavourable currency conversion differences	(144,372)	(24,648)	485.7%
Other financial costs and losses	(4,521)	(5,783)	(21.8%)
<b>Financial income and gains:</b>	<b>191,241</b>	<b>32,986</b>	<b>479.8%</b>
Interest received	4,954	2,906	70.5%
Favourable currency conversion differences	185,555	29,324	532.8%
Cash discounts received	93	82	13.4%
Other financial income and gains	639	674	(5.2%)
<b>Earnings from investment activities:</b>	<b>310</b>	<b>(5,518)</b>	<b>(105.6%)</b>
Earnings from associates and joint ventures	(635)	(5,900)	(89.2%)
Dividends	165	137	20.4%
Other investments	780	245	218.4%
<b>Financial results</b>	<b>17,891</b>	<b>(25,710)</b>	<b>-</b>

(Values in thousand euros)

This indicator improved by 43,601 thousand euros in relation to the same period of 2104, where the following variations were noteworthy:

- Positive variation of the effect of exchange rate differences of 36,507 thousand euros;
- Increase of 2,020 thousand euros of interest paid;
- Positive variation of the earnings from associates and joint ventures of 5,265 thousand euros.

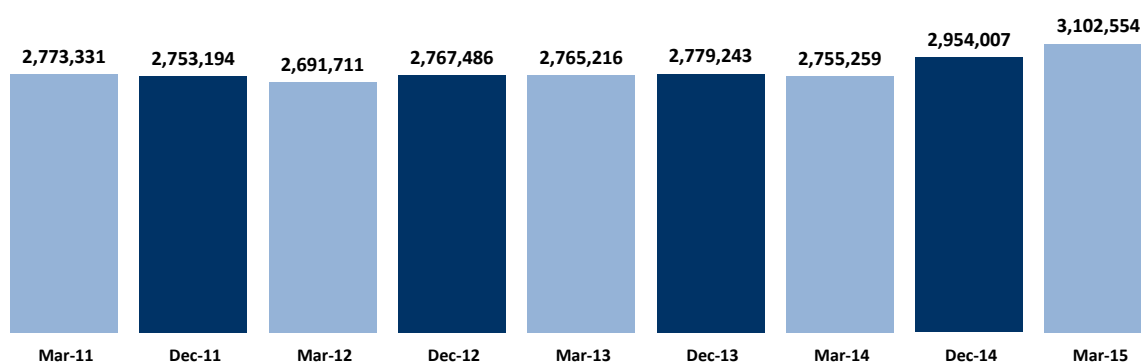
**Income Tax** amounted to 12,058 thousand euros for the period ended on 31 March 2015, while it had stood at 14,279 thousand euros in the same period of the previous year.

	1st Q 15	1st Q 14	Var (%)
Current tax	(12,374)	(22,628)	(45.3%)
Deferred tax	316	8,349	(96.2%)
	<b>(12,058)</b>	<b>(14,279)</b>	<b>(15.6%)</b>

(Values in thousand euros)

**Total Net Assets** grew by 5% in relation to 31 December 2014, having reached 3,102,554 thousand euros.

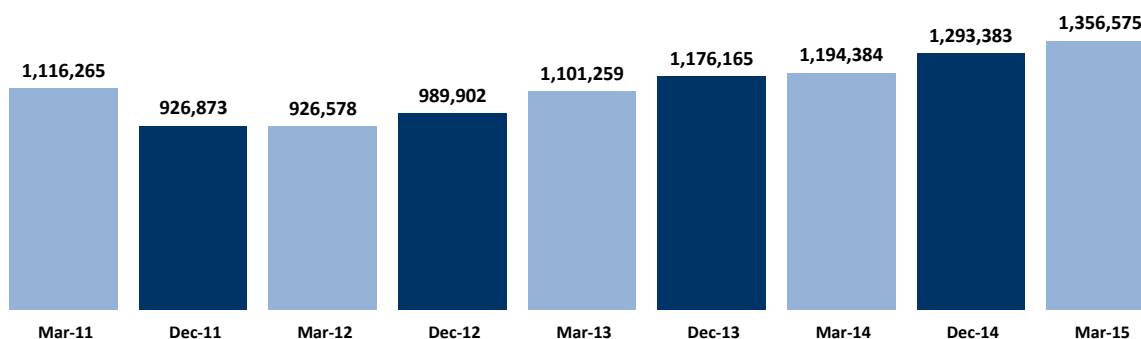
#### Evolution of Net Assets



(Values in thousand euros)

**Net Debt** reached 1,356,575 thousand euros as at 30 March of this year, corresponding to an increase of 4.9% in relation to the end of the previous year.

#### Evolution of Net Debt



(Values in thousand euros)

It was decided that the analysis of the evolution of this indicator should take into account the investments made in facilities and equipment, which reached 17.9 million euros during the period, as well as the advances to suppliers and other assets receivable from customers to the value of 60 million euros.

Concerning this indicator, it should be noted that the increase of 63 million euros was greatly influenced by the contribution of the companies based in Venezuela of 54 million euros, which were calculated by applying the “SICAD” exchange rate in the conversion of the financial statements into euros. Had the “SIMAD” exchange rate been applied, the increased debt for the period would have been 14 million euros.

And, if the Group should decide to use the “SIMAD” exchange rate during 2105, the net debt of Venezuela shall shift from 78 million euros to 5 million euros, which implies a reduction of the Group's net debt of 73 million euros.

**Equity Attributable to Shareholders** increased by 35,181 thousand euros, having shifted from 457,687 thousand euros to 492,868 thousand euros, corresponding to 7.7% growth in relation to 31 December 2014.

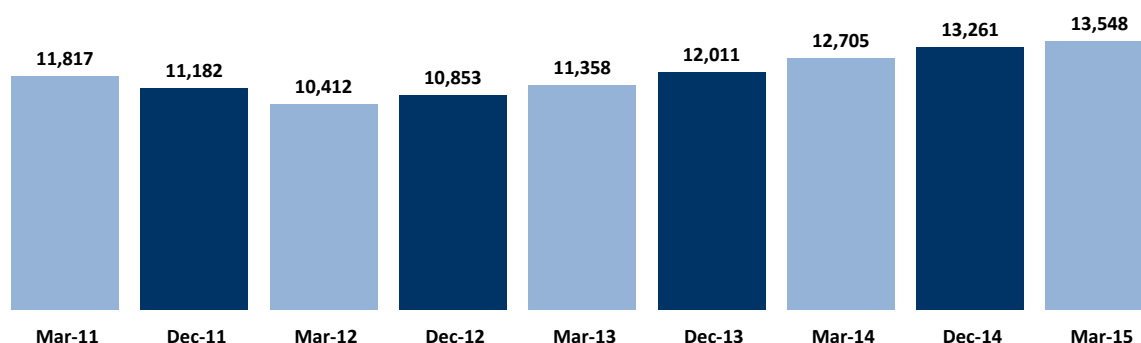
**Total Equity** grew by 7.2%, to stand at 519,545 thousand euros, influenced essentially by the following factors:

- Positive net income of 15,374 thousand euros;
- Positive currency conversion effect of 10,057 thousand euros, recorded as a result of the appreciation of the Currencies with which the Group operates in relation to the Euro;
- Positive variation in the fair value of the financial assets available for sale, net of deferred tax, of the value of 17,266 thousand euros;
- Negative hedge operation effect of 1,237 thousand euros, as a result of the variation of the fair value of the financial instrument (interest rate swap) contracted in 2008 under the Concession for the Management of Cascais Hospital Building;

**Financial Autonomy** shifted from 16.4% as at 31 December 2014 to 16.7% as at 31 March 2015.

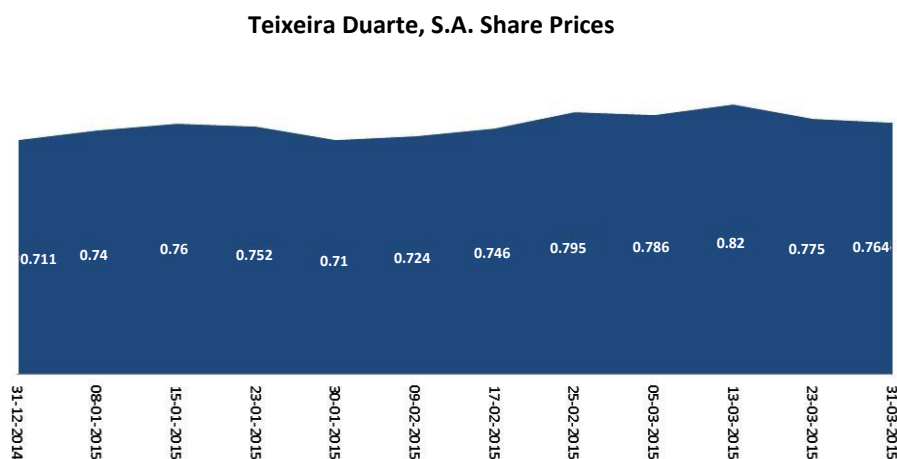
The **Average Number of Employees** at the closing date of the period ended on 31 March 2015 was 13,548, having increased by 2.1% in relation to 31 December 2014.

#### Evolution of the Average Number of Employees



**“Teixeira Duarte, S.A.” share prices** fluctuated between 0.711 euros as at 31 December 2014 and 0.764 euros as at 31 March 2015.

The graph below shows the evolution of the stock market prices of the shares during the first three months of the year, having varied over this period between a minimum of 0.661 euros and maximum of 0.829 euros.



During this period, 7,179,777 shares were traded on the stock exchange, with a total turnover of 5,526,431 euros.

### **III. FACTS WHICH OCCURRED AFTER THE END OF THE 1st QUARTER OF 2015**

TEIXEIRA DUARTE pursued its activity in the different markets in which it operates, where reference is made the following relevant fact that occurred after the closing of the first quarter of 2015, which 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 le 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.

#### IV. 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, Teixeira Duarte Group's Order Book for the construction sector reached the total value of 2,300,854 thousand euros as at 31 March 2015, reflecting a 4.6% decline in relation to the end of 2014.

Therefore, and apart from 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 840,363 thousand euros for the next nine months of 2015, 658,326 thousand euros for 2016 and 349,532 thousand euros for 2017, distributed as follows by the Group's markets of operation:

	Apr-Dec 2015	Contribution (%)	2016	Contribution (%)	2017	Contribution (%)
Portugal	102,949	12.3%	23,749	3.6%	14,153	4.0%
Angola	135,689	16.1%	103,894	15.8%	189,254	54.1%
Algeria	186,849	22.2%	287,248	43.6%	65,116	18.6%
Brazil	82,818	9.9%	108,408	16.5%	37,992	10.9%
Spain	15,050	1.8%	20,468	3.1%	3,507	1.0%
Mozambique	228,923	27.2%	80,048	12.2%	4,354	1.2%
Venezuela	80,339	9.6%	34,511	5.2%	35,156	10.1%
Other Markets	7,746	0.9%	-	-	-	-
<b>Total</b>	<b>840,363</b>	<b>100.0%</b>	<b>658,326</b>	<b>100.0%</b>	<b>349,532</b>	<b>100.0%</b>

(Values in thousand euros)

In view of the above and in this context, for 2015, Teixeira Duarte maintains the forecast of achieving consolidated operating income of 1,600 million euros.

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*



# Consolidated Financial Statements - 1<sup>st</sup> Quarter **2015**





**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 MARCH 2015 AND 31 DECEMBER 2014**  
**(Values expressed in thousand euros)**

	Notes	31/03/2015	31/12/2014
<b>Non-current assets:</b>			
Goodwill		29,764	29,734
Intangible assets		33,772	31,094
Tangible fixed assets	13	696,049	668,117
Investment properties	14	496,736	482,185
Investments in associates and joint ventures	7 and 15	38,069	40,592
Financial assets available for sale	7 and 16	82,545	59,887
Other investments		17,686	17,583
Deferred tax assets	17	170,928	171,219
Customers		52,148	55,225
Other receivables		106	125
Other non-current assets		1,263	1,303
<b>Total non-current assets</b>		<b>1,619,066</b>	<b>1,557,064</b>
<b>Current assets:</b>			
Inventories		362,702	355,871
Customers		471,264	450,078
Other receivables		74,683	74,540
Cash and cash equivalents	19	175,276	191,477
Other investments		8,316	3,889
Assets held for sale		409	409
Other current assets		390,838	320,679
<b>Total current assets</b>		<b>1,483,488</b>	<b>1,396,943</b>
<b>TOTAL ASSETS</b>	<b>7</b>	<b>3,102,554</b>	<b>2,954,007</b>
<b>Equity:</b>			
Capital	20	210,000	210,000
Adjustment of holdings in associates and joint ventures		7,391	9,670
Currency conversion adjustments		63,378	55,546
Reserves and retained earnings	21	196,831	112,190
Consolidated net income		15,268	70,281
<b>Equity attributable to shareholders</b>		<b>492,868</b>	<b>457,687</b>
Non-controlling interests		26,677	27,058
<b>TOTAL EQUITY</b>		<b>519,545</b>	<b>484,745</b>
<b>Non-current liabilities:</b>			
Loans	22	773,214	761,515
Provisions		63,539	62,095
Financial leases		169,957	171,376
Deferred tax liabilities	17	62,195	56,080
Other payables		419	455
Other non-current liabilities		121,220	110,002
<b>Total non-current liabilities</b>		<b>1,190,544</b>	<b>1,161,523</b>
<b>Current liabilities:</b>			
Loans	22	758,637	723,345
Suppliers		192,942	187,388
Financial leases		20,503	20,144
Other payables		56,841	52,978
Other current liabilities		363,542	323,884
<b>Total current liabilities</b>		<b>1,392,465</b>	<b>1,307,739</b>
<b>TOTAL LIABILITIES</b>	<b>7</b>	<b>2,583,009</b>	<b>2,469,262</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>3,102,554</b>	<b>2,954,007</b>

The notes are an integral part of the consolidated statement of financial position as at 31 March 2015.

**CONSOLIDATED INCOME STATEMENTS**  
**FOR THE QUARTERS ENDED ON 31 MARCH 2015 AND 2014**  
**(Values expressed in thousand euros)**

	Notes	1st Q 15	1st Q 14
Operating income:			
Sales and services rendered	7 and 8	359,494	356,519
Other operating income	8	8,324	3,870
<b>Total operating income</b>	<b>8</b>	<b>367,818</b>	<b>360,389</b>
Operating costs:			
Cost of sales		(141,775)	(130,512)
Change in production		(416)	(637)
External supplies and services		(97,274)	(83,590)
Staff costs		(81,290)	(62,949)
Amortisation and depreciation	7	(22,650)	(15,959)
Provisions and impairment losses in depreciable and amortisable assets and Goodwill	7	(2,202)	(933)
Other operating costs		(12,670)	(12,064)
<b>Total operating costs</b>		<b>(358,277)</b>	<b>(306,644)</b>
<b>Net operating income</b>	<b>7</b>	<b>9,541</b>	<b>53,745</b>
Financial costs and losses	7 and 9	(173,660)	(53,178)
Financial income and gains	7 and 9	191,241	32,986
Earnings from investment activities:			
Earnings from associates and joint ventures	7 and 9	(635)	(5,900)
Other	7 and 9	945	382
<b>Financial results</b>		<b>17,891</b>	<b>(25,710)</b>
<b>Earnings before tax</b>	<b>7</b>	<b>27,432</b>	<b>28,035</b>
Income tax	10	(12,058)	(14,279)
<b>Consolidated net income for the quarter</b>		<b>15,374</b>	<b>13,756</b>
<b>Net income attributable to:</b>			
<b>Shareholders</b>	<b>11</b>	<b>15,268</b>	<b>15,948</b>
Non-controlling interests		106	(2,192)
<b>Earnings per share:</b>			
Basic (euros)	11	0.04	0.04
Diluted (euros)	11	0.04	0.04

The notes are an integral part of the consolidated income statement for the quarter ended on 31 March 2015.

**CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME**  
**FOR THE QUARTERS ENDED ON 31 MARCH 2015 AND 2014**  
 (Values expressed in thousand euros)

	Notes	1st Q 15	1st Q 14
<b>Consolidated net income for the quarter</b>		<b>15,374</b>	<b>13,756</b>
<b>Income and costs that will not be subsequently reclassified to net income</b>			
Other changes in equity		(4,381)	(3,048)
		<b>(4,381)</b>	<b>(3,048)</b>
<b>Income and costs that may be subsequently reclassified to net income</b>			
Fair value of financial assets available for sale	16	17,266	15,881
Currency conversion adjustments		10,057	22,276
Adjustment of holdings in associates and joint ventures	15	(2,279)	2,671
Derivative financial instruments used for hedging		(1,237)	(1,201)
		<b>23,807</b>	<b>39,627</b>
<b>Net income recognised directly in equity</b>		<b>19,426</b>	<b>36,579</b>
<b>Comprehensive income for the quarter</b>		<b>34,800</b>	<b>50,335</b>
<b>Comprehensive income attributable to:</b>			
<b>Shareholders</b>		<b>35,177</b>	<b>54,121</b>
Non-controlling interests		(377)	(3,786)

The notes are an integral part of the consolidated statement of other comprehensive income for the quarter ended on 31 March 2015.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE QUARTERS ENDED ON 31 MARCH 2015 AND 2014**  
**(Values expressed in thousand euros)**

	Notes	Capital	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 1 January 2014		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 quarter:													
Consolidated net income for the quarter		-	-	-	-	-	-	-	15,948	15,948	(2,192)	13,756	
Variation in currency conversion adjustments		-	-	23,432	-	-	-	-	-	23,432	(1,156)	22,276	
Variation in fair value and divestment of financial assets available for sale	16	-	-	-	-	-	15,881	-	-	15,881	-	15,881	
Effect of hedge operations		-	-	-	-	-	-	(1,201)	-	(1,201)	-	(1,201)	
Effect of the application of the equity method	15	-	2,671	-	-	-	-	-	-	2,671	-	2,671	
Other		-	-	-	-	-	-	-	(2,610)	(2,610)	(438)	(3,048)	
Operations with shareholders in the quarter:													
Appropriation of the consolidated net income for 2013:		-	-	-	-	-	-	-	-	-	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	63,974	(63,974)	-	-	-
Balance as at 31 March 2014		210,000	4,340	(13,653)	10,000	75,378	49,955	(9,506)	37,066	15,948	379,528	31,535	411,063
	Notes	Capital	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 1 January 2015		210,000	9,670	55,546	21,000	122,052	4,035	(13,466)	(21,431)	70,281	457,687	27,058	484,745
Comprehensive income for the quarter:													
Consolidated net income for the quarter		-	-	-	-	-	-	-	15,268	15,268	106	15,374	
Variation in currency conversion adjustments		-	-	7,832	-	-	-	-	-	7,832	2,225	10,057	
Variation in fair value and divestment of financial assets available for sale	16	-	-	-	-	-	17,266	-	-	17,266	-	17,266	
Effect of hedge operations		-	-	-	-	-	-	(1,237)	-	(1,237)	-	(1,237)	
Effect of the application of the equity method	15	-	(2,279)	-	-	-	-	-	-	(2,279)	-	(2,279)	
Other		-	-	-	-	-	-	-	(1,669)	(1,669)	(2,712)	(4,381)	
Operations with shareholders in the quarter:													
Appropriation of the consolidated net income for 2014:		-	-	-	-	-	-	-	70,281	(70,281)	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-	-	-
Balance as at 31 March 2015		210,000	7,391	63,378	21,000	122,052	21,301	(14,703)	47,181	15,268	492,868	26,677	519,545

The notes are an integral part of the consolidated statement of changes in equity for the quarter ended on 31 March 2015.

**CONSOLIDATED CASH FLOW STATEMENTS**  
**FOR THE QUARTERS ENDED ON 31 MARCH 2015 AND 2014**  
**(Values expressed in thousand euros)**

	Notes	1st Q 15	1st Q 14
<b>OPERATING ACTIVITIES:</b>			
Revenue from customers		384,124	341,634
Payments to suppliers		(347,800)	(211,058)
Staff payments		(73,649)	(59,651)
<b>Cash flow generated by operations</b>		<b>(37,325)</b>	<b>70,925</b>
Income tax payment/revenue		(1,907)	(8,014)
Other revenue/payments relative to operating activity		(17,131)	(8,544)
<b>Cash flow from operating activities (1)</b>		<b>(56,363)</b>	<b>54,367</b>
<b>INVESTMENT ACTIVITIES:</b>			
<b>Revenue derived from:</b>			
Financial investments	19	15,057	10,654
Tangible fixed assets and investment properties		2,287	455
Interest and similar income		5,279	4,089
Dividends	19	165	137
		<b>22,788</b>	<b>15,335</b>
<b>Payments relative to:</b>			
Financial investments	19	(1,628)	(15,603)
Tangible fixed assets and investment properties		(14,736)	(41,335)
Intangible assets		(163)	(146)
		<b>(16,527)</b>	<b>(57,084)</b>
<b>Cash flow from investment activities (2)</b>		<b>6,261</b>	<b>(41,749)</b>
<b>FINANCING ACTIVITIES:</b>			
<b>Revenue derived from:</b>			
Loans raised		<b>485,334</b>	<b>472,384</b>
<b>Payments relative to:</b>			
Loans raised		(438,343)	(468,693)
Interest and similar costs		(24,220)	(26,984)
		<b>(462,563)</b>	<b>(495,677)</b>
<b>Cash flow from financing activities (3)</b>		<b>22,771</b>	<b>(23,293)</b>
<b>Variation in cash and cash equivalents (4)=(1)+(2)+(3)</b>		<b>(27,331)</b>	<b>(10,675)</b>
<b>Effect of currency conversion differences</b>		<b>12,561</b>	<b>(3,853)</b>
<b>Cash and cash equivalents - perimeter change</b>		<b>(1,431)</b>	<b>-</b>
<b>Cash and cash equivalents at the beginning of the quarter</b>	<b>19</b>	<b>191,477</b>	<b>186,441</b>
<b>Cash and cash equivalents at the end of the quarter</b>	<b>19</b>	<b>175,276</b>	<b>171,913</b>

The notes are an integral part of the cash flow statement of the quarter ended on 31 March 2015.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH 2015**

### **1 - INTRODUCTION**

"Teixeira Duarte, S.A." (Company or TD, S.A.) with head office in Porto Salvo, was incorporated on 30 November 2009, with share capital of 210,000,000 euros, represented by 420,000,000 shares with the nominal value of 0.50 euros each (Note 20), 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 thousand euros, since this is the currency used preferably in the economic environment in which the Group operates.

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

The consolidated financial statements as at 31 March 2015 were prepared using the accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, effective for periods beginning on 1 January 2015 and in conformity with IAS 34 - Interim Financial Reporting.

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

The adopted accounting policies are consistent with those followed for the preparation of the financial statements for the financial year ended on 31 December 2014, described in the respective notes, except with regard to the adoption of the standards and interpretations whose enforcement date corresponds to financial years started on or after 1 January 2015.



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

As at 31 March 2015, TEIXEIRA DUARTE, S.A. and the following controlled companies were included in the consolidation, by the full method:

Corporate name	Head office	Effective percentage holding
<b><u>INTERNAL MARKET</u></b>		
<b>CONSTRUCTION</b>		
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
OFM - Obras 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%
<b>CONCESSIONS AND SERVICES</b>		
RECOLTE, Serviços e Meio Ambiente, (Porto), S.A.	Praça do Bom Sucesso, nº 61 - Escritórios 501 e 502 Porto	100.00%
MARINERTES, S.A.	Rotunda Engº Edgar Cardoso, nº 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%
<b>REAL ESTATE</b>		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
IMOTD – 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%

Corporate name	Head office	Effective percentage holding
<b>HOTEL SERVICES</b>		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
EVA - Sociedade Hoteleira, S.A.	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%
<b>DISTRIBUTION</b>		
BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - DISTRIBUIÇÃO S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
<b>ENERGY</b>		
ACG - Distribuição e Comércio de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
DIGAL - Distribuição e Comércio, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
MULTIGÁS - Sociedade Comercial e Distribuidora de Gás, S.A. (b)	Rua das Lagoas - Campo Raso Sintra	50.00%
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%
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%
<b>AUTOMOTIVE</b>		
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%

Corporate name	Head office	Effective percentage holding
<b>OTHER</b>		
C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
TDO - Sociedade Gestora de Participações Sociais, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
TEDAL - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
<b><u>EXTERNAL MARKET</u></b>		
<b><u>SOUTH AFRICA</u></b>		
<b>DISTRIBUTION</b>		
Global Net Distributors (Pty) Ltd.	10 Ninth Avenue Northmead, Gauteng 1501 South Africa	100.00%
<b><u>ANGOLA</u></b>		
<b>CONSTRUCTION</b>		
BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
<b>CONCESSIONS AND SERVICES</b>		
EDUCARE - Actividades Educativas e Culturais, Lda.	Rua Amílcar Cabral, 27 - R/C C Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
<b>REAL ESTATE</b>		
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%
<b>HOTEL SERVICES</b>		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
ANGOIMO - Empreendimentos e Construções, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
HOTEL TRÓPICO, S.A.	Alameda Manuel Van-Dúnem, nº 318 Luanda	80.00%
HOTEL BAÍA, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%

Corporate name	Head office	Effective percentage holding
<b>DISTRIBUTION</b>		
CND – Companhia Nacional de Distribuição, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
DCG – Distribuição e Comércio Geral, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
OCC – Operador Central de Comércio, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	80.00%
<b>AUTOMOTIVE</b>		
AUTO COMPETIÇÃO Angola, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
AUTO 8, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
VAUCO - Automóveis e Equipamentos, Lda.	Rua Ho Chi Min, Junto ao largo da Independência Luanda	51.00%
<b><u>ALGERIA</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE ALGERIE, SPA	Parc Miremont, Rue A, nº 136 Bouzareah Algiers	99.94%
<b><u>BELGIUM</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
TDGI	Avenue Jean-Monnet, 1 À 1348 Louvain-La-Neuve	100.00%
<b><u>BRAZIL</u></b>		
<b>CONSTRUCTION</b>		
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%
<b>CONCESSIONS AND SERVICES</b>		
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
<b>REAL ESTATE</b>		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 Boa Viagem - Cidade de Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 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 Empreendimentos 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%
<b>DISTRIBUTION</b>		
TDD - Distribuição, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	100.00%
<b>CYPRUS</b>		
<b>OTHER</b>		
LEVENEL, Limited	Irakli, Egkomi, 2413 Nicosia	100.00%

Corporate name	Head office	Effective percentage holding
<b><u>SPAIN</u></b>		
<b>CONSTRUCTION</b>		
UTE DE VIANA	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<b>CONCESSIONS AND SERVICES</b>		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
VALYGERSA, S.L.	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<b><u>GIBRALTAR</u></b>		
<b>CONSTRUCTION</b>		
Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100.00%
<b><u>MACAU</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25 – Edifício Montepio Apr. 26 e 28 – 3º andar Macau	100.00%
<b><u>MOZAMBIQUE</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. Július Nyerere, nº 130 Maputo	74.46%
<b>CONCESSIONS AND SERVICES</b>		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	69.55%
<b>REAL ESTATE</b>		
IMOPAR - Centro Comercial de Maputo, S.A.	Av. Július Nyerere, nº 130 Maputo	100.00%
<b>HOTEL SERVICES</b>		
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%



Corporate name	Head office	Effective percentage holding
<b><u>NAMIBIA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
KARIBIB Portland Cement, LTD	PO Box 9574 Windhoek Namibia	95.00%
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%
<b><u>RUSSIA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
MMK Cement, Limited Liability Company	Tri Rutchia Murmansk Russia	70.00%
<b><u>VENEZUELA</u></b>		
<b>CONSTRUCTION</b>		
Consorcio Boyacá – La Guaira	Av. San Juan Bosco, Edifício 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%

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

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

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

## 5 - CHANGES IN THE CONSOLIDATION PERIMETER

During the quarter ended on 31 March 2015, “PETRIN – Petróleos e Investimentos, S.A.” left the consolidation perimeter, relative to the consolidation perimeter as at 31 December 2014.

The Group sold “PETRIN – Petróleos e Investimentos, S.A.” for 10,453 thousand euros, having received 10,153 thousand euros by March 2015 (Note 19), and recorded capital gains of 596 thousand euros.

## 6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency as at 31 March 2015 and 31 December 2014, as well as the earnings of operations developed in countries where the functional currency is different from the Euro, for the periods ended on 31 March 2015 and 2014:

Currency	Closing exchange rate			Average exchange rate		
	31/03/2015	31/12/2014	Var	31/03/2015	31/03/2014	Var
US Dollar	1.0759	1.2141	(11.4%)	1.1361	1.3727	(17.2%)
Macaense Pataca	8.5925	9.6995	(11.4%)	9.0742	10.9707	(17.3%)
Mozambican Metical	38.0700	38.5300	(1.2%)	37.6425	41.5575	(9.4%)
Venezuelan Bolivar	12.9108	14.5692	(11.4%)	13.6335	15.4689	(11.9%)
Angolan Kwanza	116.4080	125.1110	(7.0%)	119.7010	133.4458	(10.3%)
Algerian Dinar	105.0220	106.7437	(1.6%)	105.7923	107.2769	(1.4%)
Moroccan Dirham	10.7429	10.9505	(1.9%)	10.8364	11.2338	(3.5%)
Brazilian Real	3.4958	3.2207	8.5%	3.2465	3.2200	0.8%
Ukrainian Hryvnia	25.2223	19.2052	31.3%	23.3448	13.1292	77.8%
Namibian Dollar	13.1324	14.0353	(6.4%)	13.3347	14.7989	(9.9%)
Cape Verdean Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian Rouble	62.4400	72.3370	(13.7%)	70.9755	47.9490	48.0%
Tunisian Dinar	2.1118	2.2566	(6.4%)	2.1871	2.1998	(0.6%)
South Africa Rand	13.1324	14.0353	(6.4%)	13.3347	14.7989	(9.9%)
Columbian Peso	2,793.0600	2,899.8800	(3.7%)	2,814.0575	2,732.2850	3.0%

## 7 – SEGMENTAL INFORMATION

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

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

The sales and services rendered and the earnings of each of operating segment referred to above for the quarters ended on 31 March 2015 and 2014 were as follows:

Segment	Sales and services rendered						Net operating income	
	1st Q 15			1st Q 14			1st Q 15	1st Q 14
	Customers abroad	Inter-segmental	Total	Customers abroad	Inter-segmental	Total		
Construction	149,300	18,621	167,921	175,430	28,697	204,127	(18,331)	35,926
Concessions and services	25,941	5,936	31,877	17,902	3,740	21,642	3,794	718
Real estate	29,711	3,893	33,604	22,344	2,636	24,980	14,895	9,827
Hotel services	18,885	6,223	25,108	15,238	3,184	18,422	731	1,290
Distribution	71,993	928	72,921	46,941	1,110	48,051	794	(2,267)
Energy	5,179	2	5,181	16,452	583	17,035	1,229	214
Automotive	58,485	1,737	60,222	62,212	2,577	64,789	9,318	12,028
Not allocated to segments	-	-	-	-	-	-	(2,888)	(3,957)
Elimination	-	(37,340)	(37,340)	-	(42,527)	(42,527)	(1)	(34)
	<b>359,494</b>	<b>-</b>	<b>359,494</b>	<b>356,519</b>	<b>-</b>	<b>356,519</b>	<b>9,541</b>	<b>53,745</b>
Financial costs and losses (Note 9)							(173,660)	(53,178)
Financial income and gains (Note 9)							191,241	32,986
Earnings from investment activities (Note 9)							310	(5,518)
<b>Earnings before tax</b>							<b>27,432</b>	<b>28,035</b>

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

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

Other information:

Segment	Fixed capital expenditure		Amortisation and depreciation through profit or loss		Provisions and impairment losses	
	1st Q 15	1st Q 14	1st Q 15	1st Q 14	1st Q 15	1st Q 14
Construction	7,412	9,159	13,547	9,100	1,577	1,189
Concessions and services	724	1,361	947	1,044	629	(256)
Real estate	2,385	2,758	2,052	1,310	-	-
Hotel services	1,340	13,197	2,629	1,919	-	-
Distribution	4,981	9,502	2,186	1,577	-	-
Energy	135	341	621	421	(4)	-
Automotive	908	1,206	661	587	-	-
Not allocated to segments	-	-	7	1	-	-
	<b>17,885</b>	<b>37,524</b>	<b>22,650</b>	<b>15,959</b>	<b>2,202</b>	<b>933</b>

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 31 March 2015 and 31 December 2014, are as follows:

Segment	Assets								Liabilities	
	31/03/2015				31/12/2014				31/03/2015	31/12/2014
	Investments in associates and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total	Investments in associates and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total		
Construction	1,407	-	2,080,158	2,081,565	1,176	-	1,916,045	1,917,221	1,437,392	1,309,497
Concessions and services	611	22,997	241,991	265,599	528	19,007	231,952	251,487	176,780	171,937
Real estate	592	42,587	1,722,000	1,765,179	643	29,236	1,647,746	1,677,625	892,779	880,493
Hotel services	-	-	441,573	441,573	-	-	389,796	389,796	308,538	284,613
Distribution	-	-	308,117	308,117	-	-	276,553	276,553	234,508	212,995
Energy	-	-	48,738	48,738	24	-	68,735	68,759	28,872	45,547
Automotive	-	-	240,271	240,271	-	-	207,658	207,658	144,980	126,693
Not allocated to segments	35,459	16,961	1,029,780	1,082,200	38,221	11,644	1,010,024	1,059,889	169,573	173,532
Elimination	-	-	(3,130,688)	(3,130,688)	-	-	(2,894,981)	(2,894,981)	(810,413)	(736,045)
	38,069	82,545	2,981,940	3,102,554	40,592	59,887	2,853,528	2,954,007	2,583,009	2,469,262

The sales, services rendered and information on non-current non-monetary assets by geographic segment are broken down as follows for the quarters ended on 31 March 2015 and 2014 and as at 31 March 2015 and 31 December 2014, respectively:

Geographic segment	Sales and services rendered		Non-monetary non-current assets	
	1st Q 15	1st Q 14	31/03/2015	31/12/2014
Portugal	51,615	55,795	568,324	586,937
Angola	194,369	160,093	555,048	493,223
Algeria	21,793	17,287	15,739	15,438
Brazil	38,855	33,072	41,424	46,464
Spain	10,571	7,032	13,659	13,861
Mozambique	15,468	10,478	36,332	32,368
Venezuela	26,254	71,722	24,244	21,242
Other	569	1,040	1,551	1,597
	359,494	356,519	1,256,321	1,211,130

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

## 8 - OPERATING INCOME

For the quarters ended on 31 March 2015 and 2014, operating income was as follows:

	1st Q 15	1st Q 14
<b>Sales and services rendered:</b>		
Sales	279,090	287,103
Services rendered	80,404	69,416
	<b>359,494</b>	<b>356,519</b>
<b>Other operating income:</b>		
Own work capitalised (a)	3,670	131
Divestment of assets (b)	1,349	148
Supplementary income	1,334	922
Reversal of impairment losses in accounts receivable	304	648
Reversal of inventory impairment losses	271	64
Variation in the fair value of investment properties	108	-
Inventory gains	32	35
Other operating income	1,256	1,922
	<b>8,324</b>	<b>3,870</b>
	<b>367,818</b>	<b>360,389</b>

(a) Own work capitalised essentially corresponds to costs associated to the construction of real estate property.

(b) During the first quarter of 2015, the indicated gains were obtained through the divestment of tangible fixed assets to the value of 753 thousand euros (148 thousand euros in the first quarter of 2014) and the divestment of “PETRIN – Petróleos e Investimentos, S.A.” corresponding to 596 thousand euros, a company which had been included in the consolidation perimeter as at 31 December 2014.

## 9 - FINANCIAL RESULTS

The financial results for the quarters ended on 31 March 2015 and 2014 were as follows:

	1st Q 15	1st Q 14
<b>Financial costs and losses:</b>		
Interest paid	(24,767)	(22,747)
Unfavourable currency conversion differences	(144,372)	(24,648)
Other financial costs and losses	(4,521)	(5,783)
	<b>(173,660)</b>	<b>(53,178)</b>
<b>Financial income and gains:</b>		
Interest received	4,954	2,906
Favourable currency conversion differences	185,555	29,324
Cash discounts received	93	82
Other financial income and gains	639	674
	<b>191,241</b>	<b>32,986</b>
<b>Earnings from investment activities:</b>		
Earnings from associates and joint ventures (a)	(635)	(5,900)
Dividends (b)	165	137
Other investments (c)	780	245
	<b>310</b>	<b>(5,518)</b>
<b>Financial results</b>	<b>17,891</b>	<b>(25,710)</b>

(a) The earnings from associates and joint ventures for the quarters ended on 31 March 2015 and 2014 include the effect of the application of the equity method to these investments (Note 15).

(b) As at 31 March 2015 and 2014, the presented values correspond to dividends received from "Other Investments".

(c) The heading "Other investments" records gains and losses upon the divestment of financial assets available for sale at fair value.

During the quarter ended on 31 March 2015, interest was capitalised in the acquisition cost of qualifying assets to the value of 19 thousand euros (no interest was capitalised as at 31 March 2014). For the effect of the capitalisation of financial costs associated to the acquisition cost of quantifiable assets, an average rate of 5.9% was used as at 31 March 2015.

## 10 - INCOME TAX

"TD, S.A." 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 holds a stake, based in Portugal, are subject to Corporate Income Tax ("IRC") at the rate of 21%. 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. The aforesaid entities 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 present 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 March 2015.

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

The income tax recognised for the quarters ended on 31 March 2015 and 2014 is as follows:

	1st Q 15	1st Q 14
<b>Current tax:</b>		
Income tax in Portugal	(2,394)	(11,258)
Income tax in other jurisdictions	(9,980)	(11,370)
<b>Current tax</b>	<b>(12,374)</b>	<b>(22,628)</b>
<b>Deferred tax (Note 17):</b>	<b>316</b>	<b>8,349</b>
	<b>(12,058)</b>	<b>(14,279)</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to (5,618) thousand euros were recorded directly under equity as at 31 March 2015 ((4,714) thousand euros as at 31 March 2014) (Note 17).

## 11 - EARNINGS PER SHARE

The earnings per share for the quarters ended on 31 March 2015 and 2014 were calculated taking into account the following amounts:

	1st Q 15	1st Q 14
Net income for the effect of calculating earnings per basic share (net income for the quarter)	15,268	15,948
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420,000	420,000
<b>Earnings per basic share</b>	<b>0.04</b>	<b>0.04</b>

Due to the fact that, for the quarters ended on 31 March 2015 and 2014, there are no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

## 12 - DIVIDENDS

The Company's separate financial statements relative to 31 December 2014 have not yet been approval by the Shareholders, and the General Meeting of Shareholders has been called for 30 May 2015.

## 13 - TANGIBLE FIXED ASSETS

During the quarters ended on 31 March 2015 and 2014, the movements which occurred in the tangible fixed assets, as well as in the respective accumulated depreciation and impairment losses, were as follows:

	Land & natural resources	Buildings & other constructions	Basic equipment	Transport equipment	Tools & utensils	Administrative equipment	Other tangible fixed assets	Tangible fixed assets in progress	Advances on account of tang. fixed assets	Total
<b>Gross assets:</b>										
<b>Balance as at 1 January 2014</b>	<b>31,683</b>	<b>434,063</b>	<b>406,263</b>	<b>82,356</b>	<b>41,065</b>	<b>41,134</b>	<b>10,004</b>	<b>65,873</b>	-	<b>1,112,441</b>
Currency conversion adjustments	87	(1,053)	(1,480)	32	(245)	(373)	77	(2,460)	-	(5,415)
Additions	-	634	3,761	2,507	462	403	2,082	27,401	-	37,250
Transfers and write-offs	(141)	3,673	(1,060)	400	411	(43)	363	11,264	-	14,867
Divestments	-	(73)	(1,425)	(433)	(4)	(79)	-	-	-	(2,014)
<b>Balance as at 31 March 2014</b>	<b>31,629</b>	<b>437,244</b>	<b>406,059</b>	<b>84,862</b>	<b>41,689</b>	<b>41,042</b>	<b>12,526</b>	<b>102,078</b>	-	<b>1,157,129</b>
<b>Balance as at 1 January 2015</b>	<b>32,114</b>	<b>535,129</b>	<b>434,009</b>	<b>89,711</b>	<b>44,151</b>	<b>41,181</b>	<b>10,455</b>	<b>77,649</b>	<b>151</b>	<b>1,264,550</b>
Perimeter alteration	(4,322)	(10,445)	(7,773)	(102)	(21)	(935)	(155)	-	-	(23,753)
Currency conversion adjustments	22	43,308	4,594	2,524	627	2,721	460	8,818	19	63,093
Additions	-	1,733	5,053	3,147	605	904	121	5,472	-	17,035
Transfers and write-offs	-	351	4,604	(854)	(19)	(74)	(48)	(6,608)	-	(2,648)
Divestments	-	(28)	(1,119)	(2,438)	(70)	(80)	(35)	-	-	(3,770)
<b>Balance as at 31 March 2015</b>	<b>27,814</b>	<b>570,048</b>	<b>439,368</b>	<b>91,988</b>	<b>45,273</b>	<b>43,717</b>	<b>10,798</b>	<b>85,331</b>	<b>170</b>	<b>1,314,507</b>
<b>Accumulated depreciation and impairment losses:</b>										
<b>Balance as at 1 January 2014</b>	<b>166</b>	<b>133,284</b>	<b>280,370</b>	<b>58,481</b>	<b>31,097</b>	<b>32,367</b>	<b>5,442</b>	-	-	<b>541,207</b>
Currency conversion effect	-	(342)	(248)	20	(194)	(83)	-	-	-	(847)
Reinforcements	-	4,060	7,730	2,226	715	765	165	-	-	15,661
Transfers and write-offs	-	(174)	(1,886)	101	(62)	(4)	(2)	-	-	(2,027)
Divestments	-	(39)	(1,151)	(381)	(3)	(75)	-	-	-	(1,649)
<b>Balance as at 31 March 2014</b>	<b>166</b>	<b>136,789</b>	<b>284,815</b>	<b>60,447</b>	<b>31,553</b>	<b>32,970</b>	<b>5,605</b>	-	-	<b>552,345</b>
<b>Balance as at 1 January 2015</b>	<b>167</b>	<b>160,199</b>	<b>302,124</b>	<b>62,927</b>	<b>33,285</b>	<b>31,479</b>	<b>6,252</b>	-	-	<b>596,433</b>
Perimeter alteration	-	(6,439)	(7,336)	(102)	(21)	(925)	(155)	-	-	(14,978)
Currency conversion effect	-	10,590	3,427	1,381	356	2,110	205	-	-	18,069
Reinforcements	-	5,668	11,709	2,809	898	1,038	177	-	-	22,299
Transfers and write-offs	-	(2)	(84)	(74)	(39)	(136)	(9)	-	-	(344)
Divestments	-	(5)	(1,046)	(1,860)	(31)	(60)	(19)	-	-	(3,021)
<b>Balance as at 31 March 2015</b>	<b>167</b>	<b>170,011</b>	<b>308,794</b>	<b>65,081</b>	<b>34,448</b>	<b>33,506</b>	<b>6,451</b>	-	-	<b>618,458</b>
<b>Net value:</b>										
<b>As at 31 March 2014</b>	<b>31,463</b>	<b>300,455</b>	<b>121,244</b>	<b>24,415</b>	<b>10,136</b>	<b>8,072</b>	<b>6,921</b>	<b>102,078</b>	-	<b>604,784</b>
<b>As at 31 March 2015</b>	<b>27,647</b>	<b>400,037</b>	<b>130,574</b>	<b>26,907</b>	<b>10,825</b>	<b>10,211</b>	<b>4,347</b>	<b>85,331</b>	<b>170</b>	<b>696,049</b>

The additions to tangible fixed assets carried out during the quarter ended on 31 March 2015 essentially refer to investments in facilities and equipment.



As at 31 March 2015, the tangible assets in progress include 70,769 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.

## 14 - INVESTMENT PROPERTIES

During the quarters ended on 31 March 2015 and 2014, the movement which occurred in investment properties was as follows:

	2015	2014
<b>Balance as at 1 January</b>	<b>482,185</b>	<b>479,965</b>
Currency conversion adjustments	11,240	16
Increases / (divestments)	(905)	(812)
Variation in fair value	(182)	(427)
Transfer of tangible fixed assets	4,398	-
<b>Balance as at 31 March</b>	<b>496,736</b>	<b>478,742</b>

The income gained from investment properties arising from operating lease contracts reached 7,785 thousand euros for the quarter ended on 31 March 2015 (8,119 thousand euros as at 31 March 2014). During the quarter ended on 31 March 2015, the direct operating costs related to investment properties reached 786 thousand euros (739 thousand euros as at 31 March 2014).

## 15 - INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The following associates and joint ventures were recorded through the equity method as at 31 March 2015:

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	40.00%
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%
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 quarters ended on 31 March 2015 and 2014:

	Equity stakes	Goodwill	Total
<b>Balance as at 1 January 2014</b>	<b>24,768</b>	<b>11,693</b>	<b>36,461</b>
Effects of the application of the equity method:			
- Effect on net income for the year (Note 9)	(5,900)	-	(5,900)
- Effect on equity	2,671	-	2,671
Increases	865	-	865
Currency conversion effect	(34)	2	(32)
Other	2,535	-	2,535
<b>Balance as at 31 March 2014</b>	<b>24,905</b>	<b>11,695</b>	<b>36,600</b>
<b>Balance as at 1 January 2015</b>	<b>28,949</b>	<b>11,643</b>	<b>40,592</b>
Effects of the application of the equity method:			
- Effect on net income for the year (Note 9)	(635)	-	(635)
- Effect on equity	(2,279)	-	(2,279)
Currency conversion adjustments	123	-	123
Other	268	-	268
<b>Balance as at 31 March 2015</b>	<b>26,426</b>	<b>11,643</b>	<b>38,069</b>

The investments in associates and joint ventures as at 31 March 2015 and 31 December 2014 are detailed as follows:

Associates and joint ventures	31/03/2015			31/12/2014		
	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.	7,720	-	7,720	10,506	-	10,506
RPK Gulfstream Ltd.	611	-	611	528	-	528
Alvorada Petróleos, S.A.	570	-	570	623	-	623
SCP AK-10 Empreendimentos e Participações SPE LTDA.	22	-	22	20	-	20
Other	1,431	-	1,431	1,200	-	1,200
	<b>26,426</b>	<b>11,643</b>	<b>38,069</b>	<b>28,949</b>	<b>11,643</b>	<b>40,592</b>

(a) Loan of 16,072 thousand euros as at 31 March 2015 and 31 December 2014.

The holdings referred to above are recorded through the equity method which, in the quarters ended on 31 March 2015 and 2014, had the following impacts:

1st Q 15				
Associates and joint ventures	Gains and losses in associates and joint ventures (Note 9)	Adjustments of holdings	Dividends	Total
Alvorada Petróleos, S.A.	(5)	(48)	-	(53)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(555)	(2,231)	-	(2,786)
SCP AK-10 Empreendimentos e Participações SPE LTDA.	4	-	-	4
Other	(79)	-	-	(79)
	(635)	(2,279)	-	(2,914)

1st Q 14				
Associates and joint ventures	Gains and losses in associates and joint ventures (Note 9)	Adjustments of holdings	Dividends	Total
Alvorada Petróleos, S.A.	4	60	-	64
Limited Liability Company Cement	(5,324)	2,583	-	(2,741)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(621)	-	-	(621)
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(1)	-	-	(1)
Other	42	28	-	70
	(5,900)	2,671	-	(3,229)

## 16 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the quarters ended on 31 March 2015 and 2014, the movements which occurred in the valuation of the financial assets available for sale, stated at their respective fair value, were as follows:

	2015	2014
<b>Fair value as at 1 January</b>	<b>59,887</b>	<b>84,613</b>
Increase in fair value	22,658	20,986
<b>Fair value as at 31 March</b>	<b>82,545</b>	<b>105,599</b>

As at 31 March de 2015 and 31 December 2014, the Group held 622,229,693 shares of Banco Comercial Português, S.A., classified as financial assets available for sale.

The financial assets available for sale, and their respective cost and market values, as at 31 March 2015 and 31 December 2014, are as follows:

	31/03/2015		31/12/2014	
	Cost value	Market value	Cost value	Market value
Banco Comercial Português, S.A.	739,822	59,548	739,822	40,880
Banco Bilbao Vizcaya Argentaria, S.A.	31,801	22,997	31,801	19,007
	<b>771,623</b>	<b>82,545</b>	<b>771,623</b>	<b>59,887</b>

## 17 - DEFERRED TAXES

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

During the quarters ended on 31 March 2015 and 2014, the movements which occurred in deferred tax assets and liabilities, according to the temporary difference which generated them, were as follows:

	Deferred tax assets		Deferred tax liabilities	
	2015	2014	2015	2014
<b>Balance as at 1 January</b>	<b>171,219</b>	<b>188,514</b>	<b>56,080</b>	<b>52,693</b>
<b>Constitution / Reversal</b>				
Net income (Note 10)	2,806	8,564	2,490	215
Equity	(4,432)	(4,906)	1,186	(192)
<b>Currency conversion effect and adjustments</b>	<b>1,368</b>	<b>143</b>	<b>2,439</b>	<b>24</b>
<b>Perimeter alteration</b>	<b>(33)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as at 31 March</b>	<b>170,928</b>	<b>192,315</b>	<b>62,195</b>	<b>52,740</b>

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

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

## 18 - RELATED PARTIES

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

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

The main balances with related entities as at 31 March 2015 and 31 December 2014 are detailed as follows:

Entity	Balance receivable		Balance payable		Loans granted		Other debts	
	31/03/2015	31/12/2014	31/03/2015	31/12/2014	31/03/2015	31/12/2014	31/03/2015	31/12/2014
AEBT - Auto Estradas do Baixo Tejo, S.A.	9	-	-	-	5,373	5,373	-	-
AEDL - Auto Estradas do Douro Litoral, S.A.	-	-	-	-	1,202	1,202	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	-	-	17	4	-	-
CONBATE, ACE	20	22	-	-	-	-	-	-
Consórcio Minero Luso Vargas - CONLUVAR	4,551	3,808	2,317	1,500	-	-	4	3
Consórcio OPSUT 2010	3,347	2,569	29	323	-	-	-	-
DOURO LITORAL, ACE	10	7	61	30	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	-	-	-	-	(269)	(269)
EIA - Ensino de Investigação e Administração, S.A.	9	9	-	-	-	-	(324)	(324)
GMP - Grupo Marítimo Português, ACE	69	56	10	10	-	-	-	-
GMP - Grupo Marítimo Português MEK, ACE	21	20	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	10,220	10,050	18	5	-	-	(2)	(2)
Limited Liability Company Cement	-	147	-	-	16,072	16,072	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	4	13	-	-	-	-	-	-
Moreira e Cunha, Lda.	5	7	-	-	-	-	-	-
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	1,017	1,017	60	51	-	-	-	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	-	-	(55)	(27)
RPK Gulfstream, Ltd.	-	-	-	-	1,597	1,379	-	-
SOMAFEL/FERROVIAS, ACE	4	5	10	-	-	-	-	-
TEDEVEN Imobiliária, C.A.	1	1	16	15	-	-	-	-
TEIX.CO SPA	1,372	1,396	513	524	-	-	(272)	(281)
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	-	-	57	44	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	35	35	-	-	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	1	2	12	-	-	-	-
	20,705	19,174	3,128	2,549	25,001	24,770	(918)	(900)

The main transactions carried out in the quarters ended on 31 March 2015 and 2014, with related entities were as follows:

	Sales and services rendered		Purchases and services received		Interest debited	
	1st Q 15	1st Q 14	1st Q 15	1st Q 14	1st Q 15	1st Q 14
AEBT - Auto Estradas do Baixo Tejo, S.A.	8	-	-	-	-	-
CONBATE, ACE	25	60	-	-	-	-
Consórcio Minero Luso Vargas - CONLUVAR	514	55	662	2,885	-	-
Consórcio OPSUT 2010	868	139	467	186	-	-
DOURO LITORAL, ACE	12	15	31	5	-	-
GMP - Grupo Marítimo Português, ACE	12	12	-	-	-	-
GMP - Grupo Marítimo Português MEK, ACE	1	1	-	-	-	-
GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE	-	-	-	2	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,071	2,329	54	62	-	-
Limited Liability Company Cement	-	-	-	-	442	442
METROLIGEIRO - Construção de Infraestruturas, ACE	5	5	-	-	-	-
Moreira e Cunha, Lda.	9	23	-	-	-	-
NOVA ESTAÇÃO, ACE	-	-	10	-	-	-
STELGEST - Gestão Hoteleira, S.A.	-	11	-	2	-	-
SOMAFEL/FERROVIAS, ACE	1	-	10	-	-	-
TEGAVEN - Teixeira Duarte Y Associados, C.A.	-	29	-	73	-	-
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	-	1	-	5	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	5	11	10	17	-	-
VSL Sistema de Pré-Esforço - Equipamento de Montagem, S.A.	-	-	-	3	-	-
	<b>2,531</b>	<b>2,691</b>	<b>1,244</b>	<b>3,240</b>	<b>442</b>	<b>442</b>

The remunerations of the members of the governing bodies of TD, S.A. for the quarters ended on 31 March 2015 and 2014 were as follows:

	1st Q 15	1st Q 14
<b>Executive directors:</b>		
Short term benefits	216	214
<b>Supervisory board:</b>		
Short term benefits	17	17
<b>Chartered accountant:</b>		
Short term benefits	15	15
	<b>248</b>	<b>246</b>

The remunerations of the members of the senior management staff of TD, S.A. for the quarters ended on 31 March 2015 and 2014 were as follows:

	1st Q 15	1st Q 14
<b>Senior staff:</b>		
Short term benefits	1,262	1,573
	<b>1,262</b>	<b>1,573</b>

## 19 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

### Cash and cash equivalents

As at 31 March 2015 and 31 December 2014, this heading is broken down as follows:

	31/03/2015	31/12/2014
Demand deposits	126,039	111,264
Term deposits	39,121	71,097
Other cash investments	1,338	3,822
Cash	8,778	5,294
	<b>175,276</b>	<b>191,477</b>

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

### Cash flow from investment activities

The revenue derived from financial investments in the quarters ended on 31 March 2015 and 2014, refer to the divestment of holdings in the following entities:

	1st Q 15	1st Q 14
PETRIN - Petróleos e Investimentos, S.A.	10,153	-
Banco Bilbao Vizcaya Argentaria, S.A.	4,904	10,654
	<b>15,057</b>	<b>10,654</b>

The payments relative to financial investments in the quarters ended on 31 March 2015 and 2014, refer to the acquisition of equity holdings in the following entities:

	1st Q 15	1st Q 14
Banco Bilbao Vizcaya Argentaria, S.A.	1,628	10,965
AEBT - Vias do Baixo Tejo, S.A.	-	4,554
Other	-	84
	<b>1,628</b>	<b>15,603</b>

The dividends received in the quarters ended on 31 March 2015 and 2014, were as follows:

	1st Q 15	1st Q 14
CPM - Companhia de Parques de Macau, S.A.R.L.	165	137
	<b>165</b>	<b>137</b>



## 20 - SHARE CAPITAL

As at 31 March 2015 and 2014, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of 0.50 euros each.

As at 31 March 2015, 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.

## 21 - RESERVES AND RETAINED EARNINGS

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

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

**Free reserves:** The free reserves are available for distribution, under the terms and within the limits established in the Commercial Companies Code.

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

## 22 - LOANS

As at 31 March 2015 and 31 December 2014, the following loans had been raised:

	31/03/2015	31/12/2014
<b>Non-current liabilities:</b>		
Bank loans a)	278,032	243,200
Commercial paper b)	479,882	503,015
Debenture loan c)	15,300	15,300
	<b>773,214</b>	<b>761,515</b>
<b>Current liabilities:</b>		
Bank loans a)	641,830	624,788
Commercial paper b)	116,807	98,557
	<b>758,637</b>	<b>723,345</b>
	<b>1,531,851</b>	<b>1,484,860</b>

### a) Bank loans

As at 31 March 2015, the internal bank loans, bank overdrafts and pledged current accounts earned interest at the weighted annual average rate of 4.71% (4.83% as at 31 March 2014).

As at 31 March 2015, 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 12,820 thousand euros on the closing date of March 2015, 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 March 2015, 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 31,051 thousand euros on the closing date of March 2015, which will be repaid in 105 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 14,383 thousand euros on the closing date of March 2015, 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 870 thousand euros on the closing date of March 2015, which will fall due on 27 November 2015.

Loan raised from Banco Bradesco, S.A., contracted on 27 March 2012 of the value of 15,475 thousand euros on the closing date of March 2015, which will fall due on 20 September 2015.

Loan raised from Banco BPI, S.A., contracted on 19 July 2012 of the value of 1,063 thousand euros on the closing date of March 2015, which will fall due on 19 July 2015.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the value of 11,528 thousand euros on the closing date of March 2015, which will fall due on 5 December 2019.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the value of 24,725 thousand euros on the closing date of March 2015, 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 17,500 thousand euros on the closing date of March 2015, 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 2,703 thousand euros on the closing date of March 2015. The current principal will be repaid over the contract period, and in accordance with the table of agreed haircuts, by the product of the sale of the mortgaged real estate properties, with the remainder being settled through bullet repayment on 13 December 2015.

Loan raised from Banco Bradesco, contracted on 21 February 2013 of the value of 6,468 thousand euros on the closing date of March 2015, which will fall due on 20 October 2016.

Loan raised from Banco Itaú, contracted on 30 August 2013 of the value of 1,159 thousand euros on the closing date of March 2015, which will fall due on 20 November 2016.

Loan raised from Banco Itaú, contracted on 28 September 2013 of the value of 9,039 thousand euros on the closing date of March 2015, which will fall due on 20 de October 2016.

Loan raised from Banco Caixa Geral Totta Angola, contracted on 23 January 2014 of the value of 17,704 thousand euros on the closing date of March 2015, which will fall due on 30 April 2021.

Loan raised from Banco Angolano de Investimento, contracted on 20 February 2014 of the value of 38,826 thousand euros on the closing date of March 2015, which will fall due on 31 October 2020.

Loan raised from Banco BIC de Angola, contracted on 22 September 2014 of the value of 24,507 thousand euros on the closing date of March 2015, 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 March 2015, 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 3,052 thousand euros on the closing date of March 2015, 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 4,085 thousand euros on the closing date of March 2015, 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 1,192 thousand euros on the closing date of March 2015, 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 2,861 thousand euros on the closing date of March 2015, 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 12,821 thousand euros on the closing date of March 2015, which will fall due on 31 December 2021.

Factoring line with recourse from Novo Banco, S.A., of the value of 13,000 thousand euros, which is being used entirely on the closing date of March 2015.

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 March 2015, it was being used to the value of 12,382 thousand dollars of the United States of America, corresponding to 11,509 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 2015, which was being used to the value of 7,456 thousand euros on the closing date of March 2015.

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, which was being used, on the closing date of March 2015, by the first two grantors to the value of 6,521 and 9,887 thousand euros, respectively.

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 275,813 thousand Venezuelan bolivars on the closing date of March 2015 which, at the closing exchange rate of March 2015, corresponds to 21,363 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 27,500 thousand Venezuelan bolivars on the closing date of March 2015, against the constitution of collateral by the Company, which, at the closing exchange rate of March 2015, corresponds to 2,130 thousand euros.

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 March 2015 which, at the closing exchange rate of March 2015, corresponds to 23,236 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, that was used, on the closing date of March 2015, to the value of 151,000 thousand Venezuelan bolivars, which, at the closing exchange rate of March 2015, corresponds to 11,696 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 33,750 thousand Venezuelan bolivars on the closing date of March 2015, which, at the closing exchange rate of March 2015, corresponds to 2,614 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 120,000 thousand Venezuelan bolivars on the closing date of March 2015 which, at the closing exchange rate of March 2015, corresponds to 9,295 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 March 2015 and 31 December 2014, the bank loans also include pledged current accounts of the value of 422,994 and 447,029 thousand euros, respectively.

**b) Commercial paper**

As at 31 March 2015, the Group had negotiated the following commercial paper programmes:

Grouped commercial paper issue programme 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 March 2015, 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 semi-annual repayments starting on 20 August 2015 of the value of 1,000 thousand euros on the first date and 2,500 thousand euros thereafter, and settlement of the remaining value on the repayment date of the last issue of the programme.

Commercial paper issue programme contracted with Banco Comercial Português, S.A. on 18 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.

Commercial paper issue programme contracted with Banco Comercial Português, S.A. on 18 August 2008, of 7,500 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 commercial paper issue programme 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 March 2015 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.

Commercial paper issue programme 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 commercial paper issue programme, 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 duration of the programme is five years, starting from the contract signing date, the interest is earned on a six-monthly basis in arrears, with the reference rate being indexed to the one to six-month Euribor under competitive auction for periods of 7 to 180 days via direct placement, increased by 4.375% and determined according to the date of each auction, with the repayment of the last issue being made on 6 January 2016.

Grouped commercial paper issue programme 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 2015, 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 the date of each issue, increased by a spread of 4.25%.

Grouped commercial paper issue programme 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% 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 commercial paper issue programme 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 March 2015, 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 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 commercial paper issue programme 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 March 2015, 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 commercial paper issue programme 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 commercial paper issue programme 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 a spread of 3.25%.

As a result of the commitment of successive renewal of the programme contracts during the period, some existing issues as at 31 March 2015 and 31 December 2014 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 March 2015 and 31 December 2014, the repayment of non-current bank loans is defined as follows:

	31/03/2015	31/12/2014
2016	111,987	137,032
2017	102,967	98,781
2018	354,284	346,910
2019	93,531	68,901
2020 and following	110,445	109,891
	<b>773,214</b>	<b>761,515</b>

As at 31 March 2015 and 31 December 2014, the funding in foreign currency was expressed as follows:

Currency	31/03/2015		31/12/2014	
	Currency	Euros	Currency	Euros
Venezuelan Bolivar	1,141,743	88,433	935,082	64,182
US Dollar	17,573	16,333	21,553	17,752
Moroccan Dirham	8,138	757	7,034	642
Japanese Yen	52,907	410	-	-
Angolan Kwanza	21,543,683	185,070	21,262,829	169,952
South Africa Rand	-	-	2,264	161
Brazilian Real	136,787	39,129	110,391	34,275

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.



## 23 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

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;

The correction of 461 thousand euros, made by the Tax Authority to the tax credit due to double international taxation calculated by TEIXEIRA DUARTE – Engenharia e Construções, S.A. for 2010, and disclosed in the report with reference to 31 December 2014, has in the meantime had a favourable outcome in relation to the Company's claims.



**Guarantees:**

As at 31 March 2015 and 31 December de 2014, the group of companies included in the consolidation had provided the following guarantees to third parties:

	31/03/2015	31/12/2014
Bank guarantees provided	462,089	460,269
Fidelity insurance	408,524	360,865

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 31,051 thousand euros on the closing date of March 2015.

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 March 2015, 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 11,532 thousand euros on the closing date of March 2015, 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 24,725 thousand euros on the closing date of March 2015, 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 24,507 thousand euros on the closing date of March 2015, 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 38,826 thousand euros on the closing date of March 2015, 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 12,821 thousand euros on the closing date of March 2015, 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 17,704 thousand euros on the closing date of March 2015, 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 1,063 thousand euros on the closing date of March 2015, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. mortgaged 6 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 March 2015, 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 2,703 thousand euros on the closing date of March 2015, 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, 46, 52, 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 12, 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 2,703 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 12,820 thousand euros on the closing date of March 2015, 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 March 2015, 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 - SGPS, S.A. pledged 14,000 shares of V8, 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 March 2015, 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 3,052 thousand euros on the closing date of March 2015, 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 - SGPS, S.A. pledged the shares of PPS - Produtos Petrolíferos, S.A..

#### **Financial commitments:**

As at 31 March 2015 and 31 December 2014, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached 537,126 thousand euros and 546,054 thousand euros, respectively.

As at 31 March 2015 and 31 December 2014, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of 13,539 thousand euros and 11,609 thousand euros, respectively. Pursuant to the contractual conditions, the Group's liability is essentially restricted to the guarantee of acceptance on the part of customers of the invoices which are the object of factoring.

## 24 – MEASUREMENT AT FAIR VALUE

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

The table below presents the Group's assets and liabilities measured at fair value as at 31 March 2015, according to the following hierarchical levels of fair value:

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

Category	Item	Level 1	Level 2	Level 3
<b>Assets:</b>				
Financial assets available for sale	Shares	82,545	-	-
Financial assets at fair value through profit or loss	Shares	2,008	-	-
Investment properties	Buildings and land	-	496,736	-
<b>Liabilities:</b>				
Financial liabilities at fair value	Hedge derivatives	18,972	-	-

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

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

## 25 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the quarter ended on 31 March 2015 were approved by the Board of Directors on 29 May 2015.

## 26 - SUBSEQUENT EVENTS

TEIXEIRA DUARTE pursued its activity in the different markets in which it operates, where reference is made the following relevant fact that occurred after the closing of the first quarter of 2015, which 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 le 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.