



Report and Accounts

3<sup>rd</sup> Quarter **2016**

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# Teixeira Duarte, S.A.

## LISTED COMPANY

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

Share capital: € 210.000.000

Single Legal Person and

Registration number 509234526 at Cascais Commercial Register (Oeiras)

## SUMMARY OF THE INDICATORS

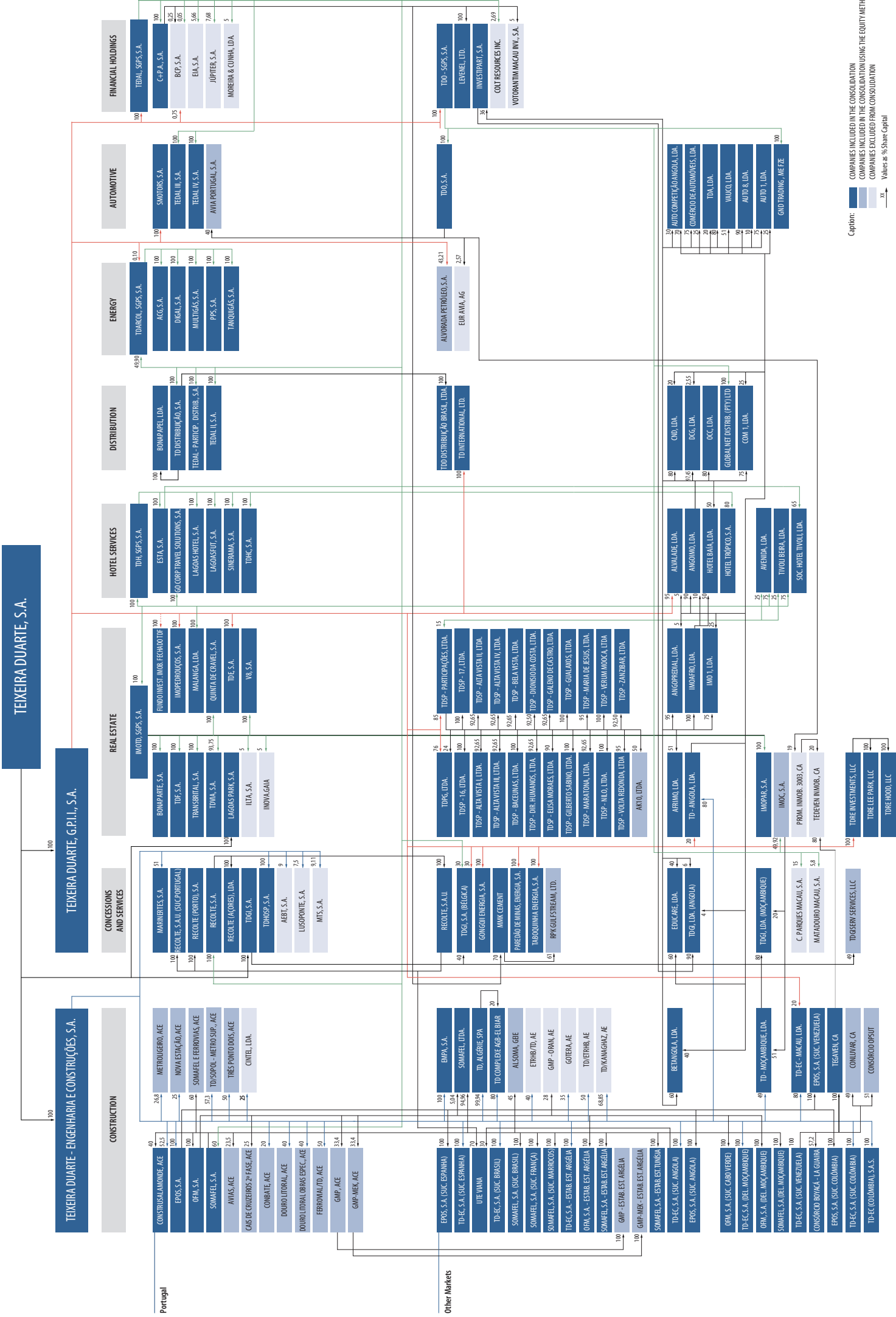
	3 <sup>rd</sup> Quarter 2012	3 <sup>rd</sup> Quarter 2013	3 <sup>rd</sup> Quarter 2014	3 <sup>rd</sup> Quarter 2015	3 <sup>rd</sup> Quarter 2016	Variation 2016/2015 %
Average number of workers	10,734	11,989	13,165	13,691	11,534	(15.8%)
Turnover	980	1,119	1,175	1,005	828	(17.6%)
Operating income	1,012	1,147	1,188	1,038	863	(16.9%)
EBITDA	157	149	165	125	150	19.6%
EBITDA / Turnover	16.0%	13.3%	14.0%	12.5%	18.1%	45.2%
EBIT	112	95	133	67	99	47.8%
Net Income Attributable to Shareholders	6	10	71	17	(26)	-
Net Debt	983	1,202	1,293	1,253	1,166	(6.9%)
Net income attributable to shareholders	242	263	424	459	345	(24.7%)
Equity total	318	299	461	480	390	(18.6%)
Total of net asset	2,697	2,692	2,987	2,819	2,477	(12.2%)

### Notes:

The book values are expressed in million euros.

The figures in the "Variation 2016/2015 %" column were calculated based on amounts that were not rounded off.

# TEIXEIRA DUARTE GROUP - 3<sup>rd</sup> Quarter 2016



Interim Management Report  
**3<sup>rd</sup> Quarter 2016**



## I - INTRODUCTION

TEIXEIRA DUARTE, S.A. (“TD, S.A.”) hereby discloses the Interim Report referring to the first three months of 2016, of which the attached consolidated financial statements also form a part.

Pursuant to, and under periodic reporting standards, it is hereby clarified that the elements disclosed herein only refer to the consolidated scope, and that the consolidated financial statements at 30 September, 2016 have been prepared using accounting policies consistent with International Financial Reporting Standards (“IFRS”), as adopted by the European Union, in effect for periods beginning on 1 January, 2016, and in accordance with IAS 34 - Interim Financial Reporting.

Notwithstanding the regular monitoring of Teixeira Duarte Group by its Oversight Bodies, as well as through the information report provided to you for the purpose of drafting this document, the elements published herein have no, under the applicable provisions, been audited.

In addition to the Consolidated Financial Statements and the respective annex, this document will also contain a brief presentation about the evolution of the Group’s activity during the analysed period. In this regard, emphasis should first be placed on the following topics:

- **Net Results Attributable to Holders of Equity** were negative, amounting to 26.3 million euros;
- **Turnover** of 828.2 million euros;
- **External Market** accounts for 83.8% of turnover;
- **EBITDA** of 149.9 million euros;
- **EBITDA margin / Turnover** of 18.1%;
- **Net Debt** of 1.154 billion euros;
- **Net Group Assets** of 2.477 billion euros;
- **Financial Autonomy** of 15.8%;
- **Teixeira Duarte Group Orders Portfolio** for the construction sector of 2.109 billion euros.

## II – GLOBAL APPRAISAL OF THE ACTIVITY

### Statement of Results DURING THE PERIODS ENDED ON 30 SEPTEMBER 2016 AND 2015

	3 <sup>rd</sup> Q 16	3 <sup>rd</sup> Q 15	Var. (%)	Jul-Sep 16	Jul-Sep 15	Var. (%)
Operating income	863,246	1,038,409	(16.9%)	273,177	336,028	(18.7%)
Operating costs	(713,390)	(913,157)	(21.9%)	(219,745)	(293,523)	(25.1%)
<b>EBITDA</b>	<b>149,856</b>	<b>125,252</b>	<b>19.6%</b>	<b>53,432</b>	<b>42,505</b>	<b>25.7%</b>
Amortizations and depreciations	(57,183)	(58,473)	(2.2%)	(19,023)	(19,835)	(4.1%)
Provisions and impairment losses	6,483	330	1864.5%	(162)	(2,288)	(92.9%)
<b>EBIT</b>	<b>99,156</b>	<b>67,109</b>	<b>47.8%</b>	<b>34,247</b>	<b>20,382</b>	<b>68.0%</b>
<b>Financial Results</b>	<b>(96,890)</b>	<b>(65,820)</b>	<b>47.2%</b>	<b>(24,565)</b>	<b>(47,746)</b>	<b>(48.6%)</b>
<b>Results before taxes</b>	<b>2,266</b>	<b>1,289</b>	<b>75.8%</b>	<b>9,682</b>	<b>(27,364)</b>	-
Income tax	(15,565)	16,007	-	(1,768)	21,312	-
<b>Net Income</b>	<b>(13,299)</b>	<b>17,296</b>	-	<b>7,914</b>	<b>(6,052)</b>	-
<b>Attributable to:</b>						
<b>Equity holders</b>	<b>(26,259)</b>	<b>17,033</b>	-	<b>9,518</b>	<b>(7,214)</b>	-
Non-controlling interests	12,960	263	4827.8%	(1,604)	1,162	-

(Values in thousands of Euro)

**Net Results Attributable to Holders of Equity** were negative, amounting to 26,259 thousand euros, despite the better operational performance of Group companies when compared to the third quarter of the previous year.

In effect, the following two factors contributed to these results: changes in exchange rate differences, which in September 2016 amounted to minus 24,688 thousand euros, whereas they amounted to 1,366 thousand euros in the same period of 2015; and the change in impairment loss in the stake in "Banco Comercial Português, S.A.", net of deferred taxes, which in September 2016 was 16,161 thousand euros, whereas it stood at 10,709 thousand euros during the first nine months of 2015.

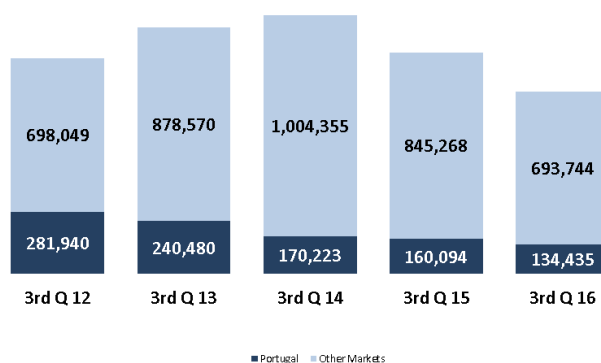
This result, accumulated to the end of the first nine months of the year, does not only reflect a significant decrease when compared to the same period of 2015, but also simultaneously a recovery during the third quarter of 2016 when compared to the first six months of this year.

**Turnover** reached 828,179 thousand euros, representing a decrease of 17.6% compared to the same period in 2015, that is a drop of 177,183 thousand euros.

Other markets, which represented 84.1% of this indicator in September last year, experienced an overall decrease of 17.9%, coming to represent 83.8% of the Teixeira Duarte Group's total turnover.



Evolution of Turnover by Markets



(Values in thousands of Euro)

The tables below present the Turnover detailed, firstly by countries and secondly activity sectors.

Turnover by Country

Country	3 <sup>rd</sup> Q 16		3 <sup>rd</sup> Q 15		Variation	Jul-Sep 16		Jul-Sep 15		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Portugal	134,435	16.2%	160,094	15.9%	(16.0%)	38,720	15.0%	57,111	17.8%	(32.2%)
Angola	352,626	42.6%	516,526	51.4%	(31.7%)	109,225	42.3%	147,716	46.0%	(26.1%)
Algeria	79,278	9.6%	66,124	6.6%	19.9%	23,292	9.0%	18,434	5.7%	26.4%
Brazil	106,211	12.8%	109,253	10.9%	(2.8%)	38,877	15.1%	32,773	10.2%	18.6%
Spain	23,848	2.9%	32,577	3.2%	(26.8%)	7,915	3.1%	9,606	3.0%	(17.6%)
Mozambique	104,371	12.6%	93,011	9.3%	12.2%	32,925	12.8%	51,276	16.0%	(35.8%)
Venezuela	13,489	1.6%	24,183	2.4%	(44.2%)	3,944	1.5%	2,494	0.8%	58.1%
Other	13,921	1.7%	3,594	0.4%	287.3%	3,180	1.2%	1,470	0.5%	116.3%
	<b>828,179</b>	<b>100.0%</b>	<b>1,005,362</b>	<b>100.0%</b>	<b>(17.6%)</b>	<b>258,078</b>	<b>100.0%</b>	<b>320,880</b>	<b>100.0%</b>	<b>(19.6%)</b>

(Values in thousand euros)

This first table shows the Group's exposure to economic contexts that are currently more adverse, specifically Angola, which has had the greatest impact on the Group's activity in recent years and which, as a result, played the greatest role in the drop in the overall values that were achieved.

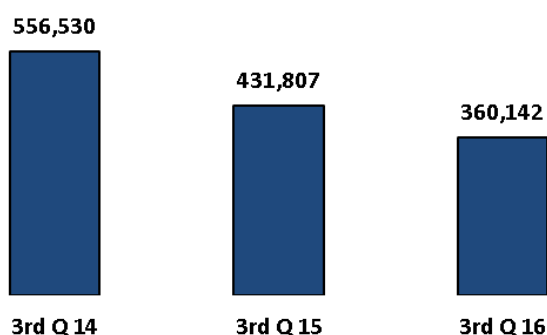
Turnover by Sector

Activity Sector	3 <sup>rd</sup> Q 16		3 <sup>rd</sup> Q 15		Variation	Jul-Sep 16		Jul-Sep 15		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Construction	360,142	43.5%	431,807	43.0%	(16.6%)	113,861	44.1%	159,084	49.6%	(28.4%)
Concessions and service	83,240	10.1%	80,908	8.0%	2.9%	27,485	10.6%	27,505	8.6%	(0.1%)
Real estate	77,146	9.3%	81,443	8.1%	(5.3%)	23,755	9.2%	21,256	6.6%	11.8%
Hotel services	38,554	4.7%	55,367	5.5%	(30.4%)	12,605	4.9%	17,011	5.3%	(25.9%)
Distribution	188,855	22.8%	203,746	20.3%	(7.3%)	54,898	21.3%	61,397	19.1%	(10.6%)
Energy	12,715	1.5%	12,811	1.3%	(0.7%)	3,352	1.3%	3,410	1.1%	(1.7%)
Automotive	67,527	8.2%	139,280	13.9%	(51.5%)	22,122	8.6%	31,217	9.7%	(29.1%)
	<b>828,179</b>	<b>100.0%</b>	<b>1,005,362</b>	<b>100.0%</b>	<b>(17.6%)</b>	<b>258,078</b>	<b>100.0%</b>	<b>320,880</b>	<b>100.0%</b>	<b>(19.6%)</b>

(Values in thousands of Euro)

To supplement the map found above, below can be found some notes relating to the activity carried out during the third quarter, in each of the Group's sectors of activity:

#### Turnover of Construction Services

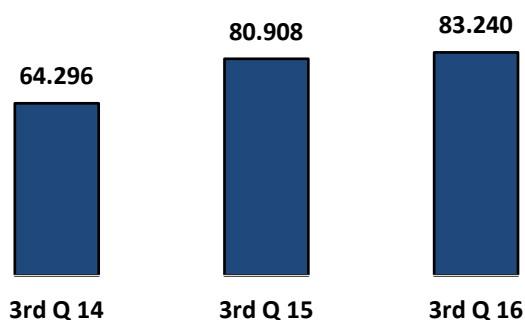


The Turnover of Construction Services decreased by 16.6% year-on-year 2015.

A 34.3% decrease was seen in Portugal compared to the values achieved during the first nine months of 2015. Throughout this period, the Group was working on the major infrastructure project for the Marão tunnel.

In other markets, emphasis should be placed on rises seen in Algeria, Brazil and Mozambique, with increases of 19.9%, 15.4% and 15.3%, respectively. However, these increases do not compensate for the drops experienced in Angola and Venezuela. On 30 September 2015, the external market accounted for 85% of Construction turnover.

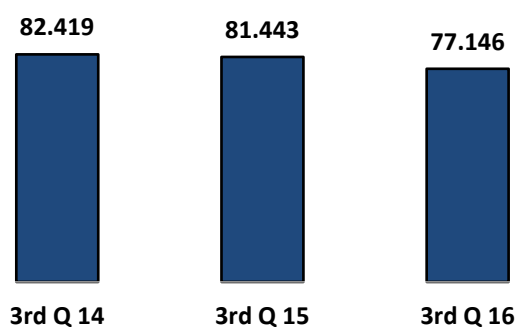
#### Turnover of Concessions and Services



In Concessions and Services, Turnover increased by 2.9% compared to September 2015, essentially as a result of a 2,296 thousand euro increase in the *Facilities Management* area in Belgium, when compared to the same period of 2015.

Similar values to those from the same period of 2015 were seen in all other countries.

#### Turnover of Real estate Services

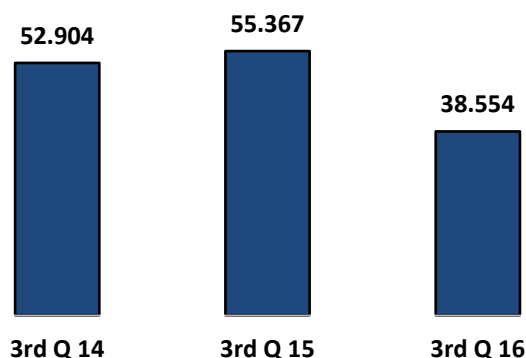


There was an overall drop of 5.3% in Real Estate when compared to the third quarter of 2015.

In Portugal, in the context of the recovery of the real estate market, a 32% increase was seen when compared to September 2015.

In Brazil, we should emphasize the good commercial performance of Group enterprises. However, due to the less than favorable situation of the sector in that country, and the devaluation of the Real, this performance did not prevent a 26.5%

### Turnover of Hotel Services

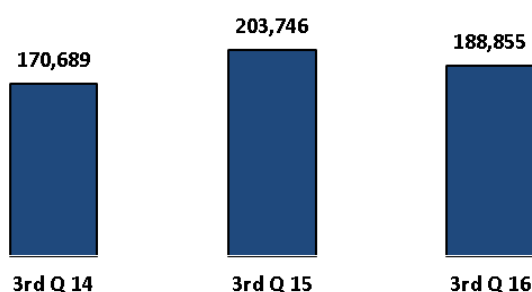


Turnover from Hospitality suffered an overall decrease of 30.4% when compared to the same period of 2015.

The main factor that contributed to this decrease was the fact that, at the end of the third quarter of 2015, the Group held four hotel units in Portugal, two of which it no longer holds because they were divested in December of that year.

A decrease of 26.1% was also seen in Mozambique, and in Angola the drop was 26.2%; as the latter is the main market in which the Group operates in this sector, it was the most influential factor in the evolution of this indicator.

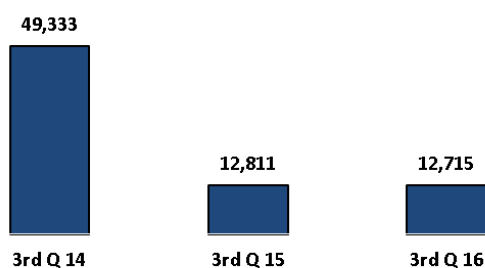
### Turnover of Distribution Services



Distribution experienced a decrease of 7.3% when compared to the same period of 2015.

During this period, the Group accelerated the adaptation of its operations to Angola's current economic situation, specifically by adapting structures and the supply model.

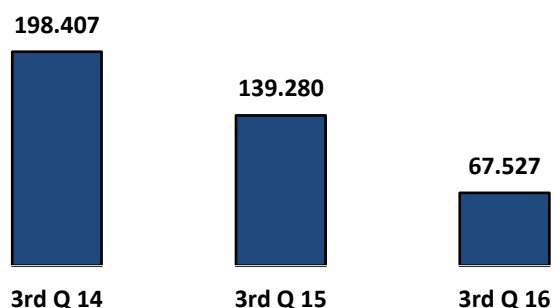
### Turnover of Energy Services



In Energy, the Group's turnover decreased by 0.7% when compared to the same period of 2015.

The Group currently only operates in the Gas sector, where it has over 700 tanks and a 350 km network supplying around 65,000 appliances.

## TURNOVER OF THE AUTOMOTIVE SECTOR



Turnover in the automotive sector decreased by 51.5% when compared to same period of 2015.

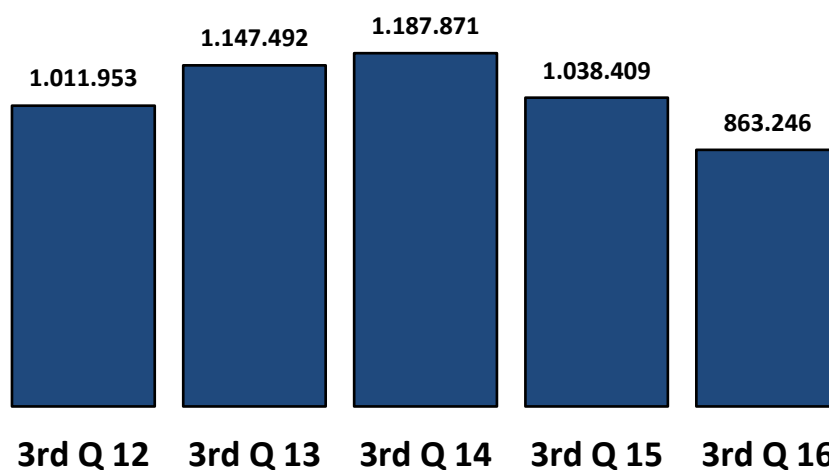
During the first nine months of the year, a 73% decrease was seen in units sold in the light vehicles sector, along with a 14.7% drop in after sales services, essentially due to a reduction in economic activity and import operationalization limitations.

(Values in thousands of Euro)

In Portugal, the implementation of the operation was continued through the representation of the Suzuki brand, with exclusivity in the district of Lisbon; the dealership facilities were opened on the 10th of November.

**Operating profits** suffered a decrease of 16.9% when compared to the same period of the previous year, dropping to 863,246 thousand euros.

### Evolution of Operating Income



(Values in thousands of Euro)

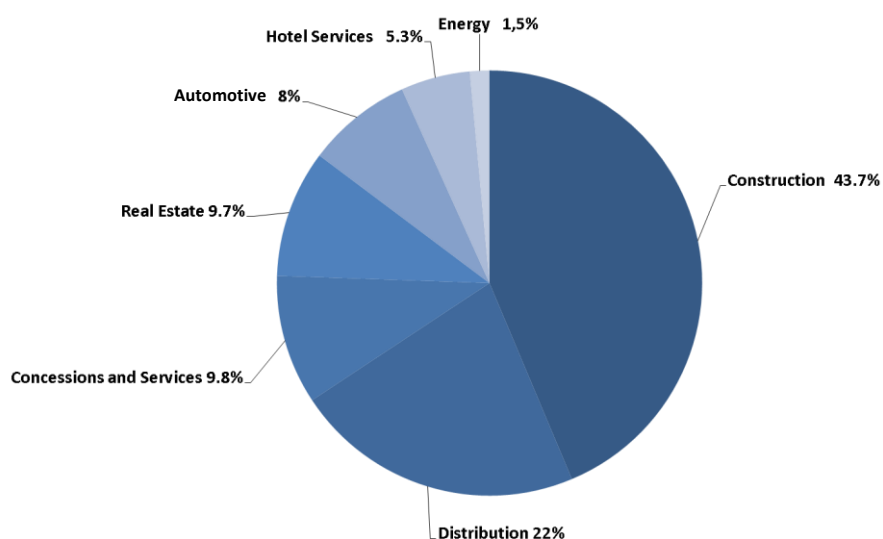
The following table shows services provided to different Domestic and Overseas market sectors.

### Operational Profits by sector of activity in Domestic and Overseas markets

Activity Sector	Internal Market			External Market			Total		
	3 <sup>rd</sup> Q 16	3 <sup>rd</sup> Q 15	Var (%)	3 <sup>rd</sup> Q 16	3 <sup>rd</sup> Q 15	Var (%)	3 <sup>rd</sup> Q 16	3 <sup>rd</sup> Q 15	Var (%)
Construction	64,734	91,338	(29.1%)	312,207	348,760	(10.5%)	376,941	440,098	(14.4%)
Concessions and services	27,159	27,750	(2.1%)	57,745	56,396	2.4%	84,904	84,146	0.9%
Real estate	33,186	32,249	2.9%	50,559	58,165	(13.1%)	83,745	90,414	(7.4%)
Hotel services	7,654	13,560	(43.6%)	37,802	42,167	(10.4%)	45,456	55,727	(18.4%)
Distribution	710	818	(13.2%)	189,575	211,286	(10.3%)	190,285	212,104	(10.3%)
Energy	12,698	13,506	(6.0%)	106	-	-	12,804	13,506	(5.2%)
Automotive	238	-	-	68,873	142,414	(51.6%)	69,111	142,414	(51.5%)
<b>Total</b>	<b>146,379</b>	<b>179,221</b>	<b>(18.3%)</b>	<b>716,867</b>	<b>859,188</b>	<b>(16.6%)</b>	<b>863,246</b>	<b>1,038,409</b>	<b>(16.9%)</b>

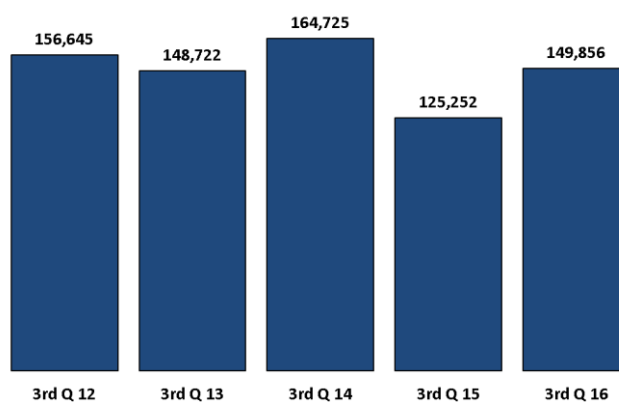
(Values in thousands of Euro)

As a result of the evolutions mentioned above, the contributions of each of the sectors of activity to the global value of operating profits achieved by the Group on 30 September, 2016 were as follows:



A 19.6% increase was seen in **EBITDA** when compared to September 2015, fixed at 149,856 thousand euros.

#### Evolution of EBITDA



(Values in thousands of Euro)

An analysis of this indicator by sector, on the map shown below, shows very disparate behaviour of each one of them, depending on the unique features of each activity and the respective markets in which the company operates.

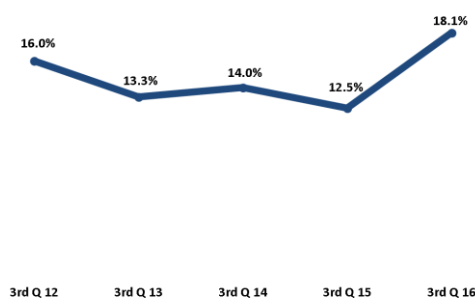
#### Evolution of EBITDA by Sectors of Activity

Activity Sector	3 <sup>rd</sup> Q 16	3 <sup>rd</sup> Q 15	Var. (%)	Jul-Sep 16	Jul-Sep 15	Var. (%)
Construction	31,697	9,740	225.4%	14,865	6,840	117.3%
Concessions and services	13,897	14,594	(4.8%)	3,650	4,693	(22.2%)
Real estate	40,061	46,380	(13.6%)	17,443	13,111	33.0%
Hotel services	7,413	12,837	(42.3%)	3,492	4,701	(25.7%)
Distribution	36,014	17,824	102.1%	8,203	7,170	14.4%
Energy	2,525	2,639	(4.3%)	337	98	243.9%
Automotive	25,206	26,358	(4.4%)	7,683	5,489	40.0%
Not included in the segment	(6,753)	(5,092)	32.6%	(2,165)	404	-
Removals	(204)	(28)	628.6%	(76)	(1)	7500.0%
	<b>149,856</b>	<b>125,252</b>	<b>19.6%</b>	<b>53,432</b>	<b>42,505</b>	<b>25.7%</b>

(Values in thousands of Euro)

A 45.2% increase in **EBITDA Margin / Turnover** was seen when compared to the same period of the previous year, increasing from 12.5% to 18.1% in September, 2016.

#### Evolution of the EBITDA margin / Turnover



**Financial results** were negative - amounting to 96,890 thousand euros in the period ending 30 September 2016, whereas at the end of the third quarter of 2015 the financial results were negative to the tune of 65.820 thousand euros.

	3 <sup>rd</sup> Q 16	3 <sup>rd</sup> Q 15	Var. (%)	Jul-Sep 16	Jul-Sep 15	Var. (%)
<b>Costs and financial losses</b>	<b>(279,539)</b>	<b>(351,373)</b>	<b>(20.4%)</b>	<b>(42,575)</b>	<b>(87,253)</b>	<b>(51.2%)</b>
Supported interests	(60,637)	(70,260)	(13.7%)	(20,243)	(21,520)	(5.9%)
Unfavourable exchange rate differences	(201,612)	(267,277)	(24.6%)	(16,978)	(64,030)	(73.5%)
Other costs and financial losses	(17,290)	(13,836)	25.0%	(5,354)	(1,703)	214.4%
<b>Income and financial earnings:</b>	<b>190,019</b>	<b>282,583</b>	<b>(32.8%)</b>	<b>20,085</b>	<b>52,270</b>	<b>(61.6%)</b>
Obtained interests	11,239	10,903	3.1%	4,244	5,002	(15.2%)
Favourable exchange rate differences	176,924	268,643	(34.1%)	16,013	46,260	(65.4%)
Cash discounts obtained	41	175	(76.6%)	4	40	(90.0%)
Other income and financial earnings	1,815	2,862	(36.6%)	(176)	968	-
<b>Income related to investment activities:</b>	<b>(7,370)</b>	<b>2,970</b>	<b>-</b>	<b>(2,075)</b>	<b>(12,763)</b>	<b>(83.7%)</b>
Earnings from associates and joint works	9,204	5,703	61.4%	(330)	1,340	-
Dividends	1,652	863	91.4%	-	213	-
Other investments	2,619	10,217	(74.4%)	(3)	(503)	(99.4%)
Gains / loss in assets available for sale	(20,845)	(13,813)	50.9%	(1,742)	(13,813)	(87.4%)
<b>Financial Results</b>	<b>(96,890)</b>	<b>(65,820)</b>	<b>47.2%</b>	<b>(24,565)</b>	<b>(47,746)</b>	<b>(48.6%)</b>

(Values in thousands of Euro)

This indicator experienced a negative change of 31.070 thousand euros when compared to the same period of 2015, with an emphasis on the contribution of the following changes:

- A negative change of 26,054 thousand euros, from the impact of exchange rate differences;
- A negative change of 7,032 thousand euros from the impact of the impairment loss in the subsidiary “Banco Comercial Português, S.A.”;
- A negative change amounting to 7,598 thousand euros of “Other Investments”, due to the divestment of financial stakes in unlisted companies, valued at cost on the Group's accounts, with a greater positive impact in 2015;
- A positive change of 9,623 thousand euros, resulting from a decrease in interest paid;
- Positive change of 3,501 thousand euros in results relating to associated companies and joint ventures.

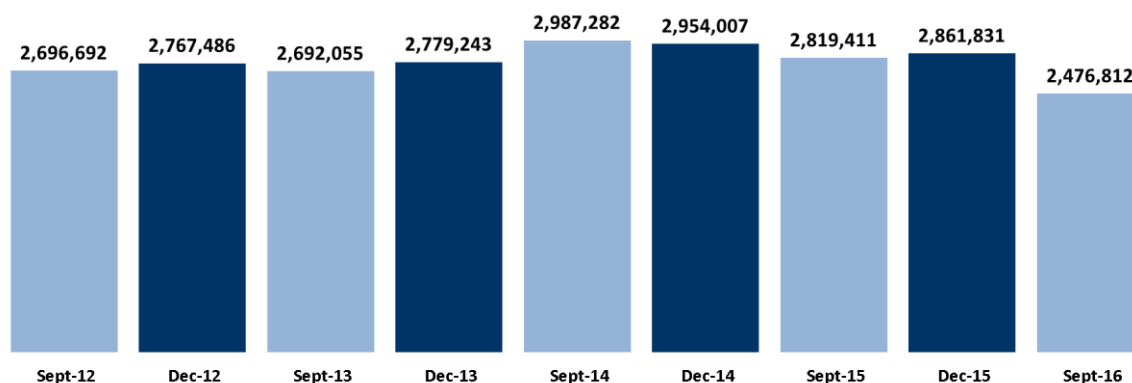
The amount of **Income Tax** payable at 30 September, 2016 was 15,565 thousand euros, whereas it stood at minus 16,007 thousand euros during the same period of the previous year.

	3 <sup>rd</sup> Q 16	3 <sup>rd</sup> Q 15	Var. (%)	Jul-Sep 16	Jul-Sep 15
Current Tax	(25,306)	(18,794)	34.6%	(516)	(3,698)
Deferred tax	9,741	34,801	(72.0%)	(1,252)	25,010
	<b>(15,565)</b>	<b>16,007</b>	<b>-</b>	<b>(1,768)</b>	<b>21,312</b>

(Values in thousands of Euro)

**Total Net Assets** decreased by 13.5% in relation to 31 December 2015, having reached EUR 2,476,812 thousand.

### Evolution of Net asset

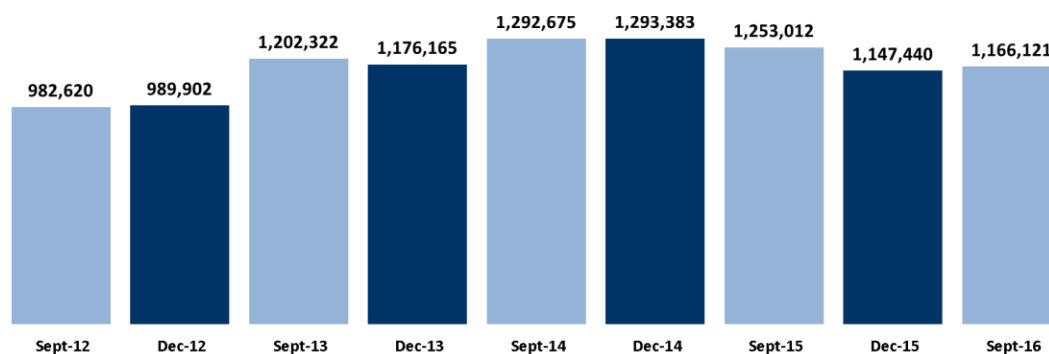


(Values in thousands of Euro)

The Group holds significant assets in countries like Angola and Mozambique, which, due to the fact that they are on the books in currencies that suffer significant devaluations, had an impact on the consolidated accounts in euros; this does not necessarily correspond to the effective depreciation of these assets.

A slight increase of 1.6% was seen in **Net debt** when compared to the end of last year, standing at 1,166,121 thousand euros at 30 September, 2016.

### Evolution of Net Debt



(Values in thousands of Euro)

When analyzing the evolution of these indicators, the sharp devaluation of currencies in which the Group operates should be taken into consideration, specifically in Africa and Latin America.

It should also be mentioned that the Group made investments amounting to 41.9 million euros, essentially to cover contracted activities.

**Equity Attributable to Shareholders** decreased by 122,529 thousand euros, from 467,927 thousand euros to 345,398 thousand euros, corresponding to a 26.2% decrease when compared to 31 December 2015.



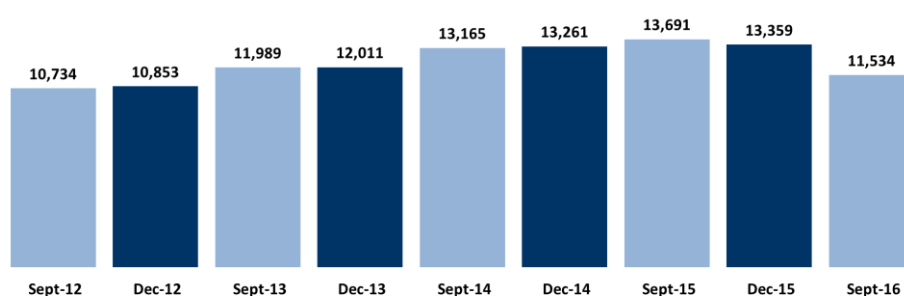
**Total equity** decreased by 127,949 thousand euros, from 518,217 thousand euros to 390,268 thousand euros, corresponding to a 24.7% decrease when compared to 31 December 2015, essentially influenced by the following factors:

- A negative net result of 13,299 thousand euros;
- A negative effect of 99,439 thousand euros, resulting from the currency conversion when transposing the financial statements into euros, due to the devaluation of currencies in which the Group operates again the Euro. This had a particularly negative effect on non-financial assets, although it does not necessarily correspond to an effective depreciation of these assets.

**Financial Autonomy** shifted from 18.1% as at 31 December 2015 to 15.8% at 30 September, 2016.

The **Average Number of Employees** at the end of the period ending 30 September 2016 was 11,534, with a 13.7% decrease when compared to 31 December 2015. This went hand-in-hand with the previously explained decrease in activity during the first nine months of 2016 and the adaptation of the Group's structures to this situation.

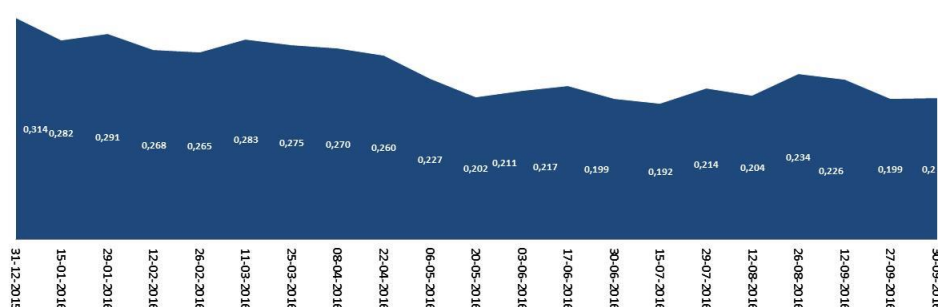
#### Evolution of the Average Number of Employees



The **list price of securities of "Teixeira Duarte, S.A."** ranged between 0.314 euros on 31 December 2015 and 0.2 euros on 30 September 2016.

The following graph shows the evolution in listed share prices during the first nine months of this year, which have varied during this period between a minimum of 0.17 euros and a maximum of 0.33 euros.

### Teixeira Duarte, S.A. List Prices



11,510,996 shares were traded on the stock exchange during this period, with a total amount of turnover of 2,900,005 euros.

### III. EVENTS THAT OCCURRED AFTER THE END OF THE 3RD QUARTER OF 2016

TEIXEIRA DUARTE continued its activity in the different markets in which it operates, and there are no relevant events to mention, occurring after the ending of the third quarter of 2016 and the issue date of this document.

### IV. OUTLOOK FOR 2016

Apart from possible new contracts, the Group has secured certain Construction activity levels that, despite the Teixeira Duarte Group's Order Portfolio for the construction sector shrinking by 5.5% when compared to the end of 2015, allowed the portfolio to reach, in its entirety, 2,109,443 thousand euros at 30 September 2016, of which 838,366 thousand euros are for 2019 onwards.

For a more detailed analysis of closer periods, that is, for the remaining 1,271,077 thousand euros that have already been contracted and the execution of which is forecast for the next three months of 2016 and the years 2017 and 2018, below can be found a map showing additional elements, based on their distribution in countries where the group operates:

	Oct-Dez 2016	Contribution (%)	2017	Contribution (%)	2018	Contribution (%)
Portugal	26,481	9.8%	68,469	10.9%	45,965	10.7%
Angola	17,320	11.8%	36,909	5.9%	14,036	3.3%
Algeria	59,680	30.9%	257,597	40.8%	234,467	54.5%
Brazil	42,854	15.5%	220,985	35.0%	90,778	21.1%
Spain	760	0.3%	-	-	-	-
Mozambique	21,667	20.5%	35,953	5.7%	14,743	3.4%
Venezuela	39,123	10.1%	6,033	1.0%	28,466	6.6%
Other markets	1,968	1.1%	4,737	0.7%	2,086	0.4%
<b>Total</b>	<b>209,853</b>	<b>100.0%</b>	<b>630,683</b>	<b>100.0%</b>	<b>430,541</b>	<b>100.0%</b>

(Values in thousands of Euro)

For 2016, Teixeira Duarte forecasts that operational profits not in excess of 1.2 billion euros will be achieved, reflecting a reduction in activity caused by difficulties with accessing currencies in overseas markets.

This situation has implied an appropriate reduction in structures. This, along with the difficulty with extending financing in Portugal, has led to an adjustment to the Group's production capacity.

Lagoas Park, 28 November 2016

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*



# Consolidated Financial Statements

## **3<sup>rd</sup> Quarter 2016**



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AT 30 SEPTEMBER 2016 AND 31 DECEMBER 2015**  
**(Values expressed in thousands of Euro)**

	Notes	30/09/2016 (Non-audited)	31/12/2015 (Audited)
<b>Non-current assets:</b>			
Goodwill		21,902	21,955
Intangible assets		34,502	33,262
Tangible fixed assets	13	520,417	630,986
Investment Properties	14	491,721	511,683
Investments in associates and joint-ventures	7 and 15	12,132	16,874
Financial assets available for sale	7 and 16	9,582	30,427
Other investments		54,928	52,970
Assets for deferred tax	18	208,026	194,913
Clients		45,171	52,087
Other debtors		226	99
Other non-current assets		673	1,242
<b>Total of non-current assets</b>		<b>1,399,280</b>	<b>1,546,498</b>
<b>Current assets:</b>			
Inventories		252,172	274,018
Clients		350,767	433,569
Other debtors		62,484	55,908
Cash and cash equivalents	20	192,531	252,693
Other investments		21	35
Other current assets		219,557	276,538
		<b>1,077,532</b>	<b>1,292,761</b>
Assets for sale	17	-	22,572
<b>Total of current assets</b>		<b>1,077,532</b>	<b>1,315,333</b>
<b>TOTAL OF ASSET</b>	<b>7</b>	<b>2,476,812</b>	<b>2,861,831</b>
<b>Equity:</b>			
Capital	21	210,000	210,000
Adjustments of shareholdings in associates and joint-ventures		723	8,326
Effect of currency adjustments		(35,136)	48,126
Reserves and retained income	22	196,070	167,822
Consolidated net result		(26,259)	33,653
<b>Equity attributable to shareholders</b>		<b>345,398</b>	<b>467,927</b>
Non-controlling interests		44,870	50,290
<b>EQUITY TOTAL</b>		<b>390,268</b>	<b>518,217</b>
<b>Non-current liabilities:</b>			
Loans	23	702,383	665,537
Provisions		38,831	52,441
Financial Leases		156,058	155,889
Liabilities by deferred taxes	18	59,681	59,019
Other Creditors		48	113
Other non-current liabilities		63,380	70,780
<b>Total of non-current liabilities</b>		<b>1,020,381</b>	<b>1,003,779</b>
<b>Current liabilities:</b>			
Loans	23	656,269	734,596
Suppliers		122,727	193,896
Financial Leases		17,168	18,913
Other Creditors		37,081	34,246
Other current liabilities		232,918	358,184
<b>Total of current liabilities</b>		<b>1,066,163</b>	<b>1,339,835</b>
<b>TOTAL OF LIABILITY</b>	<b>7</b>	<b>2,086,544</b>	<b>2,343,614</b>
<b>TOTAL OF LIABILITY AND EQUITY</b>		<b>2,476,812</b>	<b>2,861,831</b>

The annex forms an integral part of the consolidated statement of the financial position for the quarter ending 30 September 2016.



**CONSOLIDATED STATEMENT OF RESULTS**  
**DURING THE PERIODS ENDED ON 30 SEPTEMBER 2016 AND 2015**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
Operating income:					
Sales and services rendered	7 and 8	828,179	1,005,362	258,078	320,880
Other operating income	8	35,067	33,047	15,099	15,148
<b>Total of operating income</b>	<b>8</b>	<b>863,246</b>	<b>1,038,409</b>	<b>273,177</b>	<b>336,028</b>
Operating costs:					
Cost of sales		(257,702)	(370,530)	(80,923)	(92,583)
Production changes		2,637	(690)	1,683	134
External supplies and services		(244,275)	(291,206)	(71,107)	(118,583)
Expenses with staff		(185,158)	(215,622)	(59,768)	(68,897)
Amortizations and depreciations	7	(57,183)	(58,473)	(19,023)	(19,835)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	6,483	330	(162)	(2,288)
Other operating costs		(28,892)	(35,109)	(9,630)	(13,594)
<b>Total of operating costs</b>		<b>(764,090)</b>	<b>(971,300)</b>	<b>(238,930)</b>	<b>(315,646)</b>
<b>Operational Income</b>	<b>7</b>	<b>99,156</b>	<b>67,109</b>	<b>34,247</b>	<b>20,382</b>
Costs and financial losses	7 and 9	(279,539)	(351,373)	(42,575)	(87,253)
Income and financial earnings	7 and 9	190,019	282,583	20,085	52,270
Income related to investment activities:					
Income related to affiliates and joint-ventures	7 and 9	9,204	5,703	(330)	1,340
Other	7 and 9	(16,574)	(2,733)	(1,745)	(14,103)
<b>Financial Results</b>		<b>(96,890)</b>	<b>(65,820)</b>	<b>(24,565)</b>	<b>(47,746)</b>
<b>Results before taxes</b>	<b>7</b>	<b>2,266</b>	<b>1,289</b>	<b>9,682</b>	<b>(27,364)</b>
Income tax	10	(15,565)	16,007	(1,768)	21,312
<b>Consolidated net result for the period</b>		<b>(13,299)</b>	<b>17,296</b>	<b>7,914</b>	<b>(6,052)</b>
<b>Net results attributable to:</b>					
<b>Equity holders</b>	<b>11</b>	<b>(26,259)</b>	<b>17,033</b>	<b>9,518</b>	<b>(7,214)</b>
Non-controlling interests		12,960	263	(1,604)	1,162
<b>Income by share:</b>					
Basic (euros)	11	(0.06)	0.04	0.02	(0.02)
Diluted (euros)	11	(0.06)	0.04	0.02	(0.02)

The annex forms an integral part of the consolidated statement of the results for the period ending 30 September 2016.

**CONSOLIDATED STATEMENTS OF OTHER INTEGRAL INCOME**  
**DURING THE PERIODS ENDED ON 30 SEPTEMBER 2016 AND 2015**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
<b>Consolidated net result for the period</b>		<b>(13,299)</b>	<b>17,296</b>	<b>7,914</b>	<b>(6,052)</b>
<b>Income and expenses that will not be reclassified for results</b>					
Other equity variations		(3,922)	(2,481)	(1,388)	(626)
		<b>(3,922)</b>	<b>(2,481)</b>	<b>(1,388)</b>	<b>(626)</b>
<b>Income and expenses that can be reclassified for results</b>					
Fair value of financial assets available for sale	16	-	(153)	-	(8,097)
Effect of currency adjustments		(99,439)	(13,382)	(9,751)	(33,404)
Adjustments of shareholdings in associates and joint-ventures	15	(7,603)	(2,126)	694	(168)
Financial instruments due to coverage		(2,006)	1,390	21	(470)
		<b>(109,048)</b>	<b>(14,271)</b>	<b>(9,036)</b>	<b>(42,139)</b>
<b>Result known directly in equity</b>		<b>(112,970)</b>	<b>(16,752)</b>	<b>(10,424)</b>	<b>(42,765)</b>
<b>Comprehensive income for the financial year</b>		<b>(126,269)</b>	<b>544</b>	<b>(2,510)</b>	<b>(48,817)</b>
<b>Comprehensive income attributable to:</b>					
Equity holders		<b>(120,849)</b>	<b>6,654</b>	<b>1,659</b>	<b>(48,154)</b>
Non-controlling interests		(5,420)	(6,110)	(4,169)	(663)

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**DURING THE PERIODS ENDED ON 30 SEPTEMBER 2016 AND 2015**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustment	Reserves and retained income					Consolidated income result	Total capital equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Legal of fair value	Reserve of hedge operations	Retained income				
<b>Balance on January 1<sup>st</sup>, 2015</b>		<b>210,000</b>	<b>9,670</b>	<b>55,546</b>	<b>21,000</b>	<b>122,052</b>	<b>4,035</b>	<b>(13,466)</b>	<b>(21,431)</b>	<b>70,281</b>	<b>457,687</b>	<b>27,058</b>	<b>484,745</b>
<b>Comprehensive income for the financial year:</b>													
Consolidated net result for the semester		-	-	-	-	-	-	-	-	17,033	17,033	263	17,296
Variation in effect of currency conversion adjustments		-	-	(9,770)	-	-	-	-	-	-	(9,770)	(3,612)	(13,382)
Variation in the fair value and disposal of financial assets available for sale	16	-	-	-	-	-	(153)	-	-	-	(153)	-	(153)
Effect of hedge operations		-	-	-	-	-	-	1,390	-	-	1,390	-	1,390
Effect of the application of equity method:	15	-	(2,126)	-	-	-	-	-	-	-	(2,126)	-	(2,126)
Other		-	-	-	-	-	-	-	280	-	280	(2,761)	(2,481)
<b>Transactions with shareholders in the period:</b>													
Appropriation of the consolidated net income for 2014:													
Transfer to legal and free reserve		-	-	-	10,500	54,111	-	-	-	(64,611)	-	-	-
Dividends distributed	12	-	-	-	-	-	-	-	-	(5,670)	(5,670)	-	(5,670)
<b>Balance on September 30<sup>th</sup>, 2015</b>		<b>210,000</b>	<b>7,544</b>	<b>45,776</b>	<b>31,500</b>	<b>176,163</b>	<b>3,882</b>	<b>(12,076)</b>	<b>(21,151)</b>	<b>17,033</b>	<b>458,671</b>	<b>20,948</b>	<b>479,619</b>
	Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustment	Reserves and retained income					Consolidated income result	Total capital equity attributable to shareholders	Non-controlling interests	Total
					Legal reserve	Free reserves	Legal of fair value	Reserve of hedge operations	Retained income				
<b>Balance on January 1<sup>st</sup>, 2016</b>		<b>210,000</b>	<b>8,326</b>	<b>48,126</b>	<b>31,500</b>	<b>176,163</b>	<b>-</b>	<b>(11,698)</b>	<b>(28,143)</b>	<b>33,653</b>	<b>467,927</b>	<b>50,290</b>	<b>518,217</b>
<b>Comprehensive income for the financial year:</b>													
Consolidated net result for the semester		-	-	-	-	-	-	-	-	(26,259)	(26,259)	12,960	(13,299)
Variation in effect of currency conversion adjustments		-	-	(83,262)	-	-	-	-	-	-	(83,262)	(16,177)	(99,439)
Effect of hedge operations		-	-	-	-	-	-	(2,006)	-	-	(2,006)	-	(2,006)
Effect of the application of equity method:	15	-	(7,603)	-	-	-	-	-	-	-	(7,603)	-	(7,603)
Other		-	-	-	-	-	-	-	(1,719)	-	(1,719)	(2,203)	(3,922)
<b>Transactions with shareholders in the period:</b>													
Appropriation of the consolidated net income for 2015:													
Transfer to legal and free reserve		-	-	-	5,000	18,298	-	-	8,675	(31,973)	-	-	-
Dividends distributed	12	-	-	-	-	-	-	-	-	(1,680)	(1,680)	-	(1,680)
<b>Balance on September 30<sup>th</sup>, 2016</b>		<b>210,000</b>	<b>723</b>	<b>(35,136)</b>	<b>36,500</b>	<b>194,461</b>	<b>-</b>	<b>(13,704)</b>	<b>(21,187)</b>	<b>(26,259)</b>	<b>345,398</b>	<b>44,870</b>	<b>390,268</b>

The notes are an integral part of the consolidated statement of change in equity for the year ended on 30 September 2016



**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**DURING THE PERIODS ENDED ON 30 SEPTEMBER 2016 AND 2015**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
<b>OPERATIONAL ACTIVITIES:</b>					
Receipts from customers		759,319	1,032,373	257,598	208,775
Payment to suppliers		(489,352)	(591,930)	(175,897)	(107,451)
Payment to staff		(185,070)	(212,887)	(62,968)	(71,010)
<b>Cash flow generated by operations</b>		<b>84,897</b>	<b>227,556</b>	<b>18,733</b>	<b>30,314</b>
Payment/receipt of income tax		(19,462)	(25,365)	(3,290)	(7,322)
Other receipts/payments related to the operational activity		23,188	(25,941)	(3,213)	4,771
<b>Cash flows of operational activities (1)</b>		<b>88,623</b>	<b>176,250</b>	<b>12,230</b>	<b>27,763</b>
<b>INVESTMENT ACTIVITIES:</b>					
<b>Receipts related to:</b>					
Financial investments	20	25,208	45,392	16,072	8,460
Tangible fixed assets and investment properties		12,850	6,906	1,749	3,116
Intangible assets		8	-	1	-
Interests and similar gains		10,881	10,768	4,052	4,078
Dividends	20	1,652	864	-	214
		<b>50,599</b>	<b>63,930</b>	<b>21,874</b>	<b>15,868</b>
<b>Payments related to:</b>					
Financial investments	20	(17)	(24,064)	(5)	(11,558)
Tangible fixed assets and investment properties		(45,180)	(52,713)	(17,580)	(20,129)
Intangible assets		(1,967)	(859)	(176)	(133)
		<b>(47,164)</b>	<b>(77,636)</b>	<b>(17,761)</b>	<b>(31,820)</b>
<b>Cash flows from investment activities (2)</b>		<b>3,435</b>	<b>(13,706)</b>	<b>4,113</b>	<b>(15,952)</b>
<b>FINANCING ACTIVITIES:</b>					
<b>Revenue derived from:</b>					
Obtained loans		<b>1,412,393</b>	<b>1,104,030</b>	<b>481,020</b>	<b>366,805</b>
<b>Payments related to:</b>					
Obtained loans		(1,453,875)	(1,171,953)	(485,715)	(386,679)
Interests and similar costs		(59,470)	(68,447)	(20,934)	(19,412)
Dividends	12	(1,680)	(5,670)	-	-
		<b>(1,515,025)</b>	<b>(1,246,070)</b>	<b>(506,649)</b>	<b>(406,091)</b>
<b>Cash flows from financing activities (3)</b>		<b>(102,632)</b>	<b>(142,040)</b>	<b>(25,629)</b>	<b>(39,286)</b>
<b>Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)</b>		<b>(10,574)</b>	<b>20,504</b>	<b>(9,286)</b>	<b>(27,475)</b>
<b>Exchange rate differences Effect</b>		<b>(49,588)</b>	<b>(46,623)</b>	<b>(9,104)</b>	<b>(9,886)</b>
<b>Cash and cash-equivalent items - scope change</b>		<b>-</b>	<b>(1,433)</b>	<b>-</b>	<b>(2)</b>
<b>Cash and cash-equivalent items at the beginning of the period</b>	<b>20</b>	<b>252,693</b>	<b>191,477</b>	<b>210,921</b>	<b>201,288</b>
<b>Cash and cash-equivalent items at the end of the period</b>	<b>20</b>	<b>192,531</b>	<b>163,925</b>	<b>192,531</b>	<b>163,925</b>

The annex forms an integral part of the cash flow statement for the period ending 30 September 2016.

## **NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 30 SEPTEMBER 2016** **(Non Audited)**

### **1 - INTRODUCTION**

TEIXEIRA DUARTE, S.A. ("Company" or "TD, S.A.") with head office in Porto Salvo, was incorporated on 30 November 2009, with share capital of EUR 210,000,000, represented by 420,000,000 shares with the nominal value of EUR 0.5 each, and its core business is the implementation and management of investments, the coordination and supervision of other companies integrated in or related to its business Group.

The corporate universe of Teixeira Duarte ("Group") is composed of the participated companies indicated in Note 4. The Group's core activities are: Construction; Concessions and Services; Real Estate; Hotel Services; Distribution; Energy and Automotive (Note 7).

The stated values will be expressed in thousands of euros, unless expressly indicated.

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

The consolidated financial statements at 30 September, 2016 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, in effect for periods beginning on 1 January, 2016, and in accordance with IAS 34 - Interim Financial Reporting.

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

The accounting policies that have been adopted are consistent with those used to prepare the financial statements for the financial year ending 31 December 2015, described in the respective annex, with the exception of rules and interpretations whose effective date corresponds to financial years starting on or after 1 January 2016.

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

As at 30 September 2016, TEIXEIRA DUARTE, S.A. and the following controlled companies were included in the consolidation, by the full method:

Social Denomination	Head Office	Percentage of effective participation
<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%
RECOLTE, Serviços e Meio Ambiente (Açores), Unipessoal, Lda.	Zona Industrial Chã do Rego d'Água Cabouco, Ilha de São Miguel - Açores	100,00%
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%
LAGOAS PARK, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
MALANGA – Investimentos Imobiliários, Unipessoal Lda.	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%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
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%
<b>HOTEL SERVICES</b>		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
GO CORP TRAVEL SOLUTIONS – Agência de Viagens, S.A.	Rua Encosta das Lagoas, nº 8 Porto Salvo	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%
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%
TEDAL – Participações e Distribuição, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
TEDAL II – Distribuição e Investimentos, S.A.	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%
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>		
SMOTORS, S.A.	Edifício 1, Lagoas Park Porto Salvo	100,00%
TDO - Investimento e Gestão, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100,00%
TEDAL III – Automóveis e Investimentos, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
TEDAL IV – Participações e Automóveis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<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	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.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100,00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	42,40%
<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%
IMO 1 - 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%
<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%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<b>DISTRIBUTION</b>		
CND – Companhia Nacional de Distribuição, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100,00%
COM 1 - Comércio e 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 1 - Comércio Automóvel, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100,00%
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>OTHER</b>		
INVESTIPART – Participações e Investimentos, S.A.	Alameda Manuel Van-Dúnem, nº 318 Luanda	36,00%
<b><u>ALGERIA</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE ALGERIE, SPA	8 Roeute Ben Aknoun, El Biar Alger	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%
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<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
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**REAL ESTATE**

TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 Boa Viagem - Cidade de Recife	100,00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 01 Itaim Bibi - São Paulo	100,00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 02 Itaim Bibi - São Paulo	90,00%
TDSP - Bela Vista - Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 15 Itaim Bibi - São Paulo	92,65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 03 Itaim Bibi - São Paulo	92,65%
TDSP – Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 10 Itaim Bibi - São Paulo	92,65%
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 12 Itaim Bibi - São Paulo	92,65%
TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 05 Itaim Bibi - São Paulo	92,65%
TDSP – Verum Mooca 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, 14º andar, Conjunto 1401, sala 09 Itaim Bibi - São Paulo	100,00%
TDSP – Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	92,65%
TDSP – Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 18 Itaim Bibi - São Paulo	92,50%
TDSP – Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	92,50%
TDSP – Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	100,00%
TDSP – Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 04 Itaim Bibi - São Paulo	95,00%
TDSP – Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 13 Itaim Bibi - São Paulo	95,00%
TDSP – Nilo Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º andar, Conjunto 1401, sala 14 Itaim Bibi - São Paulo	100,00%
TDSP – Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 15 Itaim Bibi - São Paulo	92,65%
TDSP – 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 16 Itaim Bibi - São Paulo	100,00%
TDSP – 17 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602, sala 17 Itaim Bibi - São Paulo	100,00%

**DISTRIBUTION**

TDD - Distribuição, Ltda.	Rua Iguatemi, nº 448, 6º andar, Conjunto 602 Itaim Bibi - São Paulo	100,00%
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**COLOMBIA****CONSTRUCTION**

TEIXEIRA DUARTE – Engenharia e Construção (Colombia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201 Centro empresarial Manhattan, Bogotá	100,00%
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<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<b><u>CYPRUS</u></b>		
<b>OTHER</b>		
LEVENEL, Limited	Irakli, Egkomi, 2413 Nicosia	100,00%
<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%
<b><u>UNITED STATES OF AMERICA</u></b>		
<b>REAL ESTATE</b>		
TDRE INVESTMENTS, LLC.	4900 Woodway Drive, Suite 1110, Houston Texas 77056	100,00%
TDRE LEE PARK, LLC.	4900 Woodway Drive, Suite 1110, Houston Texas 77056	100,00%
TDRE HOOD, LLC.	4900 Woodway Drive, Suite 1110, Houston Texas 77056	100,00%
<b><u>GIBRALTAR</u></b>		
<b>DISTRIBUTION</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>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<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	100,00%
<b><u>RUSSIA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
MMK Cement, Limited Liability Company	Tri Rutchia Murmansk	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	57,20%
TEGAVEN – Teixeira Duarte y Asociados, C.A.	Av. Venezuela del Rosal con Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal - Caracas	100,00%

(a) The Group holds control of these subsidiaries through TEIXEIRA DUARTE - Engenharia e Construções, S.A.

(b) The Group holds control of these subsidiaries through TDARCOL - SGPS, S.A.

(c) The Group holds control of these subsidiaries through TEDAL - SGPS, S.A.

## 5 - CHANGES IN THE CONSOLIDATION SCOPE

During the year ended on 30 September 2016, there was no alteration to the consolidation perimeter relative to 31 December 2015.

## 6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into Euro as at 30 September 2016 and 31 December 2015, as well as the earnings of the operations developed in countries where the functional currency is different from the Euro, for the year ended on 30 September 2016 and 2015:

Currency	Exchange rate close			Average exchange		
	30/09/2016	31/12/2015	Var.	30/09/2016	30/09/2015	Var.
American dollars	1.1161	1.0887	2.5%	1.1115	1.1220	(0.9%)
Macanese pataca	8.9143	8.6907	2.6%	8.8865	8.9599	(0.8%)
Mozambican metical	87.9300	49.2900	78.4%	65.0080	40.6990	59.7%
Venezuelan bolivar	735.3819	216.3232	239.9%	486.0534	138.0259	252.1%
Angola Kwanza	185.3680	147.8315	25.4%	178.0500	128.4327	38.6%
Algerian dinar	122.0439	116.5985	4.7%	121.1697	109.8738	10.3%
Moroccan Dirham	10.8401	10.7806	0.6%	10.8601	10.8463	0.1%
Brazilian real	3.6210	4.3117	(16.0%)	3.9617	3.5476	11.7%
Ukrainian hryvnia	28.9461	26.1593	10.7%	28.3199	23.5791	20.1%
Namibian dollar	15.5238	16.9530	(8.4%)	16.6305	13.7937	20.6%
Cape Verde Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian ruble	70.5140	80.6736	(12.6%)	75.8412	67.6327	12.1%
Tunisian Dinar	2.4498	2.2153	10.6%	2.3428	2.1787	7.5%
South Africa Rand	15.5238	16.9530	(8.4%)	16.6305	13.7937	20.6%
Colombian Peso	3,220.2600	3,456.0800	(6.8%)	3,395.0880	2,965.2350	14.5%

## 7 – INFORMATION BY OPERATING SEGMENTS

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

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

The sales and services rendered and the earnings of each of operating segment referred to above for the semesters ended on 30 September 2016 and 2015, were as follows:

Segment	Sales and services rendered						Operational Income	
	3 <sup>rd</sup> Quarter 16			3 <sup>rd</sup> Quarter 15			3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction	360,142	19,769	379,911	431,807	50,763	482,570	7,302	(18,486)
Concessions and services	83,240	18,164	101,404	80,908	9,348	90,256	10,262	11,902
Real estate	77,146	9,580	86,726	81,443	11,146	92,589	33,380	39,538
Hotel services	38,554	11,621	50,175	55,367	15,444	70,811	2,433	4,948
Distribution	188,855	1,566	190,421	203,746	3,692	207,438	27,646	9,123
Energy	12,715	-	12,715	12,811	2	12,813	533	832
Automotive	67,527	3,140	70,667	139,280	4,329	143,609	22,991	24,398
Not included in the segments	-	-	-	-	-	-	(5,187)	(5,118)
Removals	-	(63,840)	(63,840)	-	(94,724)	(94,724)	(204)	(28)
	<b>828,179</b>	<b>-</b>	<b>828,179</b>	<b>1,005,362</b>	<b>-</b>	<b>1,005,362</b>	<b>99,156</b>	<b>67,109</b>
Costs and financial losses (Note 9)							(279,539)	(351,373)
Income and financial earnings (Note 9)							190,019	282,583
Income related to investment activities (Note 9)							(7,370)	2,970
<b>Results before taxes</b>							<b>2,266</b>	<b>1,289</b>

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

The accounting policies in the various segments are consistent with the Group policies described in Note 2.

Other information:

Segment	Fixed capital expenditures		Amortizations and depreciations in results		Provisions and impairment losses	
	3 <sup>rd</sup> Quarter 16		3 <sup>rd</sup> Quarter 15		3 <sup>rd</sup> Quarter 16	
	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15
Construction	24,792	22,827	28,983	29,038	(4,588)	(812)
Concessions and services	1,410	2,993	3,643	2,816	(8)	(124)
Real estate	7,839	10,533	6,681	6,166	-	676
Hotel services	2,116	4,801	4,980	7,889	-	-
Distribution	3,628	12,544	8,368	8,701	-	-
Energy	279	1,262	2,275	1,877	(283)	(70)
Automotive	1,733	1,923	2,215	1,960	-	-
Not included in the segments	65	33	38	26	(1,604)	-
	<b>41,862</b>	<b>56,916</b>	<b>57,183</b>	<b>58,473</b>	<b>(6,483)</b>	<b>(330)</b>

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 30 September 2016 and 31 December 2015, are as follows:

Segment	30/09/2016				31/12/2015				Liabilities	
	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	30/09/2016	31/12/2015
Construction	1,302	-	2,107,545	<b>2,108,847</b>	1,371	-	2,270,472	<b>2,271,843</b>	1,063,546	1,230,366
Concessions and services	566	-	222,614	<b>223,180</b>	473	-	235,014	<b>235,487</b>	153,904	157,042
Real estate	577	6,853	1,577,054	<b>1,584,484</b>	446	21,761	1,548,671	<b>1,570,878</b>	829,921	851,784
Hotel services	-	-	367,724	<b>367,724</b>	-	-	423,590	<b>423,590</b>	190,539	253,515
Distribution	-	-	226,430	<b>226,430</b>	-	-	290,483	<b>290,483</b>	150,898	204,550
Energy	-	-	38,835	<b>38,835</b>	-	-	42,089	<b>42,089</b>	21,886	24,723
Automotive	24	-	152,581	<b>152,605</b>	24	-	177,322	<b>177,346</b>	69,181	102,969
Not included in the segments	9,663	2,729	404,807	<b>417,199</b>	14,560	8,666	928,662	<b>951,888</b>	684,517	659,148
Removals	-	-	(2,642,492)	<b>(2,642,492)</b>	-	-	(3,101,773)	<b>(3,101,773)</b>	(1,077,848)	(1,140,483)
	<b>12,132</b>	<b>9,582</b>	<b>2,455,098</b>	<b>2,476,812</b>	<b>16,874</b>	<b>30,427</b>	<b>2,814,530</b>	<b>2,861,831</b>	<b>2,086,544</b>	<b>2,343,614</b>

The sales and services rendered, and information on non-monetary non-current assets by geographic segment are broken down as follows for the years ended on 30 September 2016 and 30 and on 31 September 2016 and 31 December 2015, respectively:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	30/09/2016	31/12/2015
Portugal	134,435	160,094	557,388	563,559
Angola	352,626	516,526	410,342	530,787
Algeria	79,278	66,124	32,776	21,978
Brazil	106,211	109,253	30,157	29,561
Spain	23,848	32,577	17,996	13,683
Mozambique	104,371	93,011	18,814	36,060
Venezuela	13,489	24,183	413	1,412
Other	13,921	3,594	656	846
	<b>828,179</b>	<b>1,005,362</b>	<b>1,068,542</b>	<b>1,197,886</b>

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

## 8 - OPERATING INCOME

Operating profits were as follows for the periods ending 30 September 2016 and 2015:

	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
<b>Sales and services rendered:</b>				
Sales	565,777	699,291	165,357	216,299
Services rendered	262,402	306,071	92,721	104,581
	<b>828,179</b>	<b>1,005,362</b>	<b>258,078</b>	<b>320,880</b>
<b>Other operating income:</b>				
Works for the company (a)	10,724	13,727	3,384	4,573
Supplementary income	8,046	3,967	3,581	1,581
Sales of assets (b)	7,102	4,495	1,259	2,336
Variation in the fair value of income of investment properties (Note	4,931	2,744	4,504	2,326
Reversal of impairment losses in accounts receivable	577	3,672	114	2,882
Reversal of impairment losses in inventories	413	1,148	81	142
Gains in inventories	136	98	118	49
Other operating income	3,138	3,196	2,058	1,259
	<b>35,067</b>	<b>33,047</b>	<b>15,099</b>	<b>15,148</b>
	<b>863,246</b>	<b>1,038,409</b>	<b>273,177</b>	<b>336,028</b>

(a) Work for the company itself essentially corresponds to costs associated with real estate construction.

(b) During the period ending 30 September 2016, the indicated gains were obtained from the divestment of tangible fixed assets amounting to 7,102 thousand euros (3,880 thousand euros in the period ending 30 September 2015), and from the divestments of “PETRIN – Petróleos e Investimentos, S.A.” for 596 thousand euros and “KARIBIB Portland Cement, LTD” for 19 thousand euros; these companies formed part of the consolidation perimeter on 31 December 2014.

## 9 - FINANCIAL RESULTS

Financial results were as follows for the periods ending 30 September 2016 and 2015:

	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
<b>Costs and financial losses</b>				
Supported interests	(60,637)	(70,260)	(20,243)	(21,520)
Unfavourable exchange rate differences	(201,612)	(267,277)	(16,978)	(64,030)
Other costs and financial losses	(17,290)	(13,836)	(5,354)	(1,703)
	<b>(279,539)</b>	<b>(351,373)</b>	<b>(42,575)</b>	<b>(87,253)</b>
<b>Income and financial earnings:</b>				
Obtained interests	11,239	10,903	4,244	5,002
Favourable exchange rate differences	176,924	268,643	16,013	46,260
Cash discounts obtained	41	175	4	40
Other income and financial earnings	1,815	2,862	(176)	968
	<b>190,019</b>	<b>282,583</b>	<b>20,085</b>	<b>52,270</b>
<b>Income related to investment activities:</b>				
Income related to affiliates and joint-ventures (a)	9,204	5,703	(330)	1,340
Dividends (b)	1,652	863	-	213
Other investments (c)	2,619	10,217	(3)	(503)
Income / losses in the measurement of assets available for sale (d)	(20,845)	(13,813)	(1,742)	(13,813)
	<b>(7,370)</b>	<b>2,970</b>	<b>(2,075)</b>	<b>(12,763)</b>
<b>Financial Results</b>	<b>(96,890)</b>	<b>(65,820)</b>	<b>(24,565)</b>	<b>(47,746)</b>

(a) Results relating to companies associated with joint ventures from the periods ending on 30 September 2016 and 2015, include the effect of applying the equity method to these investments of 9,204 and 1,808 thousand euros (Note 15), respectively.

During the period ending on 30 September 2015, the Group posted an impairment loss amounting to 5,143 thousand euros and proceeded to reverse the provision for shares worth 9,038 thousand euros, referring to the subsidiary “Limited Liability Company Cement” (Note 15).

(b) On 30 September 2016, the presented values correspond to dividends amounting to 1,652 thousand euros (665 thousand euros on 30 September 2015), received from “Other investments”, and dividends received from “Financial assets available for sale”, amounting to 198 thousand euros on 30 September 2015.

(c) At 30 September 2016 and 2015, gains, losses and added value from the divestment of Financial assets available for sale at cost, are accounted for under the item “Other Investments”.

(d) On 30 September 2016, the Group posted an impairment loss of 20,845 thousand euros (13,813 thousand euros on 30 September 2015) from its stake in “Banco Comercial Português, S.A.”.

Net exchange rate differences, recorded during the periods ending 30 September 2016 and 2015, are due to payments and receipts, as well as exchange rate updates on balance sheets, recorded based on currencies other than the Euro.

## 10 – INCOME TAX

"TD, SA" is the dominant company of a group of companies that pay tax under the Special Taxation Regime for Groups of Companies (RETGS), covering all companies in which it directly or indirectly holds at least 75% of the respective equity, provided that the stake in question grants it over 50% of voting rights and that, at the same time, have effective headquarters and management in Portugal and pay tax under the general Corporation Income Tax regime ("IRC").

All other subsidiary companies that are not covered by the RETGS, pay tax individually, based on the respective taxable items and the applicable rates of IRC, and municipal and state surtaxes.

"TD, SA" and most of its participated companies based in Portugal, are subject to Corporate Income Tax ("IRC") at the rate of 21%. Entities with reportable profit are also subject to the Municipal Surcharge, whose rate may vary to the maximum of 1.5%, as the State Surcharge, incident on taxable profit in excess of EUR 1,500,000, 7,500,000 and EUR 35,000,000, at the rates of 5% and 7%, respectively. The aforementioned entities are also subject to autonomous taxation at the rates, and on the expenses and charges stipulated in article 88 of the IRC Code.

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

Pursuant to the legislation in force, tax returns in Portugal may be reviewed and corrected by the tax authorities for a period, in general, of four years (five years for Social Security). The review period of tax returns of entities with a presence in other countries 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 as at 30 September 2016.

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 18).

The income taxes recognised for the years ended on 30 September 2016 and 2015 are as follows:

	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
<b>Current Tax:</b>				
Income tax in Portugal	(5,157)	(4,292)	(1,020)	(1,422)
Income tax in other jurisdictions	(20,149)	(14,502)	504	(2,276)
<b>Current Tax</b>	<b>(25,306)</b>	<b>(18,794)</b>	<b>(516)</b>	<b>(3,698)</b>
<b>Deferred tax (Note 18)</b>	<b>9,741</b>	<b>34,801</b>	<b>(1,252)</b>	<b>25,010</b>
	<b>(15,565)</b>	<b>16,007</b>	<b>(1,768)</b>	<b>21,312</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 605 thousand were recorded directly in equity as at 30 September 2016 (EUR 1,811 thousand as at 30 September 2015) (Note 18).

## 11 - EARNINGS PER SHARE

Earnings per share for the years ended 30 September 2016 and 2015 were determined based on the following amounts:

	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
Result to estimate the net result by basic share (net result of period)	(26,259)	17,033	9,518	(7,214)
Weighted average number of shares to estimate the net result by basic share (millions)	420,000	420,000	420,000	420,000
<b>Net result by basic share</b>	<b>(0.06)</b>	<b>0.04</b>	<b>0.02</b>	<b>(0.02)</b>

Since for the financial years ended on 30 September 2016 and 2015 there were no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

## 12 - DIVIDENDS

At the General Meeting of Shareholders held on 28 May 2016, it was decided to distribute dividends amounting to 1,680 thousand euros, corresponding to 0,004 euros per share, taking into consideration the Company's separate financial statements on 31 December 2015; these dividends were paid in June 2016.

Dividends worth 5,670 thousand euros from the 2014 financial year were paid during the period ending in September 2015.



### 13 - TANGIBLE FIXED ASSETS

During the years ended on 30 September 2016 and 2015, the movement in fixed tangible assets and their depreciation and accumulated impairment losses was as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transportation equipment	Tools and Utensils	Administrative equipment	Other tangible fixed assets	Ongoing Tangible Fixed Assets	Advances on account of assets tangible assets	Total
<b>Gross asset:</b>										
Balance on January 1 <sup>st</sup> , 2015	32,114	535,129	434,009	89,711	44,151	41,181	10,455	77,649	151	1,264,550
Scope changes	(4,570)	(10,809)	(7,775)	(118)	(21)	(950)	(155)	(93)	-	(24,501)
Effect of currency translation	(921)	21,570	(24,469)	(2,151)	(1,771)	244	(520)	(2,282)	13	(10,287)
Additions	-	5,855	15,433	6,022	2,251	1,832	754	15,824	51	48,022
Transfers and reductions	-	16,864	(6,919)	(1,444)	(125)	(253)	705	(41,560)	-	(32,732)
Sales	-	(57)	(2,730)	(7,280)	(247)	(190)	(37)	(708)	-	(11,249)
Balance on September 30 <sup>th</sup> , 2015	26,623	568,552	407,549	84,730	44,238	41,964	11,202	48,830	215	1,233,903
Balance on January 1 <sup>st</sup> , 2016	24,448	565,696	416,283	85,066	45,364	42,567	11,724	41,632	168	1,232,948
Effect of currency translation	34	(85,764)	1,878	321	(2,362)	(5,186)	(948)	(8,700)	(92)	(100,769)
Additions	24	4,411	17,328	3,675	2,111	477	412	10,502	-	38,940
Transfers and reductions	(349)	(3,688)	(4,667)	(517)	(4,751)	(1,081)	(40)	(7,395)	(76)	(22,564)
Sales	-	(4,051)	(8,588)	(2,622)	(72)	(82)	(11)	-	-	(15,426)
Balance on September 30 <sup>th</sup> , 2016	24,207	476,604	422,234	85,923	40,290	36,695	11,137	36,039	-	1,133,129
<b>Depreciation and losses from</b>										
<b>Impairment:</b>										
Balance on January 1 <sup>st</sup> , 2015	167	160,199	302,124	62,927	33,285	31,479	6,252	-	-	596,433
Scope changes	-	(6,455)	(7,338)	(116)	(21)	(941)	(155)	-	-	(15,026)
Exchange conversion effect	-	4,121	(10,786)	(1,938)	(485)	395	87	-	-	(8,606)
Reinforcements	-	18,118	25,735	7,897	2,413	2,449	675	-	-	57,287
Transfers and reductions	-	(16,294)	(8,126)	(257)	(78)	(200)	(12)	-	-	(25,067)
Sales	-	(51)	(2,470)	(6,346)	(203)	(175)	(20)	-	-	(9,265)
Balance on September 30 <sup>th</sup> , 2015	167	159,638	299,139	62,067	34,911	33,007	6,827	-	-	595,756
Balance on January 1 <sup>st</sup> , 2016	164	155,363	306,534	63,946	35,404	34,066	6,485	-	-	601,962
Exchange conversion effect	-	(18,584)	7,934	1,841	(1,602)	(3,695)	(541)	-	-	(14,647)
Reinforcements	-	13,959	26,236	7,088	2,214	1,814	1,812	-	-	53,123
Transfers and reductions	-	(932)	(8,666)	(215)	(4,844)	(1,066)	(961)	-	-	(16,684)
Sales	-	(2,730)	(5,961)	(2,216)	(70)	(55)	(10)	-	-	(11,042)
Balance on September 30 <sup>th</sup> , 2016	164	147,076	326,077	70,444	31,102	31,064	6,785	-	-	612,712

The additions to tangible fixed assets during the year ended on 30 September 2016 refer mainly to investments in facilities and equipment.

As at 30 September 2016, the tangible assets in progress include EUR 34,890 thousand 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 Distribution and Automotive sectors, logistics facilities in Angola.

## 14 - INVESTMENT PROPERTIES

During the years ended on 30 September 2016 and 2015, the movement in investment properties was as follows:

	2016	2015
<b>Balance on January 1<sup>st</sup></b>	<b>511,683</b>	<b>482,185</b>
Effect of currency translation	(20,527)	7,438
Increases / (sales)	(9,906)	4,254
Variation in fair value	3,373	2,023
Transfers of tangible fixed assets	7,098	5,310
<b>Balance on September 30<sup>th</sup></b>	<b>491,721</b>	<b>501,210</b>

The income gained from investment property arising from operating leasing contracts reached EUR 23,494 thousand for the financial year ended on 30 September 2016 (EUR 23,328 thousand as at 30 September 2015). For the financial year ended on 30 September 2016, direct operating costs related to investment properties reached EUR 2,272 thousand (EUR 2,547 thousand as at 30 September 2015).

## 15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 30 September 2016:

Social Denomination	Head Office	Percentage effective participation
ALVORADA PETRÓLEO, S.A.	Rua Paraíba, nº 1000, sala 1518, 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brasil	43,20%
ALSOMA, GEIE.	3 Av André Malraux Levallois Peret - França	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	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar Sala C, G e H – Vila Nova de Gaia	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 MEK– Grupo Marítimo Português Mers El Kibir, ACE	Edifício 1, Lagoas Park Porto Salvo	20,04%
IMOC - Empreendimentos Imobiliários, S.A.	Av. Julius Nyerere, 130 Maputo	49,92%
METROLIGEIRO - Construção de Infraestruturas, ACE	Rua Abranches Ferrão, nº 10 – 5º F Lisboa	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.	Alameda Santos, nº 960, 19º andar, Edifício CYK Cerqueira César – São Paulo	25,00%
SOMAFEL E FERROVIAS, ACE	Edifício 1, Lagoas Park Porto Salvo	36,00%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park Porto Salvo	57,30%
TDGISERV LLC.	PO Box 7098, Doha Qatar	49,00%
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. das Forças Armadas, 125 - 2º C Lisboa	50,00%

The investments in associates and joint-ventures showed the following movements in the years ended on 30 September 2016 and 2015:

	Capital shares	Goodwill	Total
<b>Balance on January 1<sup>st</sup>, 2015</b>	<b>28,949</b>	<b>11,643</b>	<b>40,592</b>
Effects of the application of equity method:			
- Effect on the financial year result (Note 9)	1,808	-	1,808
- Effect in equity	(2,126)	-	(2,126)
Effect of currency adjustments	(238)	-	(238)
Impairment loss	-	(5,143)	(5,143)
Transfer to assets for sale (Note 17)	(16,072)	(6,500)	(22,572)
Other	150	-	150
<b>Balance on September 30<sup>th</sup>, 2015</b>	<b>12,471</b>	<b>-</b>	<b>12,471</b>
<b>Balance on January 1<sup>st</sup>, 2016</b>	<b>16,874</b>	<b>-</b>	<b>16,874</b>
Effects of the application of equity method:			
- Effect on the financial year result (Note 9)	9,204	-	9,204
- Effect in equity	(7,603)	-	(7,603)
Increases	12	-	12
Effect of currency translation	(6,329)	-	(6,329)
Other	(26)	-	(26)
<b>Balance on September 30<sup>th</sup>, 2016</b>	<b>12,132</b>	<b>-</b>	<b>12,132</b>

Investments in associated companies and joint-ventures as at 30 September 2016 and 31 December 2015 are broken down as follows:

Affiliates and joint-ventures	30/09/2016		31/12/2015		Value of financial position
	Capital shares	Goodwill	Capital shares	Goodwill	
IMOC - Empreendimentos Imobiliários, S.A.R.L.	9,663	-	14,560	-	14,560
Alvorada Petróleos, S.A.	567	-	430	-	430
RPK Gulfstream Ltd.	541	-	473	-	473
SCP AK-10 Empreendimentos e Participações SPE LTDA.	9	-	16	-	16
Other	1,352	-	1,395	-	1,395
	<b>12,132</b>	<b>-</b>	<b>16,874</b>	<b>-</b>	<b>16,874</b>

These shares are stated using the equity method, which, in the years ended on 30 September 2016 and 2015, had the following impacts:

3 <sup>rd</sup> Quarter 16			
Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleos, S.A.	(32)	157	125
IMOC - Empreendimentos Imobiliários, S.A.R.L.	9,261	(7,760)	1,501
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(8)	-	(8)
Other	(17)	-	(17)
	<b>9,204</b>	<b>(7,603)</b>	<b>1,601</b>

3 <sup>rd</sup> Quarter 15			
Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleos, S.A.	(11)	(197)	(208)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2,111	(2,526)	(415)
SCP AK-10 Empreendimentos e Participações SPE LTDA.	3	-	3
TEIX.CO, SPA	(259)	597	338
Other	(36)	-	(36)
	<b>1,808</b>	<b>(2,126)</b>	<b>(318)</b>

## 16 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the years ended on 30 September 2016 and 2015, the movements which occurred in the valuation of the financial assets available for sale, stated at their respective fair value, were as follows:

	2016	2015
<b>Fair Value on January 1<sup>st</sup></b>	<b>30,427</b>	<b>59,887</b>
Reduction in fair value	(20,845)	(14,027)
<b>Fair Value on September 30<sup>th</sup></b>	<b>9,582</b>	<b>45,860</b>

At 30 September 2015 and 31 December 2015, the Group held 622,229,693 shares in Banco Comercial Português, S.A., corresponding to 1.05% of the respective share capital and voting rights, classified as financial assets available for sale.

The financial assets available for sale, and their respective cost and market values, as at 30 September 2016 and 31 December 2015, are as follows:

	30/09/2016		31/12/2015	
	Cost V.	Market V.	Cost V.	Market V.
Banco Comercial Português, S.A.	739,822	9,582	739,822	30,427
	<b>739,822</b>	<b>9,582</b>	<b>739,822</b>	<b>30,427</b>

## 17 - FINANCIAL ASSETS FOR SALE

An amount corresponding to the divestment of the stake in “Limited Liability Company Cement” was received during the period ending 30 September 2016.

## 18 - DEFERRED TAX

All situations which could significantly affect future taxes are recorded by applying the rules on deferred taxes.

The movement occurred on the assets and liabilities by deferred tax for the financial years ended on September 31st, 2016 and 2015 was as follows:

	Assets for deferred tax		Liabilities for deferred tax	
	2016	2015	2016	2015
<b>Balance on January 1<sup>st</sup></b>	<b>194,913</b>	<b>171,219</b>	<b>59,019</b>	<b>56,080</b>
<b>Constitution / Reversal</b>				
Net income (Note 10)	15,385	38,878	5,644	4,077
Equity	605	1,740	-	(71)
<b>Exchange conversion effect and adjustments</b>	<b>(2,877)</b>	<b>(5,795)</b>	<b>(4,982)</b>	<b>1,174</b>
<b>Scope changes</b>	<b>-</b>	<b>405</b>	<b>-</b>	<b>-</b>
<b>Balance on September 30<sup>th</sup></b>	<b>208,026</b>	<b>206,447</b>	<b>59,681</b>	<b>61,260</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 appraisal is based on business plans of Group companies, which are periodically reviewed and updated, and on prospects of generating taxable results.

## 19 - RELATED PARTIES

The transactions and balances between "TD,S.A." and the companies of the Group included in the consolidation perimeter, which are related parties, were eliminated in the consolidation process and are not disclosed in the present note. The balances and transactions between the Group and the associates and joint-ventures, related and individual companies with significant voting power which have 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 operations.

The main balances with related parties as at 30 September 2016 and 31 December 2015 can be broken down as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	30/09/2016	31/12/2015	30/09/2016	31/12/2015	30/09/2016	31/12/2015	30/09/2016	31/12/2015
AEBT - Auto Estradas do Baixo Tejo, S.A.	7	7	-	-	5,373	5,373	-	-
AEDL - Auto Estradas do Douro Litoral, S.A.	-	-	-	-	-	1,202	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	-	-	4	4	-	-
CONBATE, ACE	9	20	1	-	-	-	-	-
Consórcio Minero Luso Vargas - CONLUVAR	260	519	40	135	-	-	-	-
Consórcio OPSUT 2010	2	164	1	28	-	-	-	-
DOURO LITORAL, ACE	6	12	126	61	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	2	2	-	-	(269)	(269)
EIA - Ensino de Investigação e Administração, S.A.	9	9	-	-	-	-	-	(324)
GMP - Grupo Marítimo Português, ACE	24	106	10	10	-	-	-	-
GMP MEK – Grupo Marítimo Português Mers El Kibir, ACE	4	24	-	-	-	-	-	-
INVESTIPART - Participações e Investimentos, S.A.	-	3	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	76	10,246	33	183	-	-	483	(126)
Limited Liability Company Cement	-	-	-	-	-	16,072	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	-	-	-	150	150	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	5	11	-	-	-	-	-	-
Moreira e Cunha, Lda.	3	5	-	-	-	-	-	-
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	1,017	1,017	88	60	-	-	6	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	-	-	(31)	(32)
RPK Gulfstream, Ltd.	-	-	-	-	1,414	1,236	-	-
SOMAFEL/FERROVIAS, ACE	2	3	-	10	-	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	-	6	45	58	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	35	35	-	-	-	-
	1,470	12,198	381	582	7,681	24,777	189	(751)

The main transactions carried out with related parties during the periods ended on 30 September 2016 and 2015 were as follows:

	Sales and services rendered		Purchases and services obtained		Charged interests	
	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15
AEBT - Auto Estradas do Baixo Tejo, S.A.	18	20	-	-	-	-
CONBATE, ACE	64	74	1	1	-	-
Consórcio Minero Luso Vargas - CONLUVAR	329	170	-	66	-	-
Consórcio OPSUT 2010	-	133	-	107	-	-
DOURO LITORAL, ACE	55	46	18	31	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	-	2	-	-
GMP - Grupo Marítimo Português, ACE	12	37	-	-	-	-
GMP MEK – Grupo Marítimo Português Mers El Kibir, ACE	5	3	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2,107	8,036	178	156	-	-
Limited Liability Company Cement	-	-	-	-	972	1,326
METROLIGEIRO - Construção de Infraestruturas, ACE	15	16	-	-	-	-
Moreira e Cunha, Lda.	22	25	-	-	-	-
NOVA ESTAÇÃO, ACE	-	-	28	10	-	-
SOMAFEL/FERROVIAS, ACE	21	7	28	10	-	-
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	-	2	-	1	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	5	11	-	9	-	-
	2,653	8,580	253	393	972	1,326

The remunerations of the members of TD, S.A. governing bodies for the periods ended on 30 September 2016 and 2015 were as follows:

	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
<b>Executive Directors:</b>				
Short-term benefits	892	1,035	499	587
<b>Supervisory Board:</b>				
Short-term benefits	50	50	17	17
<b>Chartered accountant:</b>				
Short-term benefits	45	45	15	15
	<b>987</b>	<b>1,130</b>	<b>531</b>	<b>619</b>

The remunerations of the members of the senior management of TD, S.A. for the periods ended on 30 September 2016 and 2015 were as follows:

	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
<b>Senior management:</b>				
Short-term benefits	5,192	5,537	2,517	2,527
	<b>5,192</b>	<b>5,537</b>	<b>2,517</b>	<b>2,527</b>

## 20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### Cash and cash equivalents

This item had the following composition at 30 September 2016 and 31 December 2015:

	30/09/2016	31/12/2015
Bank deposits	131,790	171,868
Time deposits	49,147	74,623
Other treasury applications	8,926	2,518
Cash	2,668	3,684
	<b>192,531</b>	<b>252,693</b>

The cash and equivalent heading includes cash, deposits payable on demand, cash investments and term deposits with maturity of less than three months, repayable on demand, and for which the risk of change of value is insignificant.

### Cash flow from investment activities

Revenue from financial investments for the years ended on 30 September 2016 and 2015 refer to the disposal of equity interests in the following companies:

	3 <sup>rd</sup> Quarter	3 <sup>rd</sup> Quarter	Jul-Sep 16	Jul-Sep 15
Limited Liability Company Cement	22,717	-	16,072	-
AEDL - Auto-Estradas do Douro Litoral, S.A.	2,491	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	23,740	-	8,460
PETRIN - Petróleos e Investimentos, S.A.	-	10,153	-	-
LONGAVIA, S.A.	-	9,184	-	-
LONGAPAR - Sociedade Gestora de Participações Sociais, S.A.	-	2,315	-	-
	<b>25,208</b>	<b>45,392</b>	<b>16,072</b>	<b>8,460</b>



Payments related to financial investments in the financial years ending on September 30, 2016 and 2015, concern the purchase of shares to the following associated company:

	3 <sup>rd</sup> Quarter	3 <sup>rd</sup> Quarter	Jul-Sep 16	Jul-Sep 15
Alvorada Petróleo, S.A.	12	-	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	24,064	-	11,558
Other	5	-	5	-
	<b>17</b>	<b>24,064</b>	<b>5</b>	<b>11,558</b>

Dividends received in the financial years ending on September 30, 2016 and 2015 were as follows:

	3 <sup>rd</sup> Quarter 16	3 <sup>rd</sup> Quarter 15	Jul-Sep 16	Jul-Sep 15
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	1,310	-	-	-
CPM - Companhia de Parques de Macau, S.A.R.L.	342	251	-	-
LONGAPAR - Sociedade Gestora de Participações Sociais, S.A.	-	399	-	-
Banco Bilbao Vizcaya Argentaria, S.A.	-	214	-	214
	<b>1,652</b>	<b>864</b>	<b>-</b>	<b>214</b>

## 21 - SHARE CAPITAL

As at 30 September 2015, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of EUR 0.5 each.

As at 30 September 2016, 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.

## 22 - RESERVES AND RETAINED EARNINGS

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

**Fair value reserve:** The fair value reserve represents 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:** Free reserves are available for distribution, under the terms and subject to the limits stated in the Code of Commercial Companies.

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

## 23 - LOANS

As at 30 September 2016 and 31 December 2015, the loans received were as follows:

	30/09/2016	31/12/2015
<b>Non-current liabilities:</b>		
Bank loans a)	226,631	217,980
Commercial role b)	460,452	432,257
Debentures loans c)	15,300	15,300
	<b>702,383</b>	<b>665,537</b>
<b>Current liabilities:</b>		
Bank loans a)	563,462	617,139
Commercial role b)	92,807	117,457
	<b>656,269</b>	<b>734,596</b>
	<b>1,358,652</b>	<b>1,400,133</b>

### a) Bank loans

As at 30 September 2016, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 4.5% (4.67% as at 30 September 2015).

As at 30 September 2016, the most significant bank loans contracted by the Group essentially correspond to:

Loan raised from Caixa Banco de Investimento, S.A. and Caixa Geral de Depósitos, S.A., contracted on 21 February 2008 of the value on September 2016 of EUR 43,618 thousand, which will be repaid in 35 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 on September 2016 of EUR 25,981 thousand, which will be repaid in 87 equal and successive monthly instalments, ending on 30 December 2023.

Loan raised from Banco Caixa Geral Angola, contracted on 21 December 2011 of the value on September 2016 of EUR 5,396 thousand, which will fall due on 28 February 2019.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the value on September 2016 of EUR 4,953 thousand, which will fall due on 5 December 2019.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the value on September 2016 of EUR 12,391 thousand, which will fall due on 13 December 2019.

Loan raised from Banco Privado Atlântico de Angola, contracted on 12 October 2012 of the value on September 2016 of EUR 4,457 thousand, which will fall due on 18 October 2017.

Loan raised from Banco Popular Portugal, S.A., contracted on 13 December 2012 of the value on September 2016 of EUR 1,847 thousand. Current capital will be amortised throughout the contractual period, according to the agreed adjustment table, by the product of selling the real estate subject to the mortgage, with the remaining amount being settled through bullet amortisation on 13 December 2016.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 29 August 2013 of the value on September 2016 of EUR 4,539 thousand, which will fall due on 20 October 2016.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 30 August 2013 of the value on September 2016 of EUR 8,242 thousand, which will fall due on 20 November 2017.

Loan raised from Banco Caixa Geral Angola, contracted on 23 January 2014 of the value on September 2016 of EUR 8,242 thousand, which will fall due on 30 April 2021.

Loan raised from Banco Angolano de Investimento, contracted on 20 February 2014 of the value on September 2016 of EUR 18,404 thousand, which will fall due on 31 October 2020.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 30 April 2014 of the value on September 2016 of EUR 5,952 thousand, which will fall due on 25 May 2018.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 29 August 2014 of the value on September 2016 of EUR 5,767 thousand, which will fall due on 20 November 2018.

Loan raised from Banco BIC de Angola, contracted on 22 September 2014 of the value on September 2016 of EUR 10,997 thousand, which will fall due on 13 December 2021.

Loan from Banco do Brasil S.A. taken out on 17 October 2014, amounting to 3,900 thousand euros at the end of September, 2016, which will be amortised in half yearly amounts of 1,300 thousand euros.

Loan from Caixa Económica Montepio Geral, taken out on 23 October 2014, amounting to 8,000 thousand euros at the end of September 2016, which will be repaid in 84 constant and successive monthly instalments of capital and interest, after a waiting period of twenty four months, maturing on 23 October 2023.

Loan from Caixa Económica Montepio Geral, taken out on 23 October 2014, amounting to 2,116 thousand euros at the end of September 2016, which will be repaid in 37 constant and successive monthly instalments, maturing on 23 October 2019.

Loan raised from Banco BANRISUL, S.A., contracted on 24 November 2014 of the value on September 2016 of EUR 254 thousand, which will fall due on 27 November 2016.

Loan raised from Banco BANRISUL, S.A., contracted on 24 November 2014 of the value on September 2016 of EUR 333 thousand, which will fall due on 27 April 2017.

Loan raised from Banco Caixa Geral Angola, contracted on 31 December 2014 of the value on September 2016 of EUR 6,069 thousand, which will fall due on 31 December 2021.

Loan from Novo Banco, S.A., taken out on 26 January 2015, amounting to 28,750 thousand euros at the end of September, 2016, which will be amortised half yearly through amounts varying between 1,500 thousand euros and 2,750 euros, with the last payment of 16,500 thousand euros being paid on 30 December 2019.

Loan raised from Banco Caixa Geral, S.A., contracted on 13 May 2015 of the value on September 2016 of EUR 4,441 thousand, which will fall due on 13 November 2016.

Loan from Novo Banco, S.A., taken out on 20 May 2015, amounting to 9,206 thousand euros at the end of September 2016, which will be repaid in 7 quarterly instalments starting on 30 September 2015.

Loan raised from Banco Brandesco, contracted on 26 June 2015 of the value on September 2016 of EUR 3,768 thousand, which will fall due on 20 August 2018.

Loan from Banco Caixa Geral, S.A., taken out on 18 August 2015, amounting to 316 thousand euros at the end of September 2016, which will be repaid on 31 January, 2017.

Loan raised from Banco Caixa Geral Angola, contracted on 26 November 2015 of the value on September 2016 of EUR 11,858 thousand, which will fall due on 29 June 2020.

Loan from Banco Caixa Geral, S.A., taken out on 29 December 2015, amounting to 156 thousand euros at the end of September 2016, which will be repaid on 20 December, 2016.

Loan from Banco do Brasil S.A. taken out on 22 January 2016, with a duration of 3 years, amounting to 3,500 thousand euros at the end of September, 2016, which will be amortised in annual amounts of 1,167 thousand euros.

Loan from Caixa Geral de Depósitos, S.A., taken out on 29 February 2016, amounting to 7,000 thousand euros at the end of September 2016; the current capital will be amortised on 3 January 2017.

Loan from Banco Comercial Português, S.A., taken out on 29 March 2016, amounting to 10,000 thousand euros at the end of September 2016; the capital will be amortized in successive half yearly installments, payable in arrears, with the final payment being made on 20 February 2023.

Loan raised from Novo Banco, S.A., contracted on 26 April 2016 of the value on September 2016 of EUR 7,000 thousand, which will fall due on 31 December 2016.

A credit opening contract entered into on 17 June 2016 between the banks Banco Comercial Português, S.A., Caixa Geral de Depósitos, S.A. and Novo Banco, S.A., amounting to 8,708 thousand euros in September 2016, with liability of 3,266 thousand euros, 2,325 thousand euros and 3,117 thousand euros respectively shared by the banks, which will remain in force until 15 December 2016.

Loan raised from Banco Safra, contracted on 29 October 2016 of the value on March 2016 of EUR 3,314 thousand, which will fall due on 31 July 2017.

Loan raised from Novo Banco, S.A., contracted on 30 June 2016 of the value on September 2016 of EUR 1,828 thousand, which will fall due on 30 December 2016.

Loan from Banco BPI, S.A., taken out on 5 July 2016, amounting to 24,250 thousand euros at the end of September 2016, which will be amortized in sixty monthly installments starting on 5 December 2016. The loan bears interest at the Euribor 6 month rate plus a spread of 4%.

A loan contract entered into between the Caixa Económica Montepio Geral bank and Imopedrouços – Sociedade Imobiliária, S.A. on 29 July 2016, for the purpose of stimulating real estate construction, with a maximum amount of 7,500 thousand euros, of which 1,035 thousand euros had been used by the end of September 2016. The loan, with a start date of 29 July, will have a duration of five years and will be amortized with the product of the venture's sales. The loan bears interest at the Euribor 6 month rate plus a spread of 3.5%.

Loan from Banco Santander Totta, S.A., taken out on 1 August 2016, amounting to 2,868 thousand euros at the end of September 2016, which will be amortized in twenty three monthly installments. The loan bears interest at the Euribor 12 month rate plus a spread of 5%.

A credit opening contract entered into on 12 August 2016 between the banks Banco Comercial Português, S.A., Caixa Geral de Depósitos, S.A. and Novo Banco, S.A., amounting to 39,500 thousand euros in September 2016, with liability of 14,813 thousand euros, 10,547 thousand euros and 14,141 thousand euros respectively shared by the banks, and Teixeira Duarte – Engenharia e Construções, S.A. The Euribor 12 month interest rate applies to the loan, plus a *spread* of 5%, and it will remain in force until 15 December 2016.

Loan raised from Banco Santander, contracted on 5 September 2016 of the value on March 2016 of EUR 1,011 thousand, which will fall due on 10 September 2018.

A loan from Banco BAI Europa, S.A., taken out on 22 September 2016, amounting to 3,424 thousand dollars, used in full at the end of September 2016, corresponding to 3,068 thousand euros, to be amortized in twelve quarterly installments with amounts varying between 100 thousand dollars and 350 thousand dollars, with the final installment being 1,224 thousand dollars. The loan bears interest at the Euribor 12 month rate plus a spread of 4%.

Loan from Banco BAI Europa, S.A., taken out on 22 September 2016, amounting to 750 thousand euros in September 2016, to be amortized in six equal and successive quarterly installments starting on 31 December 2016. The loan bears interest at the Euribor 12 month rate plus a spread of 4%.

Factoring line with recourse with Banco Caixa Geral, S.A., amounting to 5,000 thousand euros, of which 4,316 thousand euros were used at the end of September 2016.

Factoring line with recourse with Banco Caixa Geral, S.A., amounting to 10,000 thousand US dollars, of which 1,980 thousand US dollars were used at the end of September 2016, corresponding to 1.774 thousand euros.

Factoring line with recourse with Novo Banco, S.A., amounting to 3,500 thousand euros, of which 655 thousand euros were used at the end of September 2016.

A loan agreement for the acquisition of equipment, starting in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C. and Teixeira Duarte – Engenharia e Construções, S.A., amounting to 1,198 thousand euros at the end of September 2016, which will be amortized in 45 monthly installments. The loan bears interest at the nominal rate of 2%.

A loan agreement for the acquisition of equipment, starting in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C. and Teixeira Duarte – Engenharia e Construções, S.A., amounting to 145 thousand euros at the end of September 2016, which will be amortized in 47 monthly installments. The loan bears interest at the nominal rate of 2%.

A loan agreement for the acquisition of equipment, starting in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C. and Teixeira Duarte – Engenharia e Construções, S.A., amounting to 544 thousand euros at the end of September 2016, which will be amortized in 46 monthly installments. The loan bears interest at the nominal rate of 2%.

A loan agreement for the acquisition of equipment, starting in July 2016, entered into between IBM Deutschland Kreditbank GmbH, Branch in Portugal and Teixeira Duarte – Engenharia e Construções, S.A., amounting to 130 thousand euros at the end of September 2016, which will be amortized in 4 quarterly installments, starting in November 2016.

As part of the scope of an overseas commercial discount line (Venezuela) granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., with Caixa Geral de Depósitos for the amount of 7.302 thousand US dollars, at the end of September 2016, corresponding to 6,542 thousand euros.

As part of the scope of an overseas commercial discount line (Algeria) granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., with Caixa Geral de Depósitos for the amount of 36.440 thousand euros, of which the amount of 28,604 thousand euros were used at the end of September 2016.

As part of the scope of an overseas commercial discount line (Angola) granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A., Teixeira Duarte - Distribuição, S.A, EPOS – Empresa Portuguesa de Obras Subterrâneas, S.A. and TDO – Investimento e Gestão, S.A., with Caixa Geral de Depósitos for the amount of 15,000 thousand euros, of which at the end of

September 2016, the amounts of 1,807 thousand euros, 3,740 thousand euros and 4,378 thousand euros respectively were used.

As part of the scope of an overseas commercial discount line (Angola) granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., with Banco Privado Atlântico Europa for the amount of 4,331 thousand euros, which was used in its entirety at the end of September 2016.

As part of the scope of a line of credit, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. - Venezuela Branch, on 29 July 2013, with CorpBanca, C.A. (which was dissolved as a consequence of a merger through its incorporation into Banco Occidental de Descuento, C.A.), for a maximum amount of 100,000 thousand Venezuelan bolivars, increased to 200,000 thousand Venezuelan bolivars, in May 2014, with the approval in November 2014 of a further increase to 300,000 thousand Venezuelan bolivars, of which 204,625 thousand Venezuelan bolivars were used at the end of September 2016, which, at the exchange rate at the end of September 2016, correspond to 278 thousand euros.

As part of the scope of a line of credit, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. - Venezuela Branch, on 29 July 2013, with Mercantil, C.A. Banco Universal, on 4 April 2013, for a maximum amount of 150,000 thousand Venezuelan bolivars, increased to a maximum limit of 300,000 thousand Venezuelan bolivars, in May 2014, with the approval in April 2015 of a further increase to 400,000 thousand Venezuelan bolivars, of which 150,000 thousand Venezuelan bolivars were used at the end of September 2016, which, at the exchange rate at the end of September 2016, correspond to 204 thousand euros.

As part of the scope of a line of credit, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. - Venezuela Branch, on 13 February 2014, with Banco del Caribe C.A., for a maximum amount of 200,000 thousand Venezuelan bolivars, used in its entirety at the end of September 200.000, which, at the exchange rate at the end of September 2016, correspond to 272 thousand euros.

All lines of credit granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. - Venezuela Branch are negotiated and renegotiated for periods of 12, 18 and 24 months, and interest is payable on the amounts of these lines of credit that are used at normal rates for identical operations, on the local market, on the respective usage dates, which are charged monthly, quarterly or half-yearly, depending on the use.

As at 30 September 2016 and 31 December 2015, the bank loans also include the pledged accounts of the value of EUR 393,192 thousand and EUR 456,648 thousand, respectively.

**b) Commercial role**

As at 30 September 2016, the Group had negotiated the following commercial paper programmes:

Grouped programme of commercial paper issues contracted with Haitong Bank, S.A. and Novo Banco, S.A., on 16 December 2005, for the amount of 100,000 thousand euros, 42,500 thousand euros at the end of September 2016, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. take part, all of which are in use by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. The participation of each company in the programme may vary each time the programme is used, The duration of the programme is five years minus one day, counted as of the contract signing date. Issue periods are between 1 and 6 months and they earn interest in advance at the Euribor rate for the period, plus a spread of 3%. The final issue will be repaid on 20 August 2018, and half-yearly amortisations are envisaged of 2,500 thousand euros and the settlement of the remaining value on the date of the programme's final issue.

Commercial paper issued programme contracted with Banco Comercial Português, S.A. on 20 August 2008, for 17,000 thousand euros at the end of September 2016, renewable annually. 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 issued programme contracted with Banco Comercial Português, S.A. on 20 August 2008, amounting to 3,500 thousand euros at the end of September 2016, of which 2,000 thousand euros was used at the end of September 2016, renewed annually. The interest is earned in arrears, with the rate being indexed to the three-month Euribor plus a spread of 5.75% determined according to each issue date.

Grouped contract programme, for the placing and underwriting of commercial paper with Caixa Geral de Depósitos, S.A. on 7 July 2010, to the sum of EUR 70,000 thousand, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. take part, with the entire amount being used by TEIXEIRA DUARTE - Gestão de Engenharia e Construções, S.A. The participation of each company in each programme may vary each time it is used. The programme was renewed on 12 May 2014 until 14 May 2019, for an amount of 50,000 thousand euros, with the amount of 40,000 thousand euros in force at the end of September 2016. It will be subject to amortization on 18 January 2017, and annual amortizations starting on 16 May 2017. Interest is payable in arrears on the date of each subscription, with the intervention rate for the respective period indexed to the Euribor rate in force on the second business day prior to each subscription date, plus 4% up until May 2016 and 3.75% for the rest of the programme's period, determined based on the date on which each bid is made.

Grouped programme, for the placing and underwriting of private commercial paper contracted on 14 January 2011 with Banco Comercial Português, S.A. with the total amount used being EUR 20,750 thousand, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. take part, to the amounts of EUR 18,675 thousand and EUR 2,075 thousand, respectively. The participation of each company in the programme may vary each time the programme is used, with TEIXEIRA DUARTE - Engenharia e Construções, S.A. being required to participate with at least 10% of the total value. Interest is payable in arrears and the intervention rate is indexed to one- to six-month Euribor by competitive auction of 7 to 180 days by direct placement plus 4% and determined in accordance with the date of each auction, with the repayment of the last issue taking place on 6 January 2021.

Grouped programme of commercial paper issues contracted with Banco Comercial Português, S.A., on 28 December 2011, for an overall amount of 54,400 thousand euros, used in its entirety at the end of September 2016, 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; on this date, the amounts used by each company were 1,000 thousand euros, 1,000 thousand euros and 51,400 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 EUR 250 thousand. The programme will remain in force until 30 December 2021, with the first amortization envisaged on 30 December 2016, amounting to 9,000 thousand euros, and the remaining amortizations on a quarterly basis, with amounts varying between 3,300 thousand euros and 4,500



thousand euros, with the exception of the final one, which will be 8,400 thousand euros. The applicable interest rate is the Euribor for each issue period, in force on the second business day prior to its beginning, increased by a spread of 4.25%.

Grouped programme of commercial paper issues contracted with Novo Banco, S.A. and Haitong Bank, S.A., on 30 December 2013, for the amount of 191,250 thousand euros at the end of September 2016, granted by the issuing parties TEIXEIRA DUARTE – Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., and by the guarantors TEDAL – Sociedade Gestora de Participações Sociais, S.A., TEIXEIRA DUARTE – Engenharia e Construções, S.A., QUINTA DE CRAVEL – Imobiliária, S.A., and V8 – Gestão Imobiliária, S.A., being used in its entirety by Teixeira Duarte – Engenharia e Construções, S.A. The participation of each company in each programme may vary each time it is issued. The programme has a duration of five years minus 1 day, counted from the date on which the contract is signed; interest is payable in advance, with the intervention rate for the respective period indexed to the Euribor rate in force on the second business day prior to each subscription date, plus a spread of 5%, determined based on the date on which each bid is made; the final issue will be repaid on 29 December 2018. The programme will be subject to partial amortisations, of 10,000 thousand euros half-yearly as of 30 December 2016, and 5,000 thousand euros as of June 2017.

Grouped programme of commercial paper issues contracted with Banco Finantia, S.A., on 2 May 2014, for the amount of 10,000 thousand euros, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., 1,150 thousand euros of which were being used by TEIXEIRA DUARTE - Engenharia e Construções, S.A. at the end of September 2016; the share of each issuing party may vary in each issue. The programme lasts until 2 May 2017, and issues may have a period of between 7 and 365 days. Interest is payable in arrears, at a rate corresponding to direct placement, never lower than the maximum rate indicated by the issuing party.

Grouped programme of commercial paper issues contracted with Banco Comercial Português, S.A., on 27 June 2014, for the overall amount of 55,000 thousand euros, with an amount of 50,000 thousand euros at the end of September 2016, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. The programme has a duration of 5 years, and issues may have a period of one or three months. Interest is payable in arrears at a rate equal to the Euribor rate applicable to the issue period, plus 6%. The programme is subject to partial amortizations, with the first being 6,000 thousand euros on 27 December 2016, and the rest taking place on a half yearly basis, with amounts varying between 2,000 thousand euros and 5,000 thousand euros, with the remaining amount being paid on the due date of the final issue.

Grouped programme of commercial paper issues contracted with Banco BIC Português, S.A., on 18 November 2014, for an amount of 5,000 thousand euros, granted by TEIXEIRA DUARTE, S.A., by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.. The programme is valid until the 2 of January 2020, and issues may have a period of one or six months. Interest is payable in arrears at a rate equal to the Euribor rate applicable to the issue period, plus 3.25%.

Grouped programme of commercial paper issues contracted with Novo Banco, S.A., on 28 December 2015, for an amount of 97,000 thousand euros at the end of September 2016, in which TEIXEIRA DUARTE, S.A., a TEIXEIRA DUARTE - Engenharia e Construções, S.A., e a TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., take part with the amounts of 9,700 thousand euros, 9,700 thousand euros and 77,600 thousand euros, respectively. The participation of each company in each programme may vary each time it is issued. 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 amortizations, the first amounting to 3,000 thousand euros on 30 December 2016, and the rest taking place on a half yearly basis, starting on 6 May 2017, with an amount varying between 2,000 thousand euros and 3,000 thousand euros.

Programme of commercial paper issues contracted with Novo Banco, S.A., on 14 January 2016, for the amount of 34,000 thousand euros, in which TEIXEIRA DUARTE, S.A., e a TEIXEIRA DUARTE - Engenharia e Construções, S.A. takes part. The



Programme has a duration of four years and will be subject to partial amortizations, the first amounting to 1,000 thousand euros on 30 December 2016, and the rest taking place on a half yearly basis, starting on 14 January 2017, with an amount varying between 1,000 thousand euros and 2,000 thousand euros. 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.

As a result of the commitment of successive renewal during the financial year of the programme contracts, some existing issues as at 30 September 2016 and 31 December 2015 are classified as non-current liabilities.

### c) Debentures loans

A TEIXEIRA DUARTE – Engenharia e Construções S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. entered into a contract with Banco Comercial Português, S.A. for the Provision of Assistance and Placement Services for a Private Bond Issue Offer, as well as a Paying Agent Contract related to the Grouped Issue of Bonds by Private Subscription, amounting to 15,300 thousand euros (1,500 thousand euros from TEIXEIRA DUARTE – Engenharia e Construções S.A. and 13,800 thousand euros from TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.) known as “TEIXEIRA DUARTE - Engenharia e Construções, S.A. / TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. – 2014/2021”. Interest is settled quarterly at a rate of 4.57%, and repayment will be made at part in three equal instalments, on 2 April 2019, 2 April 2020 and 2 April 2021.

As at 30 September 2016 and 31 December 2015, the repayment of the non-current bank loans is defined as follows:

	30/09/2016	31/12/2015
2017	75,610	91,846
2018	284,872	267,496
2019	116,881	90,634
2020	88,855	85,220
2021 and the following	136,165	130,341
	<b>702,383</b>	<b>665,537</b>

As at 30 September 2016 and 31 December 2015, financing agreements in foreign currency were expressed in the following currencies:

Currency	30/09/2016		31/12/2015	
	Currency	Euros	Currency	Euros
Venezuelan bolivar	3,041,536	4,136	3,511,491	16,233
American dollars	16,220	14,533	28,442	26,125
Moroccan Dirham	2,259	208	-	-
Japanese yen	481	4	4,671	35
Angola Kwanza	18,665,839	100,696	22,118,694	149,621
Mozambican metical	151	2	5	-
Brazilian real	124,190	34,297	130,074	30,168

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

## 24 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

As part of different inspections conducted by the Tax and Customs Authorities (AT) of accounting elements of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., 100% of which is directly held by TEIXEIRA DUARTE, S.A., with regard to the financial years from 2007 to 2012, the following corrections have been made to the tax losses initially ascertained for this subsidiary:

Financial 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, including in the tax loss corrections for 2008 and 2012, respectively (and with regard, according to AT, to the undue application of item 10 of article 22 of EBF to the distribution of profits by the Closed TDF Real Estate Investment Fund), all of the remaining corrections are the result of the non-acceptance of financial expenses incurred as a result of the investment made in subsidiary companies as supplementary provisions, as a taxable expense.

Given that TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. pays corporation tax (IRC) according to the RETGS (articles 69 onwards of the IRC code), corrections to tax losses for periods 207 to 2011 were subject to additional IRC payments and compensatory interest issued to TEIXEIRA DUARTE – Engenharia e Construções, S.A., a subsidiary held 100% by TEIXEIRA DUARTE, as the RETGS parent company for these financial years. Under the terms of the law, TEIXEIRA DUARTE – Engenharia e Construções, S.A. contested the corrections made by AT to the periods from 2007 to 2011.

No additional settlement whatsoever had been issued for the company on this date, in its capacity as the RETGS parent company, relating to corrections for the 2012 financial year.

Despite the outcome being unfavourable to the intentions of TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., and, consequently, to TEIXEIRA DUARTE – Engenharia e Construções, S.A., as the parent company, within the scope of the process relating to the 2006 period about the acceptance, as a taxable expense, of financial expenses

incurred by the investment made in subsidiary companies in the form of supplementary provisions, the Board of Directors still expects to obtain an outcome different to the remaining periods subject to corrections.

In addition to the aforementioned corrections regarding the subsidiary TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., below can be found individual reports on corrections made by the AT to TEIXEIRA DUARTE – Engenharia e Construções, S.A.:

- Correction to the taxable profit ascertained in the 2008 period, amounting to 35,467 thousand euros, of which the Company contested 32,595 thousand euros related to tax credits, the taxable gains re-investment regime and the undue application of item 10 of article 22 of EBF;
- Corrections to the taxable profit ascertained in the 2011 period, amounting to 1,739 thousand euros, of which the Company contested 608 thousand euros, essentially related to the non-acceptance of autonomous taxation as a taxable expense;
- Correction related to IRC (corporation tax) from previous periods and included in the additional settlement issued with reference to the 2011 financial year, amounting to 12 thousand euros, which was contested in full by the Company, which believes that the correction envisaged in item 6 of article 45 of the IRC Code (the text applicable to the 2011 period) does not cover the Municipal Surcharge;
- Corrections to the taxable profit ascertained in the 2012 period, amounting to 9,268 thousand euros, of which the Company will contest 702 thousand euros, related to the non-acceptance of autonomous taxation as a taxable expense, as well as favourable corrections to the amount of tax credits for international double taxation, amounting to 2,969 thousand euros.

#### **Guarantees:**

As at 30 September 2016 and 31 December 2015, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	30/09/2016	31/12/2015
Granted bank guarantees	351,646	483,912
Guarantee insurance	254,736	193,160

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 bond insurance to guarantee the performance of works and services provided.

For the purposes of suspending the tax enforcement process opened for the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., regarding IRC (corporation tax) debt from the 2008 financial year, since contested, a bank guarantee for 14,752 thousand euros was issued in favour of the AT. Subsequently, TEIXEIRA DUARTE – Engenharia e Construções, S.A. required the substitution of the bank guarantee with a surety provided by TEIXEIRA DUARTE, S.A.; this intention has been successively refused by the Tax Administration, but with decisions favorable to the Company in the judicial system. Upon verification of the acceptance by AT of the replacement of the bank guarantee with a surety, the Company will cancel the aforementioned bank guarantee.

For the purposes of suspending the tax enforcement process opened for the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., regarding IRC (corporation tax) debt from the 2010 financial year, since contested, TEIXEIRA DUARTE, S.A. presented a surety, amounting to 10,139 thousand euros, which was accepted by the Tax and Customs Authority.

A mortgage was also raised, in favour of Caixa Geral de Depósitos, S.A., on lot 3, located at Lagoas Park, belonging to TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., to guarantee the loan agreement granted by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., amounting to 25,981 thousand euros at the end of September 2016.

To guarantee the contract entered into with Banco Caixa Geral Angola, amounting to 5,396 thousand euros at the end of September 2016, HOTEL BAÍA, Lda. raised a mortgage on property no. 256 - 1st section, belonging to it, located in Chicala.

To guarantee the contract entered into with Banco BIC Angola, amounting to 4,953 thousand euros at the end of September 2016, ANGOIMO - Empreendimentos e Construções, Lda. raised a mortgage on property no. 2554, belonging to it, located in Chicala.

To guarantee the contract entered into with Banco BIC Angola, amounting to 10,997 thousand euros at the end of September 2016, ANGOIMO - Empreendimentos e Construções, Lda. raised a mortgage on property no. 2554, belonging to it, located in Chicala.

To guarantee the contract entered into with Banco BIC Angola, amounting to 12,391 thousand euros at the end of September 2016, ANGOIMO - Empreendimentos e Construções, Lda. raised a mortgage on property no. 354, belonging to it, located in Chicala.

To guarantee the contract entered into with Banco Angolano de Investimento, amounting to 18,404 thousand euros at the end of September 2016, CND – Companhia Nacional de Distribuição, Lda. raised a mortgage on properties nos. 123 and 874, belonging to it, located in Ingombotas and Sambizanga respectively.

To guarantee the contract entered into with Banco Caixa Geral Angola, amounting to 6,069 thousand euros at the end of September 2016, ANGOIMO - Empreendimentos e Construções, Lda. raised a mortgage on property no. 187, belonging to it, located in Ingombotas.

To guarantee the contract entered into with Banco Caixa Geral Angola, amounting to 8,242 thousand euros at the end of September 2016, HOTEL TRÓPICO, S.A. raised a mortgage on property no. 1826, belonging to it, located in Ingombotas.

To guarantee the contract entered into with Banco BIC Angola, amounting to 24,229 thousand euros at the end of September 2016, ANGOIMO - Empreendimentos e Construções, Lda. raised a mortgage on property no. 2554, belonging to it, located in Samba.

To guarantee the commercial paper contract entered into with Banco Comercial Português, S.A., amounting to 53,400 thousand euros at the end of September 2016, granted by TEIXEIRA DUARTE, S.A. to TEIXEIRA DUARTE - Engenharia e Construções, S.A. and to TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., a generic mortgage was raised on properties constructed respectively on lots 6, 18 and 19 in Lagoas Park, owned by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.

To guarantee the loan amounting to 1,847 thousand euros at the end of September 2016, taken out with Banco Popular Portugal, S.A. on 13 December 2012, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A., by QUINTA DE CRAVEL - Imobiliária, S.A. and by V8 - Gestão Imobiliária, S.A., to V8 - Gestão Imobiliária, S.A., a mortgage was raised on fractions of its ownership of an urban property located at Rua de Castro Portugal, numbers 497 and 511; Rua Professora Rita Lopes Ribeiro Fonseca, numbers 46, 52, 76, 80, 94 and 96; District and Parish of Vila Nova de Gaia, and on fractions of urban property known as lot 14, located at Rua Guilherme Duarte Camarinha, number 12, District of Candal, parish of Vila Nova de Gaia, for a global value of 1,847 thousand euros.

To guarantee the loan amounting to 7,000 thousand euros, at the end of September 2016, taken out with Novo Banco, S.A., granted by Teixeira Duarte – Engenharia e Construções, S.A. as the loaning entity and by Teixeira Duarte - Gestão de participações e Investimentos Imobiliários, S.A. and TEDAL – Sociedade Gestora de Participações Sociais, S.A. as guarantors, financial pledges were made on 21,000 and 10,479, 000 shares in TDARCOL – Sociedade Gestora de Participações Sociais, S.A., respectively.

To guarantee the credit opening contract entered into on 17 June 2016 between the banks Banco Comercial Português, S.A., Caixa Geral de Depósitos, S.A. and Novo Banco, S.A., for an overall amount of 8,708 thousand euros, with liability shared between the respective banks as follows: 3,266 thousand euros, 2,325 thousand euros and 3,117 thousand euros; and Teixeira Duarte – Engenharia e Construções, S.A., Teixeira Duarte – Engenharia e Construções, S.A. pledged in lieu of payment 375,000 shares, with a nominal value of 5 euros, representing 7.5% of the share capital of the public limited company Lusoponte - Concessionária para a Travessia do Tejo S.A.,

To guarantee the credit opening contract entered into on 12 August 2016 between the banks Banco Comercial Português, S.A., Caixa Geral de Depósitos, S.A. and Novo Banco, S.A., for an overall amount of 39,500 thousand euros, with liability shared between the banks as follows: 14,813 thousand euros, 10,547 thousand euros and 14,141 thousand euros respectively; and Teixeira Duarte – Engenharia e Construções, S.A., Teixeira Duarte – Gestão de Participações e Investimento Imobiliário, S.A. mortgaged 21 plots of land located in Casal do Deserto in Porto Salvo, and a mixed used property located on the Zemouto site in Seixal, TDE – Empreendimentos Imobiliários, S.A. mortgaged an urban property located at Estrada Municipal, five hundred and four, in Troviscas, District of Loures, and TDVIA – Sociedade Imobiliária, S.A. mortgaged three rural properties and one urban property located in the district of Vila Franca de Xira.

Apart from the guarantees indicated above, the following pledges were also provided:

To guarantee the commercial paper contract entered into with Haitong Bank, S.A. and Novo Banco, S.A., amounting to 42,500 thousand euros at the end of September 2016, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., to TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. and to TEDAL - Sociedade Gestora de Participações Sociais, S.A., 325,000,000 and 32,000,000 shares in Banco Comercial Português, S.A. were given as pledges, respectively.

To guarantee the loan agreement entered into with Novo Banco, S.A., amounting to 28,750 thousand euros at the end of September 2016, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. and C+P.A. – Cimentos e Produtos Associados, S.A. gave 120,000,000 and 145,229,693 shares in Banco Comercial Português, S.A. as pledges, respectively.

To guarantee the commercial paper contract entered into with with Haitong Bank, S.A. and Novo Banco, S.A., for the amount of 191,250 thousand euros at the end of September 2016, used in its entirety by TEIXEIRA DUARTE - Engenharia e Construções, S.A., 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. gave as a pledge 12,500,000 shares in EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A., 200,000,000 shares in C+P.A. – Cimentos e Produtos Associados, S.A., and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. gave as a pledge 1,325,000 participation units in the TDF Closed Property Investment Fund. TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. constituted a voluntary mortgage on an urban property it owns, destined for warehouses, workshops, materials laboratory and parking of equipment, located on Avenida da Indústria, Alto Estanqueiro - Jardim, Montijo, of the value of EUR 13,282 thousand. QUINTA DE CRAVEL - Imobiliária, S.A., also mortgaged the lots for construction numbers 10, 11, 12, 13, 19, 23, 26 and 31, located at Quinta de Cravel, Mafamude, Vila Nova de Gaia, for the total value of EUR 6,829 thousand. 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 EUR 26,698 thousand.

To guarantee the commercial paper contract entered into with Caixa Geral de Depósitos, S.A., amounting to 70,000 thousand euros, renewed on 12 May 2014 until 14 May 2019, for the amount of 50,000 thousand euros - 40,000 thousand euros at the end of September 2016, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A. and by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. gave as a pledge 4,675,000 participation units in the TDF Closed Property Investment Fund.

To guarantee the commercial paper contract entered into with Novo Banco, S.A., amounting to 34,000 thousand euros, granted by TEIXEIRA DUARTE, S.A. and TEIXEIRA DUARTE - Engenharia e Construções, S.A., TEIXEIRA DUARTE, S.A. gave as a pledge 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 in SOMAFEL - Engenharia e Obras Ferroviárias, S.A..

To guarantee the contract entered into with Banco Caixa Geral Angola, amounting to 11,858 thousand euros at the end of September 2016, TEIXEIRA DUARTE - Engenharia e Construções, S.A. - Angola Branch, pledged 13,020 Treasury Bond Securities.

In order to secure debts to third parties, of the value of EUR 14 thousand, IMOTD - SGPS, S.A. pledged 14,000 shares in V8, S.A..

In order to secure the loan contract granted by TDHOSP - Gestão de Edifício Hospitalar, S.A. of the value on September 2016 of EUR 43,618 thousand, TEIXEIRA DUARTE - Engenharia e Construções, S.A. pledged to Caixa Geral de Depósitos, S.A. and Caixa Banco de Investimentos, S.A. 1,540,000 shares 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..

To guarantee the loan agreement entered into with Caixa Económica Montepio Geral, amounting to 2,116 thousand euros at the end of September 2016, granted by DIGAL - Distribuição e Comércio, S.A., DIGAL - Distribuição e Comércio, S.A. made a commercial pledge of equipment, amounting to 3,394 thousand euros.

To guarantee the loan agreement entered into with Caixa Económica Montepio Geral, amounting to 8,000 thousand euros, granted by PPS - Produtos Petrolíferos, S.A., TDARCOL - SGPS, S.A. pledged shares in PPS - Produtos Petrolíferos, S.A.

To guarantee the loan amounting to 10,000 thousand euros at the end of September 2016, taken out with Banco Comercial Português, S.A., granted by Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A., Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A. raised a mortgage on building 9 at the Lagoas Park venture.

To guarantee the loan amounting to 7,000 thousand euros at the end of September 2016, taken out with Caixa Geral de Depósitos, S.A., granted by Teixeira Duarte, S.A., by Teixeira Duarte - Engenharia e Construções S.A. and by Teixeira Duarte - Gestão de participações e Investimentos Imobiliários, S.A., to Teixeira Duarte - Gestão de participações e Investimentos Imobiliários, S.A., a second mortgage was raised on Lot 3, located at Lagoas Park.

To guarantee the loan agreement for the acquisition of equipment, starting in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C. and Teixeira Duarte - Engenharia e Construções, S.A., amounting to 1,198 thousand euros at the end of September 2016, the respective pieces of equipment acquired under this agreement were given as guarantees.

To guarantee the loan agreement for the acquisition of equipment, starting in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C. and Teixeira Duarte - Engenharia e Construções, S.A., amounting to 145

thousand euros at the end of September 2016, the respective pieces of equipment acquired under this agreement were given as guarantees.

To guarantee the loan agreement for the acquisition of equipment, starting in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C. and Teixeira Duarte – Engenharia e Construções, S.A., amounting to 544 thousand euros at the end of September 2016, the respective pieces of equipment acquired under this agreement were given as guarantees.

To guarantee the loan agreement for the acquisition of equipment, starting in July 2016, entered into between IBM Deutschland Kreditbank GmbH, Branch in Portugal and Teixeira Duarte – Engenharia e Construções, S.A., amounting to 130 thousand euros at the end of September 2016, the respective pieces of equipment acquired under this agreement were given as guarantees.

**Financial commitments:**

As at 30 September 2016 and 31 December 2015, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 417,007 thousand and EUR 485,853 thousand, respectively.

As at 30 September 2016 and 31 December 2015, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of EUR 7,806 thousand and EUR 10,538 thousand, respectively. According to the contractual conditions, the Group's liability is essentially restricted to the guaranteed acceptance of the invoices object of the factoring on the part of the customers.

## 25 - MEASUREMENTS AT FAIR VALUE

### Fair value estimate - assets and liabilities measured at fair value

The following table shows the Group's assets and liabilities measured at fair value at 30 September 2016 according to the following fair value levels:

- Level 1: the fair value of financial instruments is based on prices ruling on active, liquid markets at the date of the statement of financial position;
- Level 2: the fair value of financial instruments is not determined based on active market prices but according to valuation models;
- Level 3: the fair value of financial instruments is not determined based on active market prices but according to valuation models, the main inputs of which are not observable on the market.

Class	Item	Level 1	Level 2	Level 3
<b>Assets:</b>				
Financial assets available for sale	Shares	9,582	-	-
Financial assets at fair value by results	Shares	21	-	-
Investment Properties	Buildings and land	-	491,721	-
<b>Liabilities:</b>				
Financial assets at fair value	Coverage derivatives	-	18,207	-

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

Regarding loans, most loans are taken out at variable interest rates. It is considered that their book value (amortised cost) does not differ significantly from corresponding market value.

## 26 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year that ended on 30 September 2016 were approved by the Board of Directors on 28 November 2016.

## 27 - SUBSEQUENT EVENTS

TEIXEIRA DUARTE continued its activity in the different markets in which it operates, and there are no relevant events to mention, occurring after the ending of the third quarter of 2016 and the issue date of this document.