

# Report and Accounts

1<sup>st</sup> Quarter **2017**

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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

	1st Q 2013	1 <sup>st</sup> Quarter 2014	1 <sup>st</sup> Quarter 2015	1 <sup>st</sup> Quarter 2016	1 <sup>st</sup> Quarter 2017	Variation 2017/2016 %
Average number of workers	11,358	12,705	13,548	12,002	10,210	(14.9%)
Turnover	342	357	359	289	227	(21.6%)
Operating income	354	360	368	297	235	(21.1%)
EBITDA	54	71	34	48	43	(12.3%)
EBITDA / Turnover	15.7%	19.8%	9.6%	16.8%	18.7%	11.8%
EBIT	38	54	10	30	28	(7.7%)
Net Income Attributable to Shareholders	7	16	15	(22)	(9)	(61.4%)
Net Debt	1,101	1,194	1,357	1,153	1,114	(3.4%)
Net income attributable to shareholders	284	380	493	361	380	5.2%
Equity total	357	411	520	410	425	3.6%
Total of net asset	2,765	2,755	3,103	2,592	2,438	(5.9%)

### Notes:

The book values are expressed in million euros.

The figures in the "Variation 2017/2016 %" column were calculated based on amounts that were not rounded off.

Total Equity includes non-controlling interests.

TEIXEIRA DUARTE GROUP - 1<sup>st</sup> Quarter 2017



**Caption:**

COMPANIES INCLUDED IN THE CONSOLIDATION

COMPANIES INCLUDED IN THE CONSOLIDATION USING THE EQUITY METHOD

COMPANIES EXCLUDED FROM



# Interim Management Report **1<sup>st</sup> Quarter 2017**





## I - INTRODUCTION

Under the terms of, and for the purposes of applicable legal and regulatory provisions TEIXEIRA DUARTE, S.A ("TD, S.A.") hereby discloses the Interim Report referring to the first three months of 2017, 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 31 March, 2017 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, 2017, and in accordance with IAS 34 - Interim Financial Reporting.

Within the Teixeira Duarte Group, it stands out that one of the 100% owned companies ("TDHOSP-Gestão de Edifício Hospitalar, SA") has been repositioned from the "Concessions and Services" sector to the "Real Estate" sector. In the appendices plus the maps and graphs set out in this document, the 2016 indicators were - only in relation to these two sectors - restated to allow the appropriate level of comparability.

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 annexes, 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 8.7 million euros;
- **Turnover** of 227 million euros;
- **External Market** accounts for 85.1% of turnover;
- **EBITDA** of 42.5 million euros;
- **EBITDA margin / Turnover** of 18.7%;
- **Net Debt** of 1.114 billion euros;
- **Net Group Assets** of 2.438 billion euros;
- **Financial Autonomy** of 17.4%;
- **Teixeira Duarte Group Orders Portfolio** for the construction sector of 2.128 billion euros.

## II – GLOBAL APPRAISAL OF THE ACTIVITY

### Statement of Results during the periods ended on 31 March 2017 and 2016

	1st Q 17	1st Q 16	Var (%)
Operating income	234,685	297,365	(21.1%)
Operating costs	(192,161)	(248,867)	(22.8%)
<b>EBITDA</b>	<b>42,524</b>	<b>48,498</b>	<b>(12.3%)</b>
Amortizations and depreciations	(14,617)	(19,770)	(26.1%)
Provisions and impairment losses	115	1,645	(93.0%)
<b>EBIT</b>	<b>28,022</b>	<b>30,373</b>	<b>(7.7%)</b>
<b>Financial Results</b>	<b>(27,407)</b>	<b>(46,402)</b>	<b>(40.9%)</b>
<b>Results before taxes</b>	<b>615</b>	<b>(16,029)</b>	<b>-</b>
Income tax	(7,419)	4,584	-
<b>Net Income</b>	<b>(6,804)</b>	<b>(11,445)</b>	<b>(40.6%)</b>
<b>Attributable to:</b>			
Equity holders	(8,662)	(22,461)	(61.4%)
Non-controlling interests	1,858	11,016	(83.1%)

(Values in thousand euros)

**Net Return for Equity Shareholders** was negative EUR 8,662m, compared to the negative EUR 22,461m in March 2016.

It should be noted that this indicator was influenced by the variation in exchange rates, which in March 2017 were negative EUR 5,518m, while in the same period in 2016 they had been negative EUR 26,045m also due to the negative impact, net of deferred taxes, of a loss, of EUR 5,268m, due to impairment in the stake in "Banco Comercial Português, SA" in the first quarter of 2017, while in March 2016 the impact was EUR 6,368m.

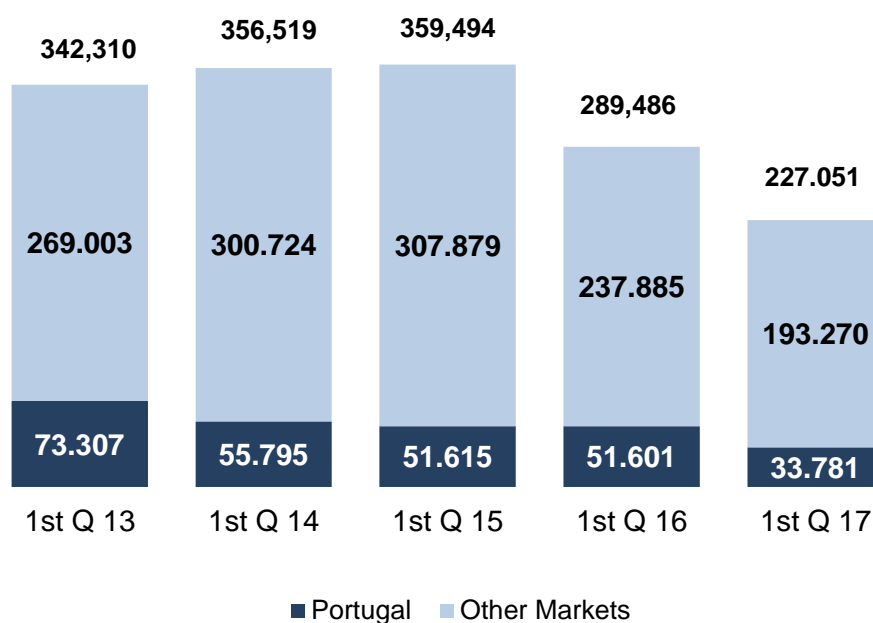
In the first quarter of 2017, this indicator was also influenced by the sale of subscription rights to the capital increase of "Banco Comercial Português, S.A." in the amount of EUR 6,005m.



**Turnover** reached 227,051 thousand euros, representing a decrease of 21.6% compared to March 2016, that is a drop of 62,435 thousand euros.

Other markets, which accounted for 82.2% of this indicator in March last year, fell by 18.8% globally, but still accounted for 85.1% of Teixeira Duarte Group's Total Turnover. In Portugal the drop was 34.5%.

### Development of the Turnover by Markets



(Values in thousand euros)

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

### Turnover by Country

Country	1st Q 17		1st Q 16		Variation
	Value	Contribution	Value	Contribution	
Portugal	33,781	14.9%	51,601	17.8%	(34.5%)
Angola	95,883	42.2%	120,257	41.5%	(20.3%)
Algeria	22,716	10.0%	23,139	8.0%	(1.8%)
Brazil	41,321	18.2%	28,389	9.8%	45.6%
Spain	7,438	3.3%	8,103	2.8%	(8.2%)
Mozambique	21,937	9.7%	39,448	13.6%	(44.4%)
Venezuela	345	0.2%	12,120	4.2%	(97.2%)
Other	3,630	1.6%	6,429	2.2%	(43.5%)
	<b>227,051</b>	<b>100.0%</b>	<b>289,486</b>	<b>100.0%</b>	<b>(21.6%)</b>

(Values in thousand euros)

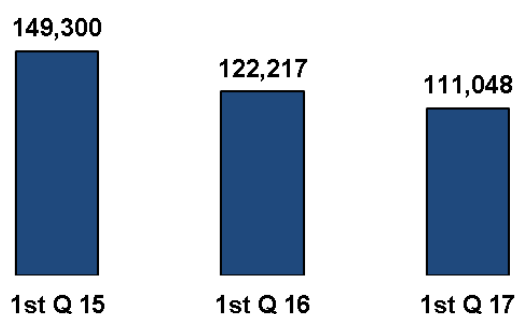
**Turnover by Sector**

Activity Sector	1st Q 17		1st Q 16		Variation
	Value	Contribution	Value	Contribution	
Construction	111,048	48.9%	122,217	42.2%	(9.1%)
Concessions and services (*)	25,990	11.4%	25,542	8.8%	1.8%
Real estate (*)	19,126	8.4%	25,213	8.7%	(24.1%)
Hospitality	11,071	4.9%	12,675	4.4%	(12.7%)
Distribution	43,621	19.2%	74,431	25.7%	(41.4%)
Energy	-	-	4,886	1.7%	-
Automotive	16,195	7.1%	24,522	8.5%	(34.0%)
	<b>227,051</b>	<b>100.0%</b>	<b>289,486</b>	<b>100.0%</b>	<b>(21.6%)</b>

(\*) – Amounts from 2016 restated as explained above in the Introduction.

(Values in thousand euros)

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

**Turnover of Construction Services**

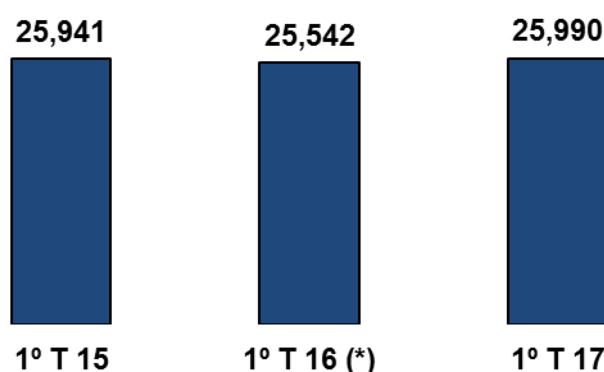
The Turnover of Construction Services decreased by 9.1% year-on-year 2016.

Portugal recorded a 37.2% fall compared to the first three months of 2016, reducing 8,960. The work of the Marão Tunnel had contributed EUR 10,044m in the first quarter of 2016.

Disregarding this major public work, it should be noted that the turnover in the first quarter followed the growth of the private construction market in Portugal.

In the other markets, the increases recorded in Angola and Brazil, with increases of 13.4% and 68.8%, respectively, have risen, although they have not compensated for the declines in Algeria, Mozambique and Venezuela. On 31 March 2015, the external market accounted for 86.4% of Construction turnover.

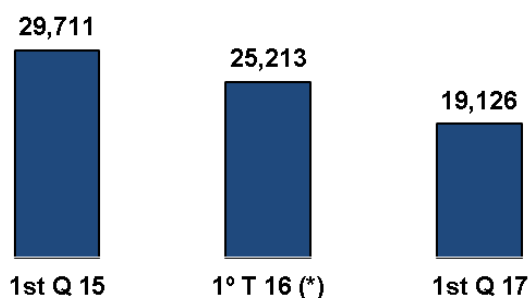
### Turnover of Concessions and Services



In the Concessions and Services, Turnover increased by 1.8% compared to March 2016, with a notable performance in the Facilities Management area in Portugal and Belgium, with increases of 27.1% and 66.3% respectively compared to the same period in 2016.

(\*) – Amounts restated as explained above in the Introduction.

### Turnover of Real Estate

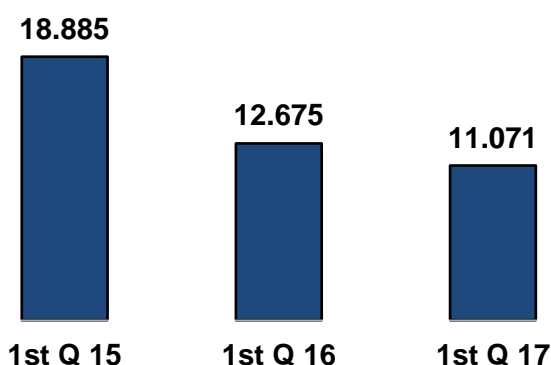


There was an overall drop of 24.1% in Real Estate when compared to the first three months of 2016.

In Portugal, a 46% decrease was seen when compared to March 2016, whereas a increase of 7.1% was seen in Brazil when compared to the same period last year. It should be noted, however, that in spite of the appreciation of the exchange rate, real estate activity in Brazil decreased 16.3% over the same period of the previous year.

(\*) - Restated values as explained above in the Introduction.

### Turnover of Hospitality



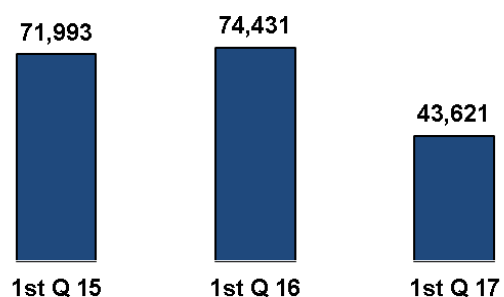
Turnover from Hospitality suffered an overall decrease of 12.7% when compared to the same period of 2016.

In Portugal, activity decreased by 23.7% compared to the first three months of 2016.

In Angola, this indicator was penalized by the exchange rate devaluation, having decreased by 10.2% compared to March 2016. It should be noted, however, that disregarding the exchange rate effect, the decrease was only 1.2%.

In Mozambique, during the first three months of 2017, activity decreased by 9.7% over the same period, strongly penalized by the exchange rate devaluation, since, disregarding this effect, this indicator increased by 26.5%.

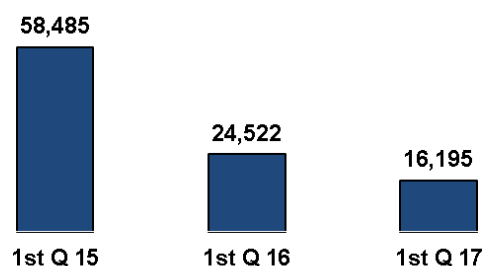
### Turnover of Distribution



Distribution fell 41.4% vis-à-vis the first three months of 2016.

In addition to the reduction in activity in Angola, this indicator was also influenced by the devaluation of the Kwanza.

### Turnover of the Automotive sector

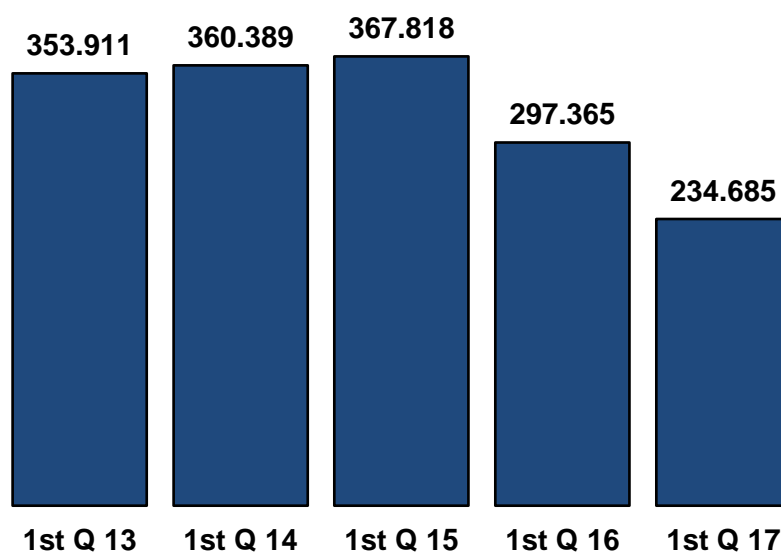


The Automotive sector recorded a decrease in Turnover of 34% compared to March 2016, also due to the reduction in activity and the devaluation of the Kwanza exchange rate.

(Values in thousand euros)

**Operating Income** suffered a decrease of 21.1% when compared to the same period of the previous year, dropping to 234.685 thousand euros.

### Evolution of Operating Income



(Values in thousand euros)

In the table below, the performance of the various sectors of activity in which the Group operates can be verified.

### Operating Profits by activity and geographical markets:

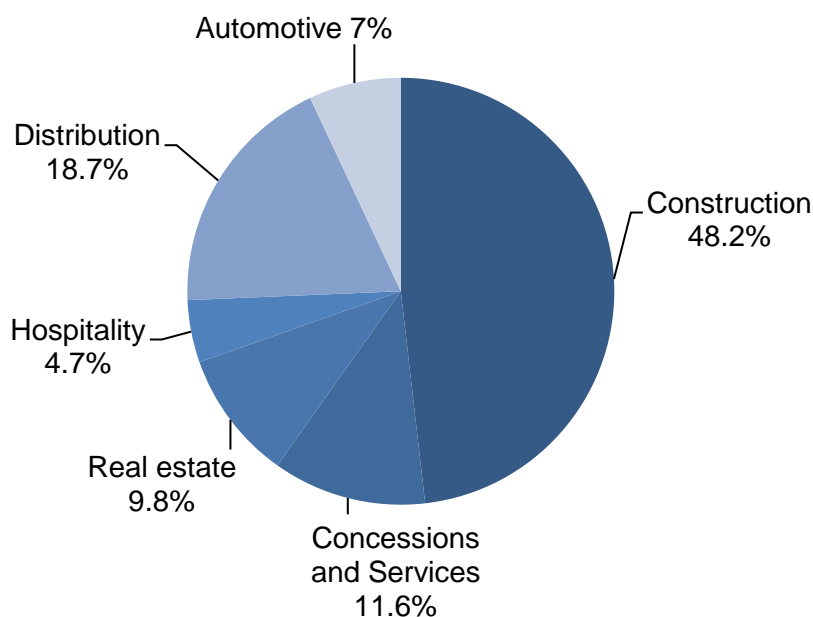
Activity Sector	Internal Market			External Market			Total		
	1st Q 17	1st Q 16	Var (%)	1st Q 17	1st Q 16	Var (%)	1st Q 17	1st Q 16	Var (%)
Construction	16,641	25,659	(35.1%)	96,426	100,162	(3.7%)	113,067	125,821	(10.1%)
Concessions and services (*)	9,889	7,264	36.1%	17,406	18,987	(8.3%)	27,295	26,251	4.0%
Real estate (*)	10,634	12,856	(17.3%)	12,370	12,535	(1.3%)	23,004	25,391	(9.4%)
Hospitality	1,787	2,351	(24.0%)	9,300	12,586	(26.1%)	11,087	14,937	(25.8%)
Distribution	249	365	(31.8%)	43,599	74,619	(41.6%)	43,848	74,984	(41.5%)
Energy	-	4,911	-	-	-	-	-	4,911	-
Automotive	615	-	-	15,769	25,070	(37.1%)	16,384	25,070	(34.6%)
<b>Total</b>	<b>39,815</b>	<b>53,406</b>	<b>(25.4%)</b>	<b>194,870</b>	<b>243,959</b>	<b>(20.1%)</b>	<b>234,685</b>	<b>297,365</b>	<b>(21.1%)</b>

(\*) - 2016 amounts restated as explained above in the Introduction.

(Amounts in thousands of euros)

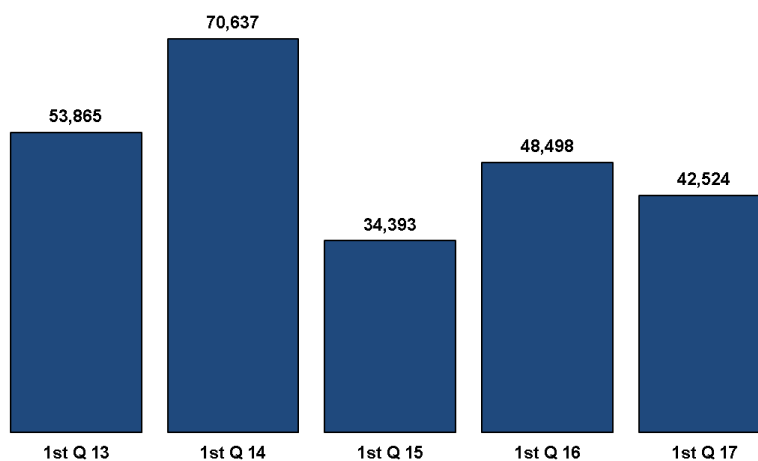


As a result of the evolutions mentioned above, the contributions of each of the sectors of activity to the global value of operating profits achieved on 31 March, 2017 were as follows:



**EBITDA** - Earnings before interest, taxes, depreciation and amortization, decreased by 12.3% compared to March 2016 and stood at EUR 42,524m.

#### Evolution of EBITDA



(Values in thousand euros)

Analysing the chart that follows, there are very different behaviours in different sectors of activity, depending on the actual characteristics of each one and their respective markets.

### Evolution of EBITDA by Sectors of Activity

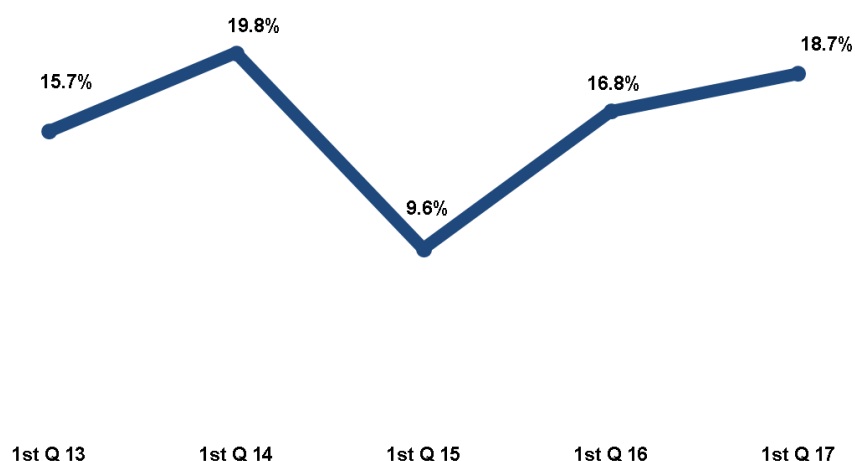
Activity Sector	1st Q 17	1st Q 16	Var (%)
Construction	19,296	5,893	227.4%
Concessions and services (*)	3,206	3,863	(17.0%)
Real estate (*)	9,944	12,638	(21.3%)
Hospitality	960	1,562	(38.5%)
Distribution	4,946	18,460	(73.2%)
Energy	-	1,035	-
Automotive	5,361	7,872	(31.9%)
Not included in the segments	(1,319)	(2,824)	(53.3%)
Removals	130	(1)	-
	<b>42,524</b>	<b>48,498</b>	<b>(12.3%)</b>

(\*) – Amounts from 2016 restated as explained above in the Introduction.

(Values in thousand euros)

A 11.8% increase in EBITDA Margin / Turnover was seen when compared to the same period of the previous year, increasing from 16.8% to 18.7% in March, 2017.

### Evolution of the EBITDA margin / Turnover



**Financial results** were negative - amounting to 27,407 thousand euros in the period ending 31 March 2017, whereas at the end of the first quarter of 2016 the financial results were positive to the tune of 46,402 thousand euros.

	1st Q 17	1st Q 16	Var (%)
<b>Costs and financial losses</b>	<b>(65,330)</b>	<b>(127,091)</b>	<b>(48.6%)</b>
Supported interests	(18,808)	(18,891)	(0.4%)
Unfavourable exchange rate differences	(39,210)	(102,281)	(61.7%)
Other costs and financial losses	(7,312)	(5,919)	23.5%
<b>Income and financial earnings:</b>	<b>37,336</b>	<b>80,416</b>	<b>(53.6%)</b>
Obtained interests	3,092	3,184	(2.9%)
Favourable exchange rate differences	33,692	76,236	(55.8%)
Cash discounts obtained	1	33	(97.0%)
Other income and financial earnings	551	963	(42.8%)
<b>Income related to investment activities:</b>	<b>587</b>	<b>273</b>	<b>115.0%</b>
Earnings from associates and joint works	676	5,109	(86.8%)
Dividends	698	1,570	(55.5%)
Other investments	3	1,807	(99.8%)
Gains / loss in assets available for sale	(790)	(8,213)	(90.4%)
<b>Financial Results</b>	<b>(27,407)</b>	<b>(46,402)</b>	<b>(40.9%)</b>

(Values in thousand euros)

This indicator experienced a positive change of 18,995 thousand euros when compared to the same period of 2016, with an emphasis on the contribution of the following changes:

- A positive change of 20,527 thousand euros, resulting from the impact of exchange rate differences;
- A positive change of EUR 7,423m, resulting from the impact of impairment losses and sale of rights in the subsidiary "Banco Comercial Português, S.A.";
- Negative change of 4,433 thousand euros in results relating to associated companies and joint ventures.
- Negative change of EUR 1,804m under the item "other investments".

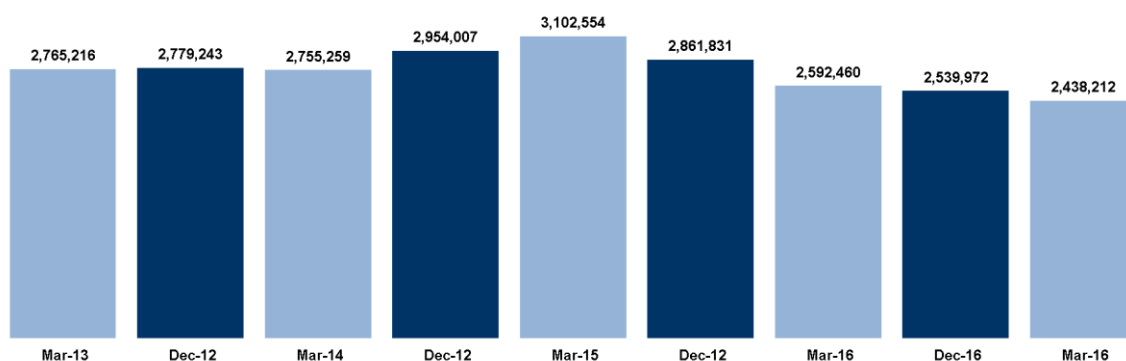
The amount of **Income Tax** payable at 31 March, 2017 was a negative amount of 7,419 thousand euros, whereas it stood at plus 4,584 thousand euros during the same period of the previous year.

	1st Q 17	1st Q 16	Var (%)
Current Tax	(11,279)	(18,904)	(40.3%)
Deferred tax	3,860	23,488	(83.6%)
	<b>(7,419)</b>	<b>4,584</b>	<b>-</b>

(Values in thousand euros)

**Total Net Assets** decreased by 4% in relation to 31 December 2016, having reached EUR 2,438,212 thousand.

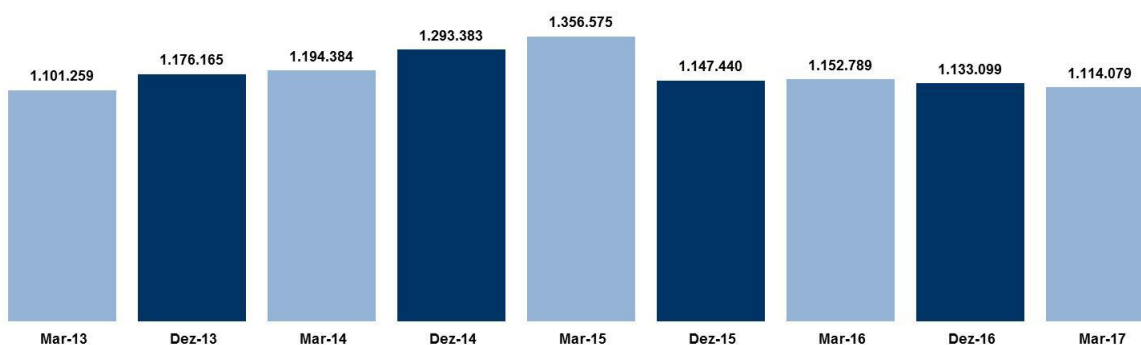
### Evolution of Net asset



(Values in thousand euros)

**Net Borrowing** decreased by 1.7% in relation to the end of last year, and at March 31, 2017 was set at EUR 1,114,079m.

### Evolution of Net Debt



(Values in thousand euros)

**Equity Attributable to Shareholders** decreased by 15,877 thousand euros, from 395,769 thousand euros to 379,892 thousand euros, corresponding to a 4% decrease when compared to 31 December 2016.

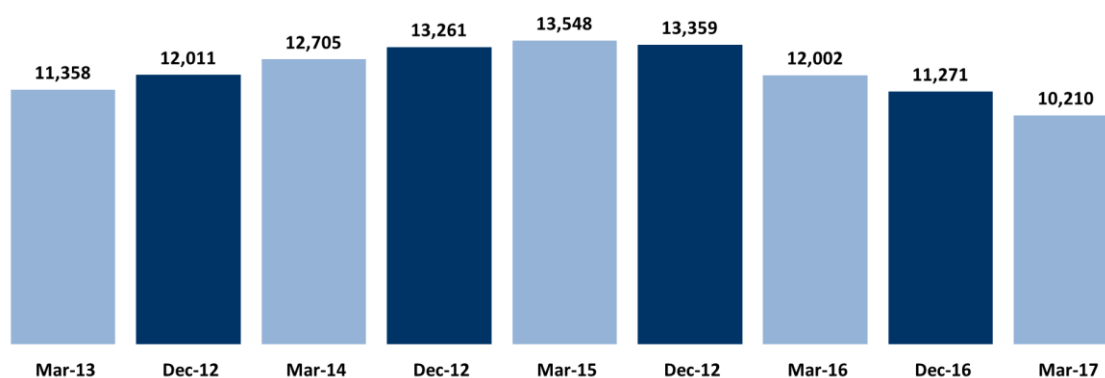
**Total Equity** decrease by 4.4%, standing at 425,135 thousand euros, influenced essentially by the following factors:

- A negative net result of 8,662 thousand euros;
- Negative effect of 3,297 thousand euros, resulting from the currency conversion recorded as a result of the devaluation of the Currencies in which the Group operates in relation to the Euro;
- Negative impact resulting from the disposal of the Group's stake in the "Energy Sector", in which uncontrolled interests amounting to EUR 7,207M were recorded.

**Financial Autonomy** shifted from 17.5% as at 31 December 2016 to 17.4% at 31 March, 2017.

The **Average Number of Employees** in 31 March 2017 was 10,210, representing a decrease of 9.4% when compared to 31 December 2016, accompanying the previously decrease in activity in these first three months of 2017.

#### Evolution of the Average Number of Employees

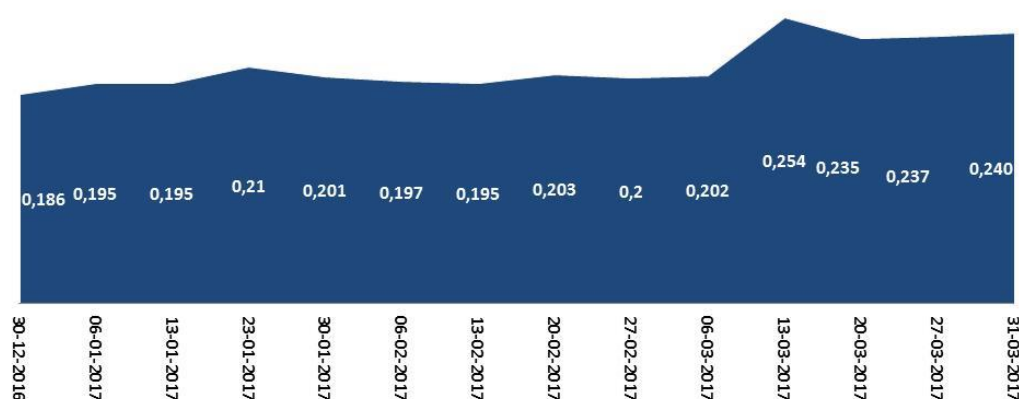




The **price of "Teixeira Duarte, S.A." bonds** increased from EUR 0.186 on 31 December 2016 to EUR 0.240 on 31 March 2017.

The following graph shows the evolution in listed share prices during the first three months of this year, which have varied during this period between a minimum of 0.183 euros and a maximum of 0.26 euros.

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



4,961,806 shares were traded on the stock exchange during this period, with a total amount of turnover of 1,077,206 euros.

### **III. EVENTS THAT OCCURRED AFTER THE END OF THE 1ST QUARTER OF 2017**

TEIXEIRA DUARTE continued its activity in the different markets in which it operates, and there are no relevant events to mention, occurring between 31 March 2017 and the issue date of this document.

### **IV. OUTLOOK FOR 2017**

In addition to possible new contracts, the Group has maintained levels of activity in Construction in the foreign market that allow Teixeira Duarte Group's Portfolio of Orders for the construction sector to have increased by 5.9% compared to the end of 2016, totaling EUR 2,127,845m at 31 March 2017, of which EUR 596,729m are for 2020 and following.

For a more detailed analysis of closer periods, that is, for the remaining 1,531,116 thousand euros that have already been contracted and the execution of which is forecast for the next nine months of 2017 and the years 2018 and 2019, below can be found a map showing additional elements, based on their distribution in countries where the group operates:

	Apr-Dec 2017		2018		2019	
	Value	Contribution (%)	Value	Contribution (%)	Value	Contribution (%)
Portugal	99,247	16.1%	53,019	10.2%	20,939	5.3%
Angola	81,495	13.2%	10,058	1.9%	21,961	5.6%
Algeria	172,772	28.1%	247,173	47.5%	143,760	36.4%
Brazil	220,001	35.8%	119,362	22.9%	56,209	14.2%
Mozambique	25,446	4.1%	27,694	5.3%	18,802	4.8%
Venezuela	6,593	1.1%	59,609	11.5%	129,474	32.8%
Other Markets	9,763	1.6%	3,778	0.7%	3,961	1.0%
<b>Total</b>	<b>615,317</b>	<b>100.0%</b>	<b>520,693</b>	<b>100.0%</b>	<b>395,106</b>	<b>100.0%</b>

(Values in thousand euros)

Teixeira Duarte is in the process of transferring the business of the "Lagoas Park" to a company 100% owned by it and specifically set up for this purpose, planning the subsequent disposal of the capital of this subsidiary during the current fiscal year.

For 2017, Teixeira Duarte expects to achieve operating income of about EUR 1,200 million.

Lagoas Park, 29th May 2017

The Board of Directors,

*Pedro Maria Calainho Teixeira Duarte*

*Manuel Maria Calainho de Azevedo Teixeira Duarte*

*Joel Vaz Viana de Lemos*

*Carlos Gomes Baptista*

*Diogo Bebiano Branco de Sá Viana Rebelo*

*Jorge Ricardo de Figueiredo Catarino*

# Consolidated Financial Statements

## **1<sup>st</sup> Quarter 2017**



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AT 31 MARCH 2017 AND 31 DECEMBER 2016**  
**(Values expressed in thousands of Euro)**

	Notes	31/03/2017 (Non Audited)	31/12/2016 (Audited)
<b>Non-current assets:</b>			
Goodwill		14,294	14,295
Intangible assets		76,178	38,954
Fixed tangible assets	13	486,418	495,787
Investment Properties	14	545,935	547,067
Investments in associates and joint-ventures	7 and 15	18,853	17,504
Financial assets available for sale	7 and 16	1,523	8,318
Other investments		54,064	54,125
Assets for deferred tax	18	200,829	198,187
Clients		42,514	43,137
Other non-current assets		634	653
<b>Total of non-current assets</b>		<b>1,441,242</b>	<b>1,418,027</b>
<b>Current assets:</b>			
Inventories		255,829	251,442
Clients		330,888	416,509
Other debtors		55,780	54,652
Cash and cash equivalents	20	184,795	180,908
Other current assets		169,678	179,657
		<b>996,970</b>	<b>1,083,168</b>
Assets for sale	17	-	38,777
<b>Total of current assets</b>		<b>996,970</b>	<b>1,121,945</b>
<b>TOTAL OF ASSET</b>	<b>7</b>	<b>2,438,212</b>	<b>2,539,972</b>
<b>Equity:</b>			
Capital	21	210,000	210,000
Adjustments of shareholdings in associates and joint-ventures		479	849
Effect of currency adjustments		(38,469)	(34,826)
Reserves and retained income	22	216,544	199,599
Consolidated net result		(8,662)	20,147
<b>Equity attributable to shareholders</b>		<b>379,892</b>	<b>395,769</b>
Non-controlling interests		45,243	49,041
<b>EQUITY TOTAL</b>		<b>425,135</b>	<b>444,810</b>
<b>Non-current liabilities:</b>			
Loans	23	675,909	664,094
Provisions		44,136	43,500
Financial Leases		152,957	154,304
Liabilities by deferred taxes	18	72,298	73,340
Other Creditors		43	68
Other non-current liabilities		48,924	66,530
<b>Total of non-current liabilities</b>		<b>994,267</b>	<b>1,001,836</b>
<b>Current liabilities:</b>			
Loans	23	622,965	649,913
Suppliers		118,035	121,371
Financial Leases		20,058	20,807
Other Creditors		30,089	33,096
Other current liabilities		227,663	243,777
		<b>1,018,810</b>	<b>1,068,964</b>
Liabilities for sale	17	-	24,362
<b>Total of current liabilities</b>		<b>1,018,810</b>	<b>1,093,326</b>
<b>TOTAL OF LIABILITY</b>	<b>7</b>	<b>2,013,077</b>	<b>2,095,162</b>
<b>TOTAL OF LIABILITY AND EQUITY</b>		<b>2,438,212</b>	<b>2,539,972</b>

The annex notes forms an integral part of the consolidated statement of the financial position for the quarter ending 31 March 2017.



**CONSOLIDATED STATEMENT OF RESULTS**  
**DURING THE PERIODS ENDED ON 31 MARCH 2017 AND 2016**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
Operating income:			
Sales and services rendered	7 and 8	227,051	289,486
Other operating income	8	7,634	7,879
<b>Total of operating income</b>	<b>8</b>	<b>234,685</b>	<b>297,365</b>
Operating costs:			
Cost of sales		(59,957)	(87,667)
Production changes		2,604	667
External supplies and services		(65,351)	(87,128)
Expenses with staff		(60,064)	(64,402)
Amortizations and depreciations	7	(14,617)	(19,770)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	115	1,645
Other operating costs		(9,393)	(10,337)
<b>Total of operating costs</b>		<b>(206,663)</b>	<b>(266,992)</b>
<b>Operational Income</b>	<b>7</b>	<b>28,022</b>	<b>30,373</b>
Costs and financial losses	7 and 9	(65,330)	(127,091)
Income and financial earnings	7 and 9	37,336	80,416
Income related to investment activities:			
Income related to affiliates and joint-ventures	7 and 9	676	5,109
Other	7 and 9	(89)	(4,836)
<b>Financial Results</b>		<b>(27,407)</b>	<b>(46,402)</b>
<b>Results before taxes</b>	<b>7</b>	<b>615</b>	<b>(16,029)</b>
Income tax	10	(7,419)	4,584
<b>Consolidated net result for the period</b>		<b>(6,804)</b>	<b>(11,445)</b>
<b>Net results attributable to:</b>			
<b>Equity holders</b>	<b>11</b>	<b>(8,662)</b>	<b>(22,461)</b>
Non-controlling interests		1,858	11,016
<b>Income by share:</b>			
Basic (euros)	11	(0.02)	(0.05)
Diluted (euros)	11	(0.02)	(0.05)

The notes are an integral part of the consolidated statement of results for the period ended on 31 March 2017



**CONSOLIDATED STATEMENT OF RESULTS AND OTHER INTEGRATED INCOME**  
**DURING THE PERIODS ENDED ON 31 MARCH 2017 AND 2016**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notas	1º Trim. 17	1º Trim. 16
<b>Resultado líquido consolidado do período</b>		<b>(6.804)</b>	<b>(11.445)</b>
<b>Rendimentos e gastos que não serão subsequentemente reclassificados para resultados</b>			
Alienação de interesses não controlados		(7.207)	-
Outras variações de capital		(2.617)	(3.006)
		<b>(9.824)</b>	<b>(3.006)</b>
<b>Rendimentos e gastos que podem ser subsequentemente reclassificados para resultados</b>			
Ajustamentos de conversão cambial		(3.297)	(83.548)
Ajustamentos de partes de capital em associadas e empreendimentos conjuntos	15	(370)	(8.358)
Instrumentos financeiros derivados de cobertura		620	(1.567)
		<b>(3.047)</b>	<b>(93.473)</b>
<b>Resultado reconhecido diretamente no capital próprio</b>		<b>(12.871)</b>	<b>(96.479)</b>
<b>Rendimento integral do período</b>		<b>(19.675)</b>	<b>(107.924)</b>
<b>Rendimento integral atribuível a:</b>			
<b>Detentores de capital</b>		<b>(15.877)</b>	<b>(106.858)</b>
Interesses não controlados		(3.798)	(1.066)

As notas anexas fazem parte integrante da demonstração consolidada do outro rendimento integral do período findo em 31 de março de 2017.

**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**DURING THE PERIODS ENDED ON 31 MARCH 2017 AND 2016**  
**(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					Income result consolidated	Total capital equity attributable to shareholders	Interests non-controlling	Total
					Legal reserve	Free reserves	Legal of fair value	Reserve of hedge operations	Income retained				
<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>(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 quarter		-	-	-	-	-	-	-	-	(22,461)	(22,461)	11,016	(11,445)
Variation in effect of currency conversion adjustments		-	-	(78,262)	-	-	-	-	-	-	(78,262)	(5,286)	(83,548)
Effect of hedge operations		-	-	-	-	-	-	(1,567)	-	-	(1,567)	-	(1,567)
Effect of the application of equity method:	15	-	(8,358)	-	-	-	-	-	-	-	(8,358)	-	(8,358)
Other		-	-	-	-	-	-	-	3,790	-	3,790	(6,796)	(3,006)
<b>Transactions with shareholders in the period:</b>													
Appropriation of the consolidated net income for 2015:		-	-	-	-	-	-	-	-	(33,653)	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	33,653	-	-	-	-
<b>Balance on March 31<sup>st</sup>, 2016</b>		<b>210,000</b>	<b>(32)</b>	<b>(30,136)</b>	<b>31,500</b>	<b>176,163</b>	-	<b>(13,265)</b>	<b>9,300</b>	<b>(22,461)</b>	<b>361,069</b>	<b>49,224</b>	<b>410,293</b>
	Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustment	Reserves and retained income					Income result consolidated	Total capital equity attributable to shareholders	Interests non-controlling	Total
					Legal reserve	Free reserves	Legal of fair value	Reserve of hedge operations	Income retained				
<b>Balance on January 1<sup>st</sup>, 2017</b>		<b>210,000</b>	<b>849</b>	<b>(34,826)</b>	<b>36,500</b>	<b>194,461</b>	-	<b>(11,985)</b>	<b>(19,377)</b>	<b>20,147</b>	<b>395,769</b>	<b>49,041</b>	<b>444,810</b>
<b>Comprehensive income for the financial year:</b>													
Consolidated net result for the quarter		-	-	-	-	-	-	-	-	(8,662)	(8,662)	1,858	(6,804)
Variation in effect of currency conversion adjustments		-	-	(3,643)	-	-	-	-	-	-	(3,643)	346	(3,297)
Effect of hedge operations		-	-	-	-	-	-	620	-	-	620	-	620
Effect of the application of equity method:	15	-	(370)	-	-	-	-	-	-	-	(370)	-	(370)
Sale of Non-controlling interests		-	-	-	-	-	-	-	-	-	-	(7,207)	(7,207)
Other		-	-	-	-	-	-	-	(3,822)	-	(3,822)	1,205	(2,617)
<b>Transactions with shareholders in the period:</b>													
Appropriation of the consolidated net income for 2016:		-	-	-	-	-	-	-	-	(20,147)	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	20,147	-	-	-	-
<b>Balance on March 31<sup>st</sup>, 2017</b>		<b>210,000</b>	<b>479</b>	<b>(38,469)</b>	<b>36,500</b>	<b>194,461</b>	-	<b>(11,365)</b>	<b>(3,052)</b>	<b>(8,662)</b>	<b>379,892</b>	<b>45,243</b>	<b>425,135</b>

The notes are an integral part of the consolidated statement of change in equity for the year ended on 31 March 2017

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**DURING THE PERIODS ENDED ON 31 MARCH 2017 AND 2016**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
<b>OPERATIONAL ACTIVITIES:</b>			
Receipts from customers		263,718	251,013
Payment to suppliers		(136,042)	(158,382)
Payment to staff		(55,703)	(61,902)
<b>Cash flow generated by operations</b>		<b>71,973</b>	<b>30,729</b>
Payment/receipt of income tax		(10,655)	(2,744)
Other receipts/payments related to the operational activity		3,251	10,669
<b>Cash flows of operational activities (1)</b>		<b>64,569</b>	<b>38,654</b>
<b>INVESTMENT ACTIVITIES:</b>			
<b>Receipts related to:</b>			
Financial investments	20	13,825	2,491
Tangible fixed assets and investment properties		1,025	2,283
Interests and similar gains		3,196	3,790
Dividends	20	698	1,570
		<b>18,744</b>	<b>10,134</b>
<b>Payments related to:</b>			
Tangible fixed assets and investment properties		(7,454)	(7,786)
Intangible assets		(37,795)	(87)
		<b>(45,249)</b>	<b>(7,873)</b>
<b>Cash flows from investment activities (2)</b>		<b>(26,505)</b>	<b>2,261</b>
<b>FINANCING ACTIVITIES:</b>			
<b>Revenue derived from:</b>			
Obtained loans		<b>477,444</b>	<b>302,967</b>
<b>Payments related to:</b>			
Obtained loans		(492,577)	(338,151)
Interests and similar costs		(19,428)	(17,919)
		<b>(512,005)</b>	<b>(356,070)</b>
<b>Cash flows from financing activities (3)</b>		<b>(34,561)</b>	<b>(53,103)</b>
<b>Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)</b>		<b>3,503</b>	<b>(12,188)</b>
<b>Exchange rate differences Effect</b>		<b>384</b>	<b>(28,346)</b>
<b>Cash and cash-equivalent items at the beginning of the period</b>	<b>20</b>	<b>180,908</b>	<b>252,693</b>
<b>Cash and cash-equivalent items at the end of the period</b>	<b>20</b>	<b>184,795</b>	<b>212,159</b>

The annex forms an integral part of the cash flow statement for the period ending 31 March 2017.

**ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON MARCH 31<sup>ST</sup>, 2017**  
**(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; Hospitality; Distribution; Energy and Automotive (Note 7).

Within the Teixeira Duarte Group, it stands out that one of the 100% owned companies ("TDHOSP-Gestão de Edifício Hospitalar, SA") has been repositioned from the "Concessions and Services" sector to the "Real Estate" sector. In the appendices plus the maps and graphs set out in this document, the 2016 indicators were - only in relation to these two sectors - restated to allow the appropriate level of comparability.

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

## **2 - BASIS OF PRESENTATION**

The consolidated financial statements at 31 March, 2017 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, 2017, 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 2016, described in the respective annexes, with the exception of rules and interpretations whose effective date corresponds to financial years starting on or after 1 January 2017.

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

As at 31 March 2017, 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 2, Lagoas Park Porto Salvo	100.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 2, 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>		
DPLG - Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaria, Sociedade Unipessoal, Lda.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
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, Lote 39 Cabouco, Ilha de São Miguel Açores	100.00%
TDAP - Atividades Portuárias, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TDGI Manutenção, ACE	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%



<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
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%
TDHOSP - Gestão de Edifício Hospitalar, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%

## **HOSPITALITY**

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%

## **DISTRIBUTION**

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 2, Lagoas Park Porto Salvo	100.00%

## **AUTOMOTIVE**

SMOTORS, S.A.	Edifício 2, 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%

## **OTHER**

C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 1, Lagoas Park Porto Salvo	100.00%
TDO - Sociedade Gestora de Participações Sociais, S.A.	Rua das Pretas, 4 - Fracção 4 D Funchal	100.00%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
TEDAL - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park Porto Salvo	100.00%

## **EXTERNAL MARKET**

### **SOUTH AFRICA**

#### **DISTRIBUTION**

Global Net Distributors (Pty) Ltd.	10 Ninth Avenue Northmead, Gauteng 1501	100.00%
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### **ANGOLA**

#### **CONSTRUCTION**

BETANGOLA - Betões e Pré-Fabricados de Angola, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	100.00%
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#### **CONCESSIONS AND SERVICES**

EDUCARE - Actividades Educativas e Culturais, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	42.40%

#### **REAL ESTATE**

AFRIMO - Empreendimentos Imobiliários, Lda.	Alameda Manuel Van-Dúnem, nº 318 Luanda	51.00%
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
IMO 1 - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 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%

#### **HOSPITALITY**

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.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
DCG – Distribuição e Comércio Geral, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 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.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 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, Rés de Chanssée 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 Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	Rua Iguatemi, n.º 448, 6.º andar conjuntos 602, 604, 606, 608 e 610 Bairro Itaim Bibi, São Paulo	60.00%
<b>CONCESSIONS AND SERVICES</b>		
GONGOJI Montante Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TABOQUINHA Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
<b>REAL ESTATE</b>		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 - Boa Viagem Cidade de Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 01 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 02 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista - Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 03 Itaim Bibi - São Paulo	92.65%
TDSP – Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 10 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 12 Itaim Bibi - São Paulo	92.65%
TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 05 Itaim Bibi - São Paulo	92.65%
TDSP – Verum Mooca Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 06 Itaim Bibi - São Paulo	100.00%
TDSP – Gilberto Sabino Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 07 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 08 Itaim Bibi - São Paulo	92.65%
TDSP – Gualaxos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 09 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	92.65%
TDSP – Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 18 Itaim Bibi - São Paulo	92.50%
TDSP – Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	92.50%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
TDSP – Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	100.00%
TDSP – Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 04 Itaim Bibi - São Paulo	95.00%
TDSP – Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 13 Itaim Bibi - São Paulo	95.00%
TDSP – Nilo Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º andar Conjunto 1401, sala 14 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP – 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 16 Itaim Bibi - São Paulo	100.00%
TDSP – 17 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 17 Itaim Bibi - São Paulo	100.00%
<b>DISTRIBUTION</b>		
TDD - Distribuição, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	100.00%
<b><u>COLOMBIA</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE – Engenharia e Construções (Colômbia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201 Centro empresarial Manhattan, Bogotá	100.00%
<b><u>CYPRUS</u></b>		
<b>OTHER</b>		
LEVENEL, Limited	Irakli, 2, Egkomi, 2413 Nicósia	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>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<b><u>UNITED ARAB EMIRATES</u></b>		
<b>AUTOMOTIVE</b>		
GND Trading ME FZE	Office Number FZLOA1503, Jafza One Jebel Ali Free Zone, Dubai	100.00%
<b><u>UNITED STATES OF AMERICA</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE CONSTRUCTION SERVICES, LLC	1030 Salem Road Union, NJ 07083	100.00%
<b>REAL ESTATE</b>		
TDRE INVESTMENTS, LLC.	4100 Spring Valley Road, Suit 310, Dallas Texas 75244	100.00%
TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suit 310, Dallas Texas 75244	100.00%
TDRE HOOD, LLC.	4100 Spring Valley Road, Suit 300, Dallas Texas 75244	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>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>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<b>HOSPITALITY</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>PERU</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE PERÚ – INGENIERÍA Y CONSTRUCCIONES, SOCIEDAD ANONIMA CERRADA;	Avenida Arenales, nº 773 Lima	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%

## 5 - CHANGES IN THE CONSOLIDATION SCOPE

During the year ended on 31 March 2017, there was alterations to the consolidation perimeter relative to 31 December 2016:

### Departures

- ACG – Distribuição e Comércio de Gás, S.A.;
- DIGAL – Distribuição e Comércio, S.A.;
- MULTIGÁS – Sociedade Comercial e Distribuidora de Gás, S.A.;
- PPS – Produtos Petrolíferos, S.A.;
- TANQUIGÁS – Distribuição e Comércio de Gás, S.A.;
- TDARCOL – Sociedade Gestora de Participações Sociais, S.A..

These companies in the Energy sector were classified as "Assets and liabilities held for sale" as of 31 December 2016 and were disposed of during the period ending 31 March 2017.



It is important to mention the following constitutions during the period ending March 31, 2017:

### Construction

- TEIXEIRA DUARTE PERÚ – INGENIERÍA Y CONSTRUCCIONES, SOCIEDAD ANONIMA CERRADA;
- TEIXEIRA DUARTE CONSTRUCTION SERVICES, LLC.

### Concessions and Services

- DPLG - DESENVOLVIMENTO DO TERMINAL ESPECIALIZADO DE CONTENTORES DO PORTO DE LA GUAIRA, SOCIEDADE UNIPessoal LDA.;
- TDAP - ATIVIDADES PORTUÁRIAS, S.A..

## 6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into Euro as at 31 March 2017 and 31 December 2016, 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 31 March 2017 and 2016:

Currency	Exchange rate close			Average exchange		
	31/03/2017	31/12/2016	Var.	31/03/2017	31/03/2016	Var.
American dollars	1.0691	1.0541	1.4%	1.0646	1.1020	(3.4%)
Macanese pataca	8.5566	8.4204	1.6%	8.5085	8.8171	(3.5%)
Mozambican metical	72.8100	74.5400	(2.3%)	74.0875	52.9000	40.1%
Venezuelan bolivar	758.7911	710.2122	6.8%	738.1629	242.1312	204.9%
Angola Kwanza	185.3875	184.4750	0.5%	184.7054	167.7606	10.1%
Algerian dinar	117.4503	116.3682	0.9%	117.0708	118.8294	(1.5%)
Dirham from Emirates	3.9263	3.8716	1.4%	3.9099	-	-
Moroccan Dirham	10.7749	10.6755	0.9%	10.7164	10.8349	(1.1%)
Brazilian real	3.3800	3.4305	(1.5%)	3.3613	4.2995	(21.8%)
Cape Verde Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian ruble	60.3130	64.3000	(6.2%)	62.6996	80.6173	(22.2%)
Tunisian Dinar	2.4402	2.4265	0.6%	2.4377	2.2442	8.6%
South Africa Rand	14.2404	14.4570	(1.5%)	14.2331	17.1722	(17.1%)
Peruvian Novo Sol	3.4920	3.5350	(1.2%)	3.5050	-	-
Colombian Peso	3,126.1900	3,164.4100	(1.2%)	3,133.0675	3,522.1225	(11.0%)

## 7 – INFORMATION BY OPERATING SEGMENTS

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

- Construction;
- Concessions and services;
- Real estate;
- Hospitality;
- Distribution;
- Automotive.

The sales and services rendered and the earnings of each of operating segment referred to above for the semesters ended on 31 March 2017 and 2016, were as follows:

Segment	Sales and services rendered						Operational Income	
	1 <sup>st</sup> Quarter 17			1 <sup>st</sup> Quarter 16			1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction	111,048	6,428	117,476	122,217	9,700	131,917	10,832	(2,099)
Concessions and services (*)	25,990	5,096	31,086	25,542	6,171	31,713	2,418	2,967
Real estate (*)	19,126	2,279	21,405	25,213	3,178	28,391	8,753	11,142
Hospitality	11,071	3,515	14,586	12,675	3,821	16,496	(542)	(1,562)
Distribution	43,621	713	44,334	74,431	1,439	75,870	2,827	15,389
Energy	-	-	-	4,886	-	4,886	-	393
Automotive	16,195	1,304	17,499	24,522	955	25,477	4,941	7,376
Not included in the segments	-	-	-	-	-	-	(1,337)	(3,232)
Removals	-	(19,335)	(19,335)	-	(25,264)	(25,264)	130	(1)
	<b>227,051</b>	<b>-</b>	<b>227,051</b>	<b>289,486</b>	<b>-</b>	<b>289,486</b>	<b>28,022</b>	<b>30,373</b>
Costs and financial losses (Note 9)							(65,330)	(127,091)
Income and financial earnings (Note 9)							37,336	80,416
Income related to investment activities (Note 9)							587	273
<b>Results before taxes</b>							<b>615</b>	<b>(16,029)</b>

(\*) - Amounts from 2016 restated as explained above in the introductory note.

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	
	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
Construction	1,449	8,922	8,583	9,871	(119)	(1,879)
Concessions and services (*)	38,046	272	784	943	4	(47)
Real estate (*)	1,471	2,670	1,191	1,496	-	-
Hospitality	454	163	1,502	3,124	-	-
Distribution	1,505	952	2,119	3,071	-	-
Energy	-	93	-	757	-	(115)
Automotive	20	526	420	496	-	-
Not included in the segments	21	-	18	12	-	396
	<b>42,966</b>	<b>13,598</b>	<b>14,617</b>	<b>19,770</b>	<b>(115)</b>	<b>(1,645)</b>

(\*) - Amounts from 2016 restated as explained above in the introductory note.

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 31 Marc 2017 and 31 December 2016, are as follows:

Segment	Assets								Liabilities	
	31/03/2017				31/12/2016				31/03/2017	31/12/2016
	Investments in associates and joint-ventures (Note 15)	Financial assets available for sale (Note 16)	Other Assets	Total	Investments in associates and joint-ventures (Note 15)	Financial assets available for sale (Note 16)	Other Assets	Total		
Construction	1,300	-	2,108,303	2,109,603	1,269	-	2,216,175	2,217,444	1,088,115	1,140,467
Concessions and services ('	2,695	-	156,603	159,298	2,656	-	160,479	163,135	90,521	83,016
Real estate (*)	649	1,060	1,644,642	1,646,351	684	5,787	1,727,660	1,734,131	905,686	922,579
Hospitality	-	-	379,007	379,007	-	-	362,654	362,654	198,053	190,852
Distribution	-	-	254,020	254,020	-	-	226,598	226,598	181,733	147,919
Energy	-	-	-	-	-	-	38,777	38,777	-	24,362
Automotive	24	-	150,936	150,960	24	-	148,213	148,237	59,624	58,596
Not included in the segments	14,185	463	939,103	953,751	12,871	2,531	948,363	963,765	727,798	717,024
Removals	-	-	(3,214,778)	(3,214,778)	-	-	(3,314,769)	(3,314,769)	(1,238,453)	(1,189,653)
	18,853	1,523	2,417,836	2,438,212	17,504	8,318	2,514,150	2,539,972	2,013,077	2,095,162

(\*) - Amounts from 2016 restated as explained above in the introductory note.

The sales and services rendered, and information on non-monetary non-current assets by geographic segment are broken down as follows for the years ended on 31 March 2017 and 31 and on 31 March 2017 and 31 December 2016, respectively:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16	31/03/2017	31/12/2016
Portugal	33,781	51,601	587,986	553,458
Angola	95,883	120,257	434,053	438,796
Algeria	22,716	23,139	31,367	32,995
Brazil	41,321	28,389	29,736	30,297
Spain	7,438	8,103	17,334	17,855
Mozambique	21,937	39,448	21,455	21,702
Venezuela	345	12,120	265	362
Other	3,630	6,429	629	638
	227,051	289,486	1,122,825	1,096,103

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 31 March 2017 and 2016:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
<b>Sales and services rendered:</b>		
Sales	134,270	211,696
Services rendered	92,781	77,790
	<b>227,051</b>	<b>289,486</b>
<b>Other operating income:</b>		
Supplementary income	1,973	2,791
Sales of assets (b)	977	870
Variation in the fair value of income of investment properties	603	32
Reversal of impairment losses in accounts receivable	287	173
Reversal of impairment losses in inventories	193	279
Exchange rate differences	99	-
Works for the company (a)	64	3,421
Gains in inventories	3	7
Other operating income	3,435	306
	<b>7,634</b>	<b>7,879</b>
	<b>234,685</b>	<b>297,365</b>

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

(b) During the period ending 31 March 2017, the stated gains were obtained with the divestment of tangible fixed assets worth 365 thousand euros (870 thousand euros in the period ending 31 March, 2016).

In the period ending 31 March 2017, the Group disposed of the Energy sector for EUR 7,820m (Note 20), with an added value of EUR 612m, which were part of the consolidation perimeter on 31 December 2016 and which were classified as "Assets and liabilities held for sale".

## 9 - FINANCIAL RESULTS

Financial results were as follows for the periods ending 31 March 2017 and 2016:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
<b>Costs and financial losses</b>		
Supported interests	(18,808)	(18,891)
Unfavourable exchange rate differences	(39,210)	(102,281)
Other costs and financial losses	(7,312)	(5,919)
	<b>(65,330)</b>	<b>(127,091)</b>
<b>Income and financial earnings:</b>		
Obtained interests	3,092	3,184
Favourable exchange rate differences	33,692	76,236
Cash discounts obtained	1	33
Other income and financial earnings	551	963
	<b>37,336</b>	<b>80,416</b>
<b>Income related to investment activities:</b>		
Income related to affiliates and joint-ventures (a)	676	5,109
Dividends (b)	698	1,570
Other investments (c)	3	1,807
Income / losses in the measurement of assets available for sale (d)	(790)	(8,213)
	<b>587</b>	<b>273</b>
<b>Financial Results</b>	<b>(27,407)</b>	<b>(46,402)</b>

(a) The earnings from associates and joint-ventures for the year ended on 31 March 2017 and 2016 include the effect of the application of the equity method to these investments (Note 15).

(b) At 31 March 2017 and 2016, the values shown correspond to dividends received from "Other Investments".

(c) At 31 March 2017 and 2016, 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 31 March of 2017 and 2016, the Group recorded impairment losses of EUR 6,795m and 8,213m, respectively, due to its stake in the "Banco Comercial Português, S.A."

During the period ending 31 March 2017, the Group sold subscription rights of the "Banco Comercial Português, S.A." for EUR 6,005m.

Net exchange rate differences, recorded during the periods ending 31 March 2017 and 2016, 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.

The “TD, SA” and most of its subsidiaries headquartered in Portugal are subject to Corporation Tax (IRC), at the rate of 21%, on the taxable amount. 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, 7,500 and EUR 35,000, at the rates of 3%, 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 process of the taxable income, amounts that are not tax deductible are added to, and subtracted from the accounting result. These differences between the book value profit and the profit for tax purposes may be of a temporary or permanent nature.

In addition, pursuant to the legislation in force in Portugal, tax losses are reportable for a period of twelve (5) years for those that occurred during the 2017 tax year, being subject to deduction from taxable income calculated subsequently, with this deduction being limited to 70% of the taxable income calculated during the tax period in which it is earned.

In accordance with the legislation in force, tax returns in Portugal are subject to review and correction by the tax authorities for a period of four years, unless tax losses have been deducted or inspections, claims or appeals, in which cases, depending on the circumstances, this period may be increased or suspended.

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 31 March 2017.

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 31 March 2017 and 2016 are as follows:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
<b>Current Tax:</b>		
Income tax in Portugal	(1,450)	(3,217)
Income tax in other jurisdictions	(9,829)	(15,687)
<b>Current Tax</b>	<b>(11,279)</b>	<b>(18,904)</b>
<b>Deferred tax (Note 18)</b>	<b>3,860</b>	<b>23,488</b>
	<b>(7,419)</b>	<b>4,584</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 180 thousand were recorded directly in equity as at 31 March 2017 (EUR 463 thousand as at 31 March 2016) (Note 18).

## 11 - EARNINGS PER SHARE

Earnings per share for the years ended 31 March 2017 and 2016 were determined based on the following amounts:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
Result to estimate the net result by basic share (net result of period)	(8,662)	(22,461)
Weighted average number of shares to estimate the net result by basic share (millions)	420,000	420,000
<b>Net result by basic share</b>	<b>(0.02)</b>	<b>(0.05)</b>

Since for the financial years ended on 31 March 2017 and 2016 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

The General Meeting of Shareholders held on 27 May, 2017 discussed the distribution of dividends amounting to 840 thousand euros, corresponding to 0.002 euros per share, taking into consideration the Company's separate financial statements at 31 December, 2016.



### 13 - TANGIBLE FIXED ASSETS

During the years ended on 31 March 2017 and 2016, 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	Others tangible fixed assets	Fixed assets ongoing	Advances on account of assets tangible assets	Total
<b>Gross asset:</b>										
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	(101)	(59,222)	11,140	2,480	(441)	(3,085)	(843)	(6,909)	(89)	(57,070)
Additions	-	1,027	6,124	1,387	766	202	90	3,390	17	13,003
Transfers and reductions	(362)	626	311	(116)	(4,799)	(436)	(23)	(5,154)	(17)	(9,970)
Sales	-	(2,899)	(1,036)	(609)	(12)	(6)	(9)	-	-	(4,571)
<b>Balance on March 31<sup>st</sup>, 2016</b>	<b>23,985</b>	<b>505,228</b>	<b>432,822</b>	<b>88,208</b>	<b>40,878</b>	<b>39,242</b>	<b>10,939</b>	<b>32,959</b>	<b>79</b>	<b>1,174,340</b>
Balance on January 1 <sup>st</sup> , 2017	31,328	483,317	388,750	85,600	41,656	36,226	10,794	15,061	-	1,092,732
Effect of currency translation	(26)	(1,484)	(262)	(239)	(92)	(60)	(42)	(53)	-	(2,258)
Additions	-	110	1,005	563	557	121	67	2,723	-	5,146
Transfers and reductions	-	397	511	123	160	(155)	155	(466)	-	725
Sales	-	-	(1,067)	(806)	(11)	(28)	(2)	-	-	(1,914)
<b>Balance on March 31<sup>st</sup>, 2017</b>	<b>31,302</b>	<b>482,340</b>	<b>388,937</b>	<b>85,241</b>	<b>42,270</b>	<b>36,104</b>	<b>10,972</b>	<b>17,265</b>	<b>-</b>	<b>1,094,431</b>
<b>Depreciation and losses from impairment:</b>										
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	-	(11,942)	13,092	2,982	(287)	(2,117)	(462)	-	-	1,266
Reinforcements	-	5,710	8,492	2,949	776	649	761	-	-	19,337
Transfers and reductions	-	(225)	(234)	(94)	(4,760)	(429)	(279)	-	-	(6,021)
Sales	-	(2,599)	(560)	(592)	(12)	(6)	(9)	-	-	(3,778)
<b>Balance on March 31<sup>st</sup>, 2016</b>	<b>164</b>	<b>146,307</b>	<b>327,324</b>	<b>69,191</b>	<b>31,121</b>	<b>32,163</b>	<b>6,496</b>	<b>-</b>	<b>-</b>	<b>612,766</b>
Balance on January 1 <sup>st</sup> , 2017	164	152,005	305,377	70,009	32,222	30,879	6,289	-	-	596,945
Exchange conversion effect	-	(398)	(562)	(334)	78	(58)	(10)	-	-	(1,284)
Reinforcements	-	3,837	7,214	1,639	803	476	262	-	-	14,231
Transfers and reductions	-	9	(72)	(4)	4	(159)	88	-	-	(134)
Sales	-	-	(981)	(738)	(6)	(19)	(1)	-	-	(1,745)
<b>Balance on March 31<sup>st</sup>, 2017</b>	<b>164</b>	<b>155,453</b>	<b>310,976</b>	<b>70,572</b>	<b>33,101</b>	<b>31,119</b>	<b>6,628</b>	<b>-</b>	<b>-</b>	<b>608,013</b>
<b>Net value:</b>										
On March 31 <sup>st</sup> , 2016	23,821	358,921	105,498	19,017	9,757	7,079	4,443	32,959	79	561,574
On March 31 <sup>st</sup> , 2017	31,138	326,887	77,961	14,669	9,169	4,965	4,344	17,265	-	486,418

The additions to tangible fixed assets during the year ended on 31 March 2017 refer mainly to investments in facilities and equipment.

As at 31 March 2017, the tangible assets in progress include EUR 15,343 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 31 March 2017 and 2016, the movement in investment properties was as follows:

	2017	2016
<b>Balance on January 1<sup>st</sup></b>	<b>547,067</b>	<b>511,683</b>
Effect of currency translation	(482)	(16,586)
Increases / (sales)	(261)	(3,488)
Variation in fair value	(421)	32
Transfers of tangible fixed assets	32	191
<b>Balance on March 31<sup>st</sup></b>	<b>545,935</b>	<b>491,832</b>

The income gained from investment property arising from operating leasing contracts reached EUR 7,741 thousand for the financial year ended on 31 March 2017 (EUR 7,495 thousand as at 31 March 2016). For the financial year ended on 31 March 2017, direct operating costs related to investment properties reached EUR 1.082 thousand (EUR 622 thousand as at 31 March 2016).

## 15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 31 March 2017:

Social Denomination	Head Office	Percentage effective participation
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolivariana de Puertos Puerto de La Guaria – Parroquia Maiquetia Municipio Vargas del Estado Vargas	49.00%
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 2, Lagoas Park Porto Salvo	14.10%
AVIA PORTUGAL - Produtos Petrolíferos, S.A.	Edifício 2, Lagoas Park Porto Salvo	40.00%
AK10 - Empreendimentos e Participações SPE Ltda.	Alameda Santos, nº 960, 19º andar, Edifício CYK Cerqueira César – São Paulo	25.00%
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, salas 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%
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 Services, 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 31 March 2017 and 2016:

	Capital shares	Goodwill	Total
<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)	5,109	-	5,109
- Effect in equity	(8,358)	-	(8,358)
Effect of currency adjustments	(2,233)	-	(2,233)
Other	(50)	-	(50)
<b>Balance on March 31<sup>st</sup>, 2016</b>	<b>11,342</b>	<b>-</b>	<b>11,342</b>
<b>Balance on January 1<sup>st</sup>, 2017</b>	<b>17,504</b>	<b>-</b>	<b>17,504</b>
Effects of the application of equity method:			
- Effect on the financial year result (Note 9)	676	-	676
- Effect in equity	(370)	-	(370)
Effect of currency adjustments	344	-	344
Other	699	-	699
<b>Balance on March 31<sup>st</sup>, 2017</b>	<b>18,853</b>	<b>-</b>	<b>18,853</b>

Investments in associated companies and joint-ventures as at 31 March 2017 and 31 December 2016 are broken down as follows:

	31/03/2017		31/12/2016		Value of financial position
Affiliates and joint-ventures	Capital shares	Goodwill	Capital shares	Goodwill	
IMOC - Empreendimentos Imobiliários, S.A.R.L.	14,185	-	12,871	-	12,871
TDGISERV Services, LLC (a)	2,062	-	2,062	-	2,062
Alvorada Petróleo, S.A.	639	-	669	-	669
RPK Gulfstream Ltd.	633	-	594	-	594
SCP AK-10 Empreendimentos e Participações SPE LTDA.	16	-	15	-	15
Other	1,318	-	1,293	-	1,293
	<b>18,853</b>	<b>-</b>	<b>17,504</b>	<b>-</b>	<b>17,504</b>

(a)- Advance on account of capital increase.

These shares are stated using the equity method, which, in the years ended on 31 March 2017 and 2016, had the following impacts:

1 <sup>st</sup> Quarter 17			
Associates	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	-	(134)	(134)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,281	(273)	1,008
TDGISERV Services, LLC (a)	(626)	37	(589)
Other	21	-	21
	<b>676</b>	<b>(370)</b>	<b>306</b>

1 <sup>st</sup> Quarter 16			
Associates	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(12)	58	46
IMOC - Empreendimentos Imobiliários, S.A.R.L.	5,108	(8,416)	(3,308)
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(1)	-	(1)
Other	14	-	14
	<b>5,109</b>	<b>(8,358)</b>	<b>(3,249)</b>

## 16 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the years ended on 31 March 2017 and 2016, the movements which occurred in the valuation of the financial assets available for sale, stated at their respective fair value, were as follows:

	2017	2016
<b>Fair Value on January 1<sup>st</sup></b>	<b>8,318</b>	<b>30,427</b>
Reduction in fair value	(6,795)	(8,213)
<b>Fair Value on March 31<sup>st</sup></b>	<b>1,523</b>	<b>22,214</b>

On 31 March 2017 and 31 December 2016, the Group held 7,766,394 shares in the Banco Comercial Português, SA, corresponding to 0.49% on 31 March 2017 (1.05% on 31 December 2016) of its share capital and voting rights, classified as financial assets which were available for sale.

The financial assets available for sale, and their respective cost and market values, as at 31 March 2017 and 31 December 2016, are as follows:

	31/03/2017		31/12/2016	
	Cost V.	Market V.	Cost V.	Market V.
Banco Comercial Português, S.A.	686,652	1,523	686,652	8,318
	<b>686,652</b>	<b>1,523</b>	<b>686,652</b>	<b>8,318</b>

## 17 - FINANCIAL ASSETS FOR SALE

During the period ending 31 March 2017, the Group sold the Energy sector, which was classified as "Assets and liabilities held for sale" on 31 December 2016.

<b>Energy Sector</b>	
Assets for sale	38,777
Liabilities for sale	24,362
<b>Total Net</b>	<b>14,415</b>
Equity of Non-controlling interests	7.207
Equity of the Group	7.208
<b>Sale amount (Note 20)</b>	<b>7.820</b>
<b>Profits (Note 8)</b>	<b>612</b>

## 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 March 31st, 2017 and 2016 was as follows:

	Assets for deferred tax		Liabilities for deferred tax	
	2017	2016	2017	2016
<b>Balance on January 1<sup>st</sup></b>	<b>198,187</b>	<b>194,913</b>	<b>73,340</b>	<b>59,019</b>
<b>Constitution / Reversal</b>				
Net income (Note 10)	2,938	23,742	(922)	254
Equity	(180)	463	-	-
<b>Exchange conversion effect and adjustments</b>	<b>(116)</b>	<b>(3,244)</b>	<b>(120)</b>	<b>(2,826)</b>
<b>Balance on March 31<sup>st</sup></b>	<b>200,829</b>	<b>215,874</b>	<b>72,298</b>	<b>56,447</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 31 March 2017 and 31 December 2016 can be broken down as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	31/03/2017	31/12/2016	31/03/2017	31/12/2016	31/03/2017	31/12/2016	31/03/2017	31/12/2016
AEBT - Auto Estradas do Baixo Tejo, S.A.	8	7	-	-	5,373	5,373	-	-
ADOQUINVAR	191	-	-	-	-	-	-	-
AVIA PORTUGAL, S.A.	12	11	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	1	-	4	4	-	-
CONBATE, ACE	15	17	-	-	-	-	-	-
Consórcio Minero Luso Vargas - CONLUVAR	32	199	-	-	-	-	-	-
Consórcio OPSUT 2010	42	42	-	-	-	-	-	-
DOURO LITORAL, ACE	6	15	140	-	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	2	-	-	-	166	166
EIA - Ensino de Investigação e Administração, S.A.	9	-	-	-	-	-	-	-
GMP - Grupo Marítimo Português, ACE	35	53	-	-	-	-	-	-
GMP MEK – Grupo Marítimo Português Mers El Kibir, ACE	3	7	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	3,565	2,660	14	14	-	-	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	93	153	-	-	150	150	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	11	11	-	-	-	-	-	-
Moreira e Cunha, Lda.	1	7	1	-	-	-	-	-
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	1,023	1,023	88	-	7	7	-	-
Promociones Inmobiliárias 3003, C.A.	347	347	-	-	-	-	(33)	(36)
RPK Gulfstream, Ltd.	-	-	-	-	1,654	1,551	-	-
SOMAFEL/FERROVIAS, ACE	2	2	-	-	-	-	-	-
TDGISERV Services, LLC (a)	208	-	-	44	-	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	7	7	45	-	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	35	-	-	-	-	-
	5,656	4,607	326	58	7,928	7,825	133	130

The main transactions carried out with related parties during the periods ended on 31 March 2017 and 2016 were as follows:

	Sales and services rendered		Purchases and services obtained		Charged interests	
	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter	1 <sup>st</sup> Quarter
	17	16	17	16	17	16
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	6	-	-	-	-
ADOQUINVAR	159	-	-	-	-	-
CONBATE, ACE	19	22	-	1	-	-
Consórcio Minero Luso Vargas - CONLUVAR	-	152	-	-	-	-
Consórcio OPSUT 2010	-	1	-	-	-	-
DOURO LITORAL, ACE	17	16	4	34	-	-
GMP - Grupo Marítimo Português, ACE	-	10	-	-	-	-
GMP MEK – Grupo Marítimo Português Mers El Kibir, ACE	-	2	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,291	613	-	55	-	-
Limited Liability Company Cement	-	-	-	-	-	442
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	270	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	-	5	-	-	-	-
Moreira e Cunha, Lda.	1	8	-	-	-	-
NOVA ESTAÇÃO, ACE	-	-	-	28	-	-
SOMAFEL/FERROVIAS, ACE	1	19	-	37	-	-
TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque das Nações em Lisboa - 3ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE	-	-	-	1	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	3	-	-	-	-	-
TDGISERV Services, LLC (a)	252	-	-	-	-	-
	2,013	854	4	156	-	442



The remunerations of the members of TD,S.A. governing bodies for the periods ended on 31 March 2017 and 2016 were as follows:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
<b>Executive Directors:</b>		
Short-term benefits	189	186
<b>Supervisory Board:</b>		
Short-term benefits	17	17
<b>Chartered accountant:</b>		
Short-term benefits	15	15
	<b>221</b>	<b>218</b>

The remunerations of the members of TD,S.A. administration for the periods ended on 31 March 2017 and 2016 were as follows:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
<b>Senior management:</b>		
Short-term benefits	1,092	1,257
	<b>1,092</b>	<b>1,257</b>

## 20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### Cash and cash equivalents

This item had the following composition at 31 March 2017 and 31 December 2016:

	31/03/2017	31/12/2016
Bank deposits	125,799	118,710
Time deposits	43,167	40,566
Other treasury applications	13,244	19,012
Cash	2,585	2,620
	<b>184,795</b>	<b>180,908</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 31 March 2017 and 2016 refer to the disposal of equity interests in the following companies:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
TDARCOL – Sociedade Gestora de Participações Sociais, S.A..	7,820	-
Banco Comercial Português, S.A. (a)	6,005	-
AEDL - Auto-Estradas do Douro Litoral, S.A.	-	2,491
	<b>13,825</b>	<b>2,491</b>

(a) - Divestment of subscription rights.

Dividends received in the financial years ending on March 31, 2017 and 2016 were as follows:

	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
CPM - Companhia de Parques de Macau, S.A.R.L.	698	260
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	1,310
	<b>698</b>	<b>1,570</b>

## 21 - SHARE CAPITAL

As at 31 March 2016, 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 31 March 2017 and 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 31 March 2017 and 31 December 2016, the loans received were as follows:

	31/03/2017	31/12/2016
<b>Non-current liabilities:</b>		
Bank loans a)	206,204	202,194
Commercial role b)	454,405	446,600
Debentures loans c)	15,300	15,300
	<b>675,909</b>	<b>664,094</b>
<b>Current liabilities:</b>		
Bank loans a)	525,865	545,306
Commercial role b)	97,100	104,607
	<b>622,965</b>	<b>649,913</b>
	<b>1,298,874</b>	<b>1,314,007</b>

### a) Bank loans

As at 31 March 2017, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 4.48% (4.5% as at 31 March 2016).

As at 31 March 2017, 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 March 2017 of EUR 42,813 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 March 2017 of EUR 24,257 thousand, which will be repaid in 81 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 March 2017 of EUR 4,279 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 March 2017 of EUR 4,191 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 March 2017 of EUR 11,209 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 March 2017 of EUR 2,400 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 March 2017 of EUR 1,485 thousand. The loan bears interest calculated based on the simple arithmetic mean of the daily quotations of the Euribor in force three months in the month prior to the start of every three-month period being valid for three years. Current capital will be amortised over the entire contractual period in quarterly payments, with the final payment on 31 March 2019.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 30 August 2013 of the value on March 2017 of EUR 3,277 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 March 2017 of EUR 7,342 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 March 2017 of EUR 16,430 thousand, which will fall due on 16 June 2021.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 30 April 2014 of the value on March 2017 of EUR 10,626 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 March 2017 of EUR 8,590 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 March 2017 of EUR 9,304 thousand, which will fall due on 13 December 2021.

Loan from Banco do Brasil S.A. taken out on 17 October 2014, amounting to 2,600 thousand euros at the end of March, 2017, which will be amortised in half yearly amounts of 1,300 thousand euros.

Loan raised from Banco Caixa Geral Angola, contracted on 31 December 2014 of the value on March 2017 of EUR 5,490 thousand, which will fall due on 31 December 2021.

Loan from Novo Banco, S.A., taken out on 26 January 2015, amounting to 22,182 thousand euros at the end of March, 2017, which will be amortised half yearly through amounts varying between 1,157 thousand euros and 3,279 euros, starting on 31 March 2017 with the last payment of 12,731 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 March 2017 of EUR 2,260 thousand, which will fall due on 30 January 2018.

Loan raised from Banco Brandesco, contracted on 26 June 2015 of the value on March 2017 of EUR 8,479 thousand, which will fall due on 20 August 2018.

Loan raised from Banco Caixa Geral Angola, contracted on 26 November 2015 of the value on March 2017 of EUR 11,857 thousand, which will fall due on 29 June 2020.

Loan from Banco do Brasil S.A. taken out on 22 January 2016, with a duration of 3 years, amounting to 2,333 thousand euros at the end of March, 2017, 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 March 2017; the current capital will be amortised on 31 July 2017.

Loan with Banco Comercial Português, SA, contracted on 29 March 2016, in the amount at the closing date of March 2017 of EUR 10,000m, the capital will be repaid in consecutive half-yearly instalments, beginning on 29 September 2017, with the last one on 20 February 2023.

A credit facility agreement 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., of the amount at the end of March 2017 for an overall amount of 8,708 thousand euros, with liability shared by the banks respectively as follows: 3,266 thousand euros, 2,325 thousand euros, and 3,117 thousand euros, and will be effective until 3 July 2017.

Loan raised from Banco Safra, contracted on 29 June 2016 of the value on March 2017 of EUR 1,627 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 March 2017 of EUR 2,448 thousand, which will fall due on 29 July 2017.

Loan with Banco BPI, S.A., contracted on 5 July 2016, in the amount at the closing date of March 2017 of EUR 23,633m, to be repaid in sixty monthly instalments beginning on 5 December 2016.

Loan with Banco Caixa Económica Montepio Geral, signed on 29 July 2016, for the development of real estate in the maximum amount of EUR 7,500m, used at the closing date of March 2017 at EUR 3,550m. The loan will last for five years and will be repaid with proceeds from the sale of the development.

Loan with Banco Santander Totta, S.A., contracted on August 1, 2016, in the amount at the closing date of March 2017 of EUR 2,118m, to be repaid in seventeen monthly instalments.

A credit facility agreement 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., of the amount at the end of March 2017 for an overall amount of 39,315 thousand euros, with liability shared by the banks respectively as follows: 14,743 thousand euros, 10,497 thousand euros, and 14,075 thousand euros, and will be effective until 12 August 2017.

Loan with Banco BAI Europa, SA, contracted on 22 September 2016, in the amount of USD 3,174m, fully utilized at the closing date of March 2017, corresponding to EUR 2,969m, to be repaid in ten quarterly instalment amounts ranging from USD 100m to USD 350m, the last of which is USD 1,224m.

Loan with Banco BAI Europa, SA, contracted on September 22, 2016, in the amount of EUR 625m at the closing date of March 2017, to be repaid in five equal and consecutive quarterly instalments beginning on 31 December 2016.

Factoring line with recourse with Novo Banco, S.A., amounting to 3,500 thousand euros, of which 834 thousand euros were used at the end of March 2017.

Line of factoring with recourse to Banco Popular, S.A., in the amount of EUR 280m at the closing date of March 2017.

Factoring line with recourse to Novo Banco, S.A., in the amount of EUR 972m at the closing date of March 2017.

Loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A. - E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 1,043 thousand euros, which will be amortised in 39 monthly payments.

Loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A. - E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 127 thousand euros, which will be amortised in 41 monthly payments.

Loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A. - E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 475 thousand euros, which will be amortised in 40 monthly payments.

Loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A. - E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 233 thousand euros, which will be amortised in 40 monthly payments.

Loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between IBM Deutschland Kreditbank GmbH, Branch in Portugal, and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 65 thousand euros, which will be amortised in 2 monthly payments 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 3.440 thousand US dollars, at the end of March 2017, corresponding to 3,218 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 35.000 thousand euros, of which the amount of 26,869 thousand euros were used at the end of March 2017.

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 March 2017, the amounts of 1,807 thousand euros, 322 thousand euros and 4,378 thousand euros respectively were used.

Within the scope of a Commercial Discount line on Foreign (Angola) granted by TEIXEIRA DUARTE - Distribuição, SA, and TDO - Investimentos e Gestão, SA, with Banco Privado Atlântico Europa for the amount of EUR 4,000m, which is used in EUR 3,171m by TEIXEIRA DUARTE - Distribuição, SA at the closing date of March 2017.

As part of a credit line, granted by TEIXEIRA DUARTE - Engenharia e Construções, SA - Sucursal Venezuela, on 29 July 2013, with CorpBanca, CA (which was defunct as a result of a merger by incorporation into the Bank Occidental de Ahorro, CA), in the amount of Venezuelan bolivars VEF 100,000m, increased to VEF 200,000m in May 2014, with the approval, in 2017, of a new extension of up to VEF 1,300,000m, which is being used at the closing date of March 2017 for VEF 918,125m, which, at the closing exchange rate of March 2017, correspond to EUR 1,210m.

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 March 37.500, which, at the exchange rate at the end of March 2017, correspond to 49 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 31 March 2017 and 31 December 2016, the bank loans also include the pledged accounts of the value of EUR 370,391 thousand and EUR 368,586 thousand, respectively.

## **b) Commercial role**

As at 31 March 2017, 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 March 2017, 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 amortisations are envisaged of 5,000 thousand euros, on August 20th, 2017, and February 20th, 2018 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 March 2017, 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.

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 March 2017. It will be subject to amortization on 12 April 2017 and three annual amortizations beginning on 16 May 2017, all of them of EUR 10,000m. 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 at the end of March 2017 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.

Joint program of commercial paper issues contracted on 28 December 2011, with Banco Comercial Português, SA, totalling EUR 53,400m, the amount used in full at the closing date of March 2017, in which TEIXEIRA DUARTE, SA, TEIXEIRA DUARTE - Engenharia e Construções, SA, and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, SA, and on this date the amounts used by each one were EUR 1,000m, EUR 1,000m and EUR 51,400m, 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 is in force until 30 December 2021, and the first amortisation is scheduled for 30 June 2017, amounting to 13,500 thousand euros, and the remaining amortisations are scheduled every six months, 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 March 2017, 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 amortizations, occurring every six months, at 30 June 2017 of EUR 8,350m, with the settlement of the remaining amount on the repayment date of the last issue of the programme.

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., 1,300 thousand euros of which were being used by TEIXEIRA DUARTE - Engenharia e Construções, S.A. at the end of March 2017; 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 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 39.000 years, and issues may have a period of one or three months. The program has a duration of 5 years, the issuances may have a term 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 will be subject to partial amortisations, the first of 10,000 thousand euros on 27 June 2017, and all others half-yearly starting on 27 December 2017, with amounts varying between 2,000 thousand euros and 5,000 thousand euros; the remaining value will be settled on the repayment date of the programme's final issue of EUR 31,000 thousand euros.

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. The interest is in arrears to the rate that will be equal to the Euribor applicable to the term of the issuance 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 March 2017, 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 amortisations, with the first, amounting to 3,400 thousand euros, occurring on 6 May 2017, and all others half-yearly with amounts varying between 2,350 thousand euros and 2,900 thousand euros; the remaining value will be settled on the repayment date of the programme's final issue.

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 duration of the programme is four years and it will be subject to partial amortisations, the first on 14 July 2017 and all others half-yearly with amounts varying between 900 thousand euros and 2,000 thousand euros; the remaining value will be settled on the due date of the final issue. 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 31 March 2017 and 31 December 2016 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 31 March 2017 and 31 December 2016, the repayment of the non-current bank loans is defined as follows:

	31/03/2017	31/12/2016
2018	263,651	301,405
2019	132,550	112,117
2020	120,547	143,351
2021	68,407	64,145
2022 and the following	90,754	43,076
	<b>675,909</b>	<b>664,094</b>

As at 31 March 2017 and 31 December 2016, financing agreements in foreign currency were expressed in the following currencies:

Currency	31/03/2017		31/12/2016	
	Currency	Euros	Currency	Euros
Venezuelan bolivar	4,078,881	5,378	3,390,426	4,774
American dollars	10,047	9,397	9,815	9,311
Angola Kwanza	16,521,602	89,114	17,515,311	94,947
Colombian Peso	6,940	2	1,795	1
Brazilian real	118,419	35,034	109,775	32,000

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

Following several inspections carried out by the Tax and Customs Authority (TA) for the financial years 2007 to 2012, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, SA, a company directly owned at 100% of its share capital by "TD, SA", the following adjustments were made to the tax losses initially determined by this investee:

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 2007 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 “TD,SA”, 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.

The adjustment of the period of 2012 resulted in an additional IRC (Corporation Tax) and compensatory interest settlement issued to “TD, SA”, as the dominant company, which challenged it judicially, under the terms of the law.

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 correction 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;

### **Guarantees:**

As at 31 March 2017 and 31 December 2016, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	31/03/2017	31/12/2016
Granted bank guarantees	342,327	360,847
Guarantee insurance	260,841	268,725

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., 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 suspension of two tax enforcement proceedings filed with the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, SA, relating to IRC (Corporation Tax) debt for the period of 2008, whose settlements were contested, were issued on behalf of the Customs and Tax Authority (AT), bank guarantees in the overall amount that exceeds EUR 27,546m.

For the purpose of suspending a tax enforcement proceeding filed with the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, SA, relating to IRC (Corporation Tax) debt for the period of 2010, "TD, SA" presented a guarantee, amounting to EUR 10,139m, 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 24,257 thousand euros at the end of March 2017.

To guarantee the contract entered into with Banco Caixa Geral Angola, amounting to 4,279 thousand euros at the end of March 2017, 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 4,191 thousand euros at the end of March 2017, 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 9,304 thousand euros at the end of March 2017, 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 11,209 thousand euros at the end of March 2017, 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 16,430 thousand euros at the end of March 2017, 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 5,490 thousand euros at the end of March 2017, 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 7,342 thousand euros at the end of March 2017, 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 25,000 thousand euros at the end of March 2017, 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 March 2017, 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 1,485 thousand euros at the end of March 2017, 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 1,611 thousand euros.

In order to guarantee the Credit Opening Contract (CAC) entered into on 17 June 2016 between the banks, Banco Comercial Português, SA, Caixa Geral de Depósitos, SA and Novo Banco, SA in the total amount of EUR 8,708m at the closing date of the end of March 2017, with the responsibility distributed by the banks in EUR 3,266m, 2,325m and 3,117m respectively, and Teixeira Duarte - Engenharia e Construções, SA, Teixeira Duarte - Engenharia e Construções, SA. Carried out the promise of pledge in fulfilment of 375,000 shares, with the nominal value of EUR 5, representing 7.5% of the share capital of the joint-stock company Lusoponte - Concessionária for Travessia do Tejo SA.

To guarantee the credit facility agreement 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., with a amount of 39,315 thousand euros at the end of March 2017, with the liability shared between the banks as follows: 14,743 thousand euros, 10,497 thousand euros and 14,075 thousand euros, respectively; and Teixeira Duarte - Engenharia e Construções, S.A., Teixeira Duarte - Gestão de Participações e Investimento Imobiliário, S.A., raised a mortgage on 20 plots of land located in Casal do Deserto in Porto Salvo, and a mixed used property located in Zemouto in Seixal, TDE - Empreendimentos Imobiliários, S.A. raised a mortgage on an urban property located at Estrada Municipal, five hundred and four in Troviscas, District of Loures, and TDVIA - Sociedade Imobiliária, S.A. raised a mortgage on three rural properties and one urban property located in the district of Vila Franca de Xira.

As a guarantee for the commercial paper contract entered into with Novo Banco S.A., for the amount of 97,000 thousand euros, granted by the issuing parties, Teixeira Duarte, S.A., Teixeira Duarte Engenharia e Construções, S.A., and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários S.A., the guarantors, TDE - Empreendimentos Imobiliários, S.A., and Transbital Britas e Empreendimentos Imobiliários, S.A., gave as a guarantee a mortgage on 14 plots of land of the project known as Pedregueiras respectively, with an overall value of 59,640 thousand euros, and TEDAL – Sociedade Gestora de Participações Sociais, S.A., gave as a guarantee the lien of 26,000,000 shares in Recolte Serviços e Meio Ambiente, S.A., valued at 26,000 thousand euros.

To guarantee the medium and long-term agreement entered into between Banco Caixa Económica Montepio Geral and IMOPEDROÇOS - Sociedade Imobiliária, SA for the promotion of real estate construction in the maximum amount of EUR 7,500m, used as of the closing date of March 2017 in EUR 3,550m, IMOPEDROÇOS gave as collateral the mortgages on real estate, urban buildings, sites, in Rua de Pedrouços, parish of Santa Maria de Belém, municipality of Lisbon, registered in the urban land register under Articles 2408, 2285 654, 2369 and 2368.



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 March 2017, 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., 4,333,333 and 426.666 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 22,182 thousand euros at the end of March 2017, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. and C+P.A. – Cimentos e Produtos Associados, S.A. gave 1,070,000 and 1,936,395 shares in Banco Comercial Português, S.A. as pledges, respectively.

To guarantee the commercial paper agreement entered into with Haitong Bank, SA and Novo Banco, SA, at the closing date of March 2017 of EUR 191,250m, used in full by TEIXEIRA DUARTE - Engenharia e Construções, SA, granted by TEIXEIRA DUARTE - Engenharia e Construções, SA and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, SA. 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 March 2017, 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 11,857 thousand euros at the end of March 2017, 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 March 2017 of EUR 42,813 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 amounting to 10,000 thousand euros at the end of March 2017, 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 March 2017, 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, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 1,043 thousand euros, the respective equipment acquired by the loan was given as a guarantee.

To guarantee the loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 127 thousand euros, the respective equipment acquired by the loan was given as a guarantee.

To guarantee the loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 475 thousand euros, the respective equipment acquired by the loan was given as a guarantee.

To guarantee the loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between Caterpillar Financial Corporacion Financiera, S.A.-E.F.C., and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 233 thousand euros, the respective equipment acquired by the loan was given as a guarantee.

To guarantee the loan agreement for the acquisition of equipment, with a start date in July 2016, entered into between IBM Deutschland Kreditbank GmbH, Branch in Portugal, and Teixeira Duarte - Engenharia e Construções, S.A., for a amount at the end of March 2017 of 65 thousand euros, the respective equipment acquired by the loan was given as a guarantee.

### **Financial commitments:**

As at 31 March 2017 and 31 December 2016, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 428,498 thousand and EUR 430,627 thousand, respectively.

As at 31 March 2017 and 31 December 2016, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of EUR 5,592 thousand and EUR 10,024 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 31 March 2017 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	Actions	1,523	-	-
Investment Properties	Buildings and land	-	545,935	-
<b>Liabilities:</b>				
Financial assets at fair value	Coverage derivatives	-	15,168	-

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 31 December 2017 were approved by the Board of Directors on 29 May 2017.

## **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 between 31 March 2017 and the issue date of this document.