

# Report and Accounts

1<sup>st</sup> Semester **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

	1 <sup>st</sup> Sem. 2013	1 <sup>st</sup> Sem. 2014	1 <sup>st</sup> Sem. 2015	1 <sup>st</sup> Sem. 2016	1 <sup>st</sup> Sem. 2017	Variation 2017/2016 %
Average number of workers	11,679	13,173	13,628	11,777	10,517	(10.7%)
Turnover	735	759	684	570	475	(16.7%)
Operating Income	753	766	702	590	501	(15.1%)
EBITDA	103	111	83	96	88	(8.9%)
EBITDA / Turnover	14.1%	14.7%	12.1%	16.9%	18.5%	9.4%
EBIT	73	104	47	65	59	(8.9%)
Net Income Attributable to Shareholders	9	43	24	(36)	(9)	74.6%
Net Debt	1,209	1,294	1,236	1,152	1,114	(3.4%)
Net income attributable to shareholders	267	397	507	344	364	5.9%
Equity total	308	430	528	393	411	4.5%
Total of net asset	2,722	2,888	2,943	2,526	2,400	(5.0%)

### 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> Semester 2017



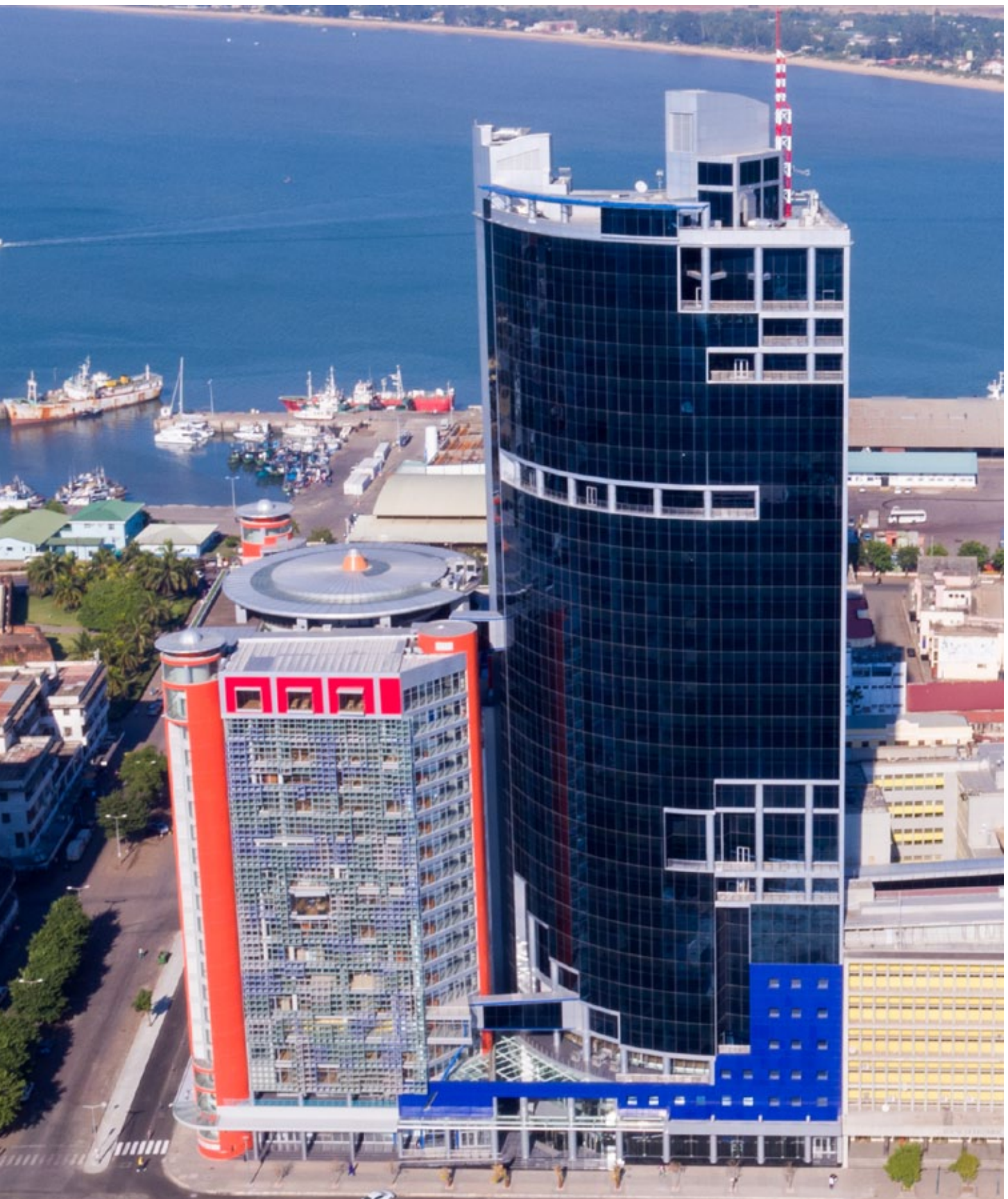
**Caption:**

COMPANIES INCLUDED IN THE CONSOLIDATION

COMPANIES INCLUDED IN THE CONSOLIDATION USING THE EQUITY METHOD

COMPANIES EXCLUDED FROM

# Interim Management Report **1<sup>st</sup> Semester 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 six 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 30 June, 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.

Under the scope of the Teixeira Duarte Group, it should be mentioned that due to the fact that one of the 100% owned companies (“TDHOSP - Gestão de Edifício Hospitalar S.A.”) has been repositioned from the “Concessions and Services” sector to the “Real Estate” sector, it was deemed appropriate to re-express the 2016 indicators - only in relation to these two sectors - to safeguard the comparability of the figures set out in the tables and graphics contained in this document and its annexes.

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 9 million euros;
- **Turnover** of 475 million euros;
- **External Market** accounts for 82.8% of turnover;
- **EBITDA** of 88 million euros;
- **EBITDA margin / Turnover** of 18.5%;
- **Net Debt** of 1.114 billion euros;
- **Net Group Assets** of 2.400 billion euros;
- **Financial Autonomy** of 17.1%;
- **Teixeira Duarte Group Orders Portfolio** for the construction sector of 1,931 billion euros.

## II – GLOBAL APPRAISAL OF THE ACTIVITY

### Statement of Results during the periods ended on 30 June 2017 and 2016

	1 <sup>st</sup> S 17	1 <sup>st</sup> S 16	Var (%)	1st Q 17	2nd Q 16	Var (%)
Operating income	500,985	590,069	(15.1%)	266,300	292,704	(9.0%)
Operating costs	(413,139)	(493,645)	(16.3%)	(220,978)	(244,778)	(9.7%)
<b>EBITDA</b>	<b>87,846</b>	<b>96,424</b>	<b>(8.9%)</b>	<b>45,322</b>	<b>47,926</b>	<b>(5.4%)</b>
Amortizations and depreciations	(28,930)	(38,160)	(24.2%)	(14,313)	(18,390)	(22.2%)
Provisions and impairment losses	221	6,645	(96.7%)	106	5,000	(97.9%)
<b>EBIT</b>	<b>59,137</b>	<b>64,909</b>	<b>(8.9%)</b>	<b>31,115</b>	<b>34,536</b>	<b>(9.9%)</b>
<b>Financial Results</b>	<b>(43,267)</b>	<b>(72,325)</b>	<b>40.2%</b>	<b>(15,860)</b>	<b>(25,923)</b>	<b>38.8%</b>
<b>Results before taxes</b>	<b>15,870</b>	<b>(7,416)</b>	<b>-</b>	<b>15,255</b>	<b>8,613</b>	<b>77.1%</b>
Income tax	(21,883)	(13,797)	(58.6%)	(14,464)	(18,381)	21.3%
<b>Net Income</b>	<b>(6,013)</b>	<b>(21,213)</b>	<b>71.7%</b>	<b>791</b>	<b>(9,768)</b>	<b>-</b>
<b>Attributable to:</b>						
Equity holders	(9,091)	(35,777)	74.6%	(429)	(13,316)	96.8%
Non-controlling interests	3,078	14,564	(78.9%)	1,220	3,548	(65.6%)

(Values in thousand euros)

**Net Return for Equity Shareholders** was negative EUR 9,091m, compared to the negative EUR 35,777m in June 2016.

In addition to the normal impact of the entities forming part of the Teixeira Duarte Group carrying out their activities in their different markets, this indicator was also influenced by other factors, of which the following should be emphasized:

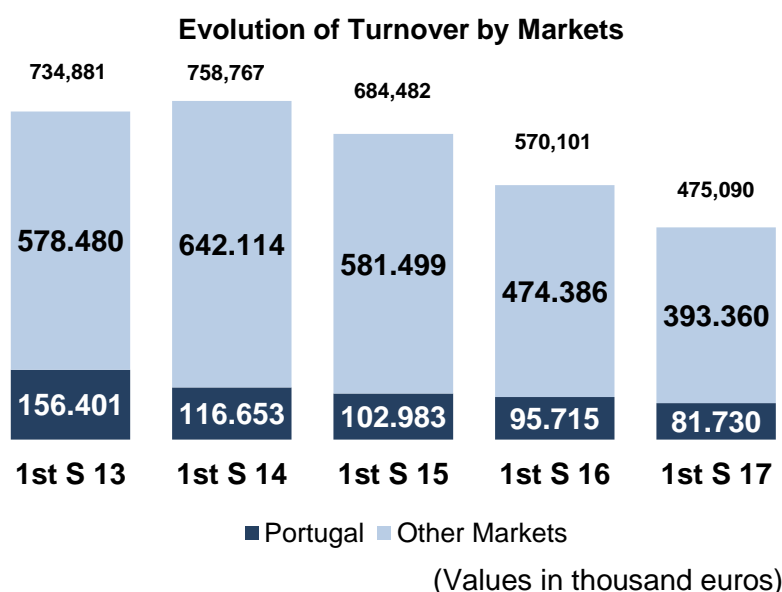
- Exchange rate differences, which in June 2017 were negative to the tune of 3,089 thousand euros, whereas they were minus 23,723 thousand euros during the same period of 2016;
- The net negative impact of deferred taxes, of the loss of 5,029 thousand euros due to impairment in the share in Banco Comercial Português, S.A., during the first six months of 2017, whereas the impact was 14,810 thousand euros in June 2016;
- Change of 8,086 thousand euros in "Income Tax";
- Sale of subscription rights to the capital increase of "Banco Comercial Português, S.A." in the amount of EUR 6,005m.

**Turnover** reached 475,090 thousand euros, representing a decrease of 16.7% compared to March 2016, that is a drop of 95,011 thousand euros.

In Portugal, a reduction of 13,985 thousand euros was posted when compared to June 2016, when the Group still held a share in Energy sector entities - which it divested in the meantime in March 2017 - and that had contributed 9,363 thousand to Turnover, calculated in the aforementioned first six months of last year.



Other markets, which represented 83.2% of this indicator in June last year, experienced an overall decrease of 17.1%, coming to represent 82.8% of the Teixeira Duarte Group's total turnover.



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	1 <sup>st</sup> S 17		1 <sup>st</sup> S 16		Variation	1st Q 17		2nd Q 16		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Portugal	81,730	17.2%	95,715	16.8%	(14.6%)	47,949	19.3%	44,114	15.7%	8.7%
Angola	192,747	40.6%	243,401	42.7%	(20.8%)	96,864	39.1%	123,144	43.9%	(21.3%)
Algeria	45,307	9.5%	55,986	9.8%	(19.1%)	22,591	9.1%	32,847	11.7%	(31.2%)
Brazil	94,328	19.9%	67,334	11.8%	40.1%	53,007	21.4%	38,945	13.9%	36.1%
Spain	14,811	3.1%	15,933	2.8%	(7.0%)	7,373	3.0%	7,830	2.8%	(5.8%)
Mozambique	37,549	7.9%	71,446	12.5%	(47.4%)	15,612	6.3%	31,998	11.4%	(51.2%)
Venezuela	1,720	0.4%	9,545	1.7%	(82.0%)	1,375	0.6%	(2,575)	(0.9%)	-
Other	6,898	1.5%	10,741	1.9%	(35.8%)	3,268	1.3%	4,312	1.5%	(24.2%)
	<b>475,090</b>	<b>100.0%</b>	<b>570,101</b>	<b>100.0%</b>	<b>(16.7%)</b>	<b>248,039</b>	<b>100.0%</b>	<b>280,615</b>	<b>100.0%</b>	<b>(11.6%)</b>

((Values in thousand euros))

## Turnover by Sector

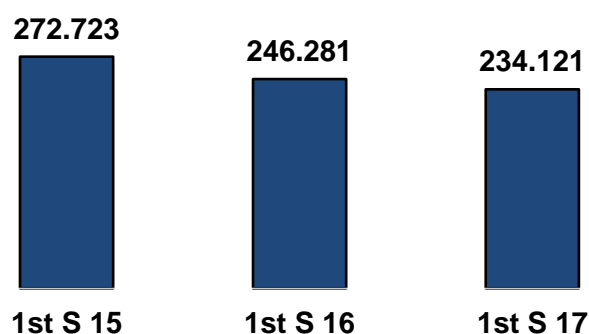
Activity Sector	1 <sup>st</sup> S 17		1 <sup>st</sup> S 16		Variation	1st Q 17		2nd Q 16		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Construction	234,121	49.3%	246,281	43.2%	(4.9%)	123,073	49.6%	124,064	44.2%	(0.8%)
Concessions and services (*)	52,176	11.0%	54,356	9.5%	(4.0%)	26,186	10.6%	28,814	10.3%	(9.1%)
Real estate (*)	40,067	8.4%	54,790	9.6%	(26.9%)	20,941	8.4%	29,577	10.5%	(29.2%)
Hospitality	23,792	5.0%	25,949	4.6%	(8.3%)	12,721	5.1%	13,274	4.7%	(4.2%)
Distribution	90,783	19.1%	133,957	23.5%	(32.2%)	47,162	19.0%	59,526	21.2%	(20.8%)
Energy	-	-	9,363	1.6%	-	-	-	4,477	1.6%	-
Automotive	34,151	7.2%	45,405	8.0%	(24.8%)	17,956	7.2%	20,883	7.4%	(14.0%)
	<b>475,090</b>	<b>100.0%</b>	<b>570,101</b>	<b>100.0%</b>	<b>(16.7%)</b>	<b>248,039</b>	<b>100.0%</b>	<b>280,615</b>	<b>100.0%</b>	<b>(11.6%)</b>

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

(Amounts in thousands of euros)

To expand on the items indicated on the above table, some notes are provided below on the activities carried out during the first six months in each of the sectors in which the Group operates:

## Turnover of Construction Services

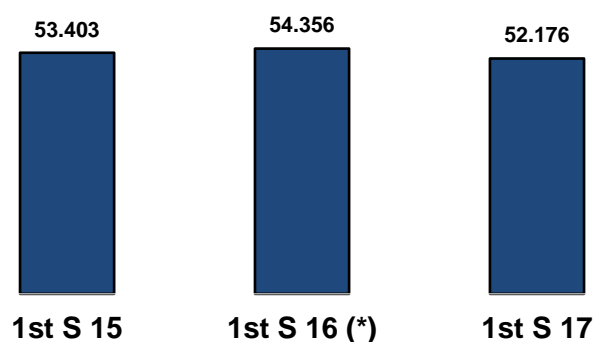


The Turnover of Construction Services decreased by 4.9% year-on-year 2016.

Portugal posted a 6.3% increase when compared to the first six months of 2016, revealing the good performance of the private construction market, compensating for the completion of the Marão Tunnel project in 2016.

In other markets, emphasis should be placed on the 61% increase seen in Brazil. However, this did not compensate for the drops recorded in Angola, Algeria and Mozambique. On 30 June 2017, the external market accounts for 82% of Construction turnover.

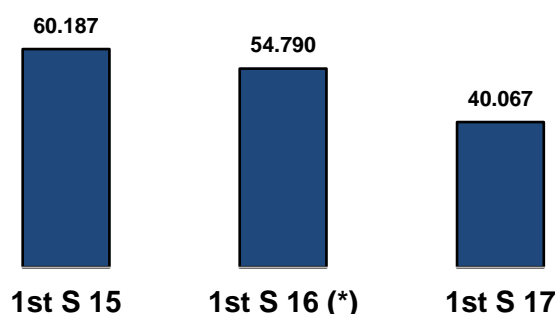
## Turnover of Concessions and Services



Under Concessions and Services, turnover dropped by 4% when compared to June 2016, with an emphasis on the 24.1% increase in the Facilities Management area in Portugal when compared to the same period of 2016. Even so, this was not sufficient to compensate for the 29% fall in turnover in Angola.

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

### Turnover of Real estate Services



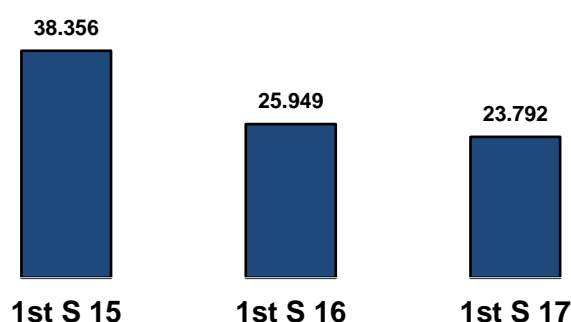
(\*) – Amounts restated as explained above in the Introduction.

There was an overall drop of 26.9% in Real Estate when compared to the first six months of 2016.

A decrease of 44.6% was seen in Portugal when compared to June 2016, attributed to the commercialization phase of ventures under development.

A slight increase of 0.9% was seen in Brazil when compared to the same period of the previous year.

### Turnover of Hospitality



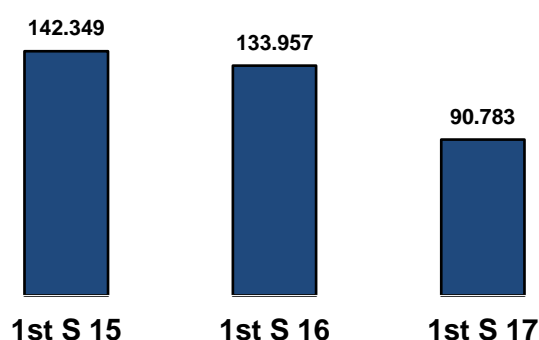
Turnover from Hospitality suffered an overall decrease of 8.3% when compared to the same period of 2016.

In Portugal, activity decreased by 4.4% compared to the first six months of 2016.

In Angola, this indicator suffered an 8.3% decrease when compared to June 2016. It should be noted, however, that disregarding the exchange rate effect, the decrease was only 3.2%.

The activity experience a decrease of 14.4% in Mozambique during the first six months of 2017, when compared to the same period of the previous year; if this exchange rate difference is not taken into account, this indicator would have increased by 5.7%.

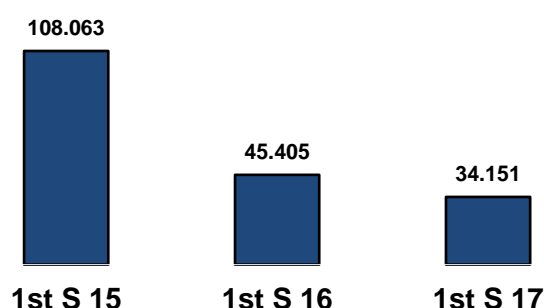
### Turnover of Distribution Services



Distribution fell 32.2% vis-à-vis the first six months of 2016.

This indicator was penalized by a reduction in activity and currency devaluation in Angola, where a 22% drop was seen; it also took a hit from the failure to carry out specific operations on other markets.

### Turnover of the Automotive sector

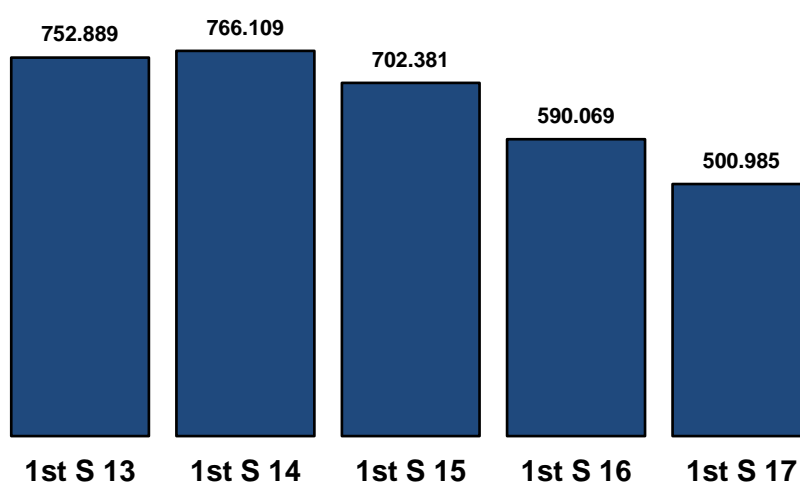


(Values in thousand euros)

The Automotive sector recorded a decrease in Turnover of 24.8% compared to June 2016, also due to the reduction in activity and the devaluation of the Kwanza exchange rate.

**Operating profits** suffered a decrease of 15.1% when compared to the same period of the previous year, dropping to 500,985 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.

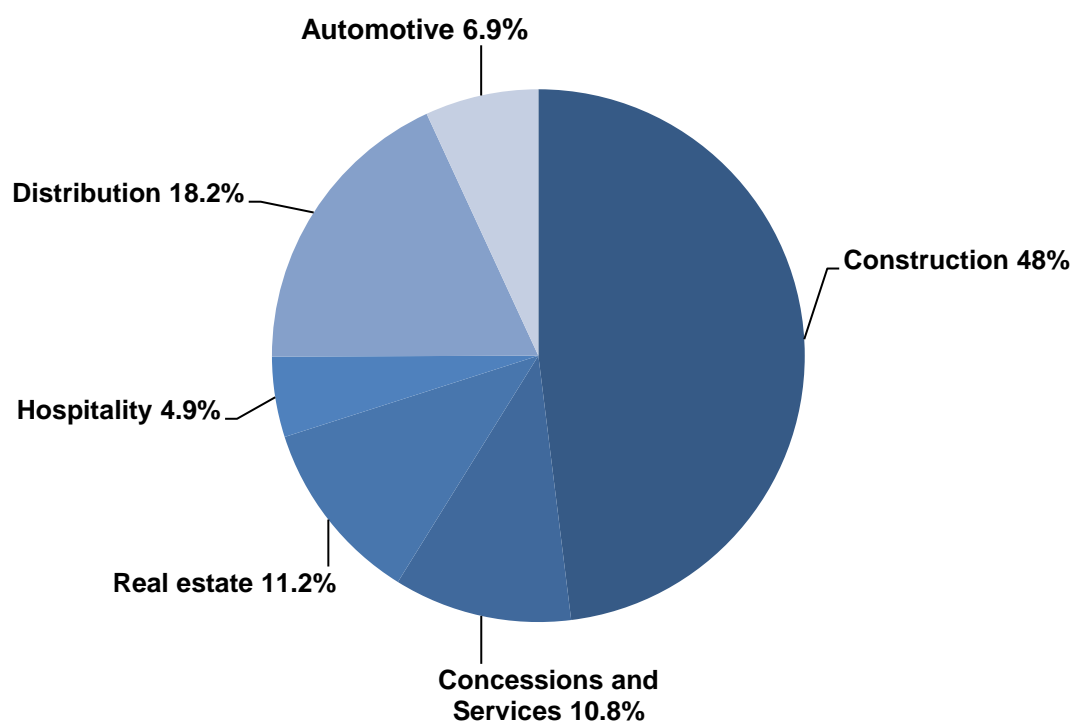
### Operating Profits by activity and geographical markets:

Activity Sector	Internal Market			External Market			Total		
	1 <sup>st</sup> S 17	1 <sup>st</sup> S 16	Var (%)	1 <sup>st</sup> S 17	1 <sup>st</sup> S 16	Var (%)	1 <sup>st</sup> S 17	1 <sup>st</sup> S 16	Var (%)
Construction	46,546	47,098	(1.2%)	194,090	210,607	(7.8%)	240,636	257,705	(6.6%)
Concessions and services (*)	19,789	15,495	27.7%	34,365	39,949	(14.0%)	54,154	55,444	(2.3%)
Real estate (*)	30,361	26,498	14.6%	25,861	29,138	(11.2%)	56,222	55,636	1.1%
Hospitality	4,707	4,933	(4.6%)	19,743	25,657	(23.1%)	24,450	30,590	(20.1%)
Distribution	418	519	(19.5%)	90,600	134,394	(32.6%)	91,018	134,913	(32.5%)
Energy	-	9,396	-	-	29	-	-	9,425	-
Automotive	1,197	116	931.9%	33,308	46,240	(28.0%)	34,505	46,356	(25.6%)
<b>Total</b>	<b>103,018</b>	<b>104,055</b>	<b>(1.0%)</b>	<b>397,967</b>	<b>486,014</b>	<b>(18.1%)</b>	<b>500,985</b>	<b>590,069</b>	<b>(15.1%)</b>

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

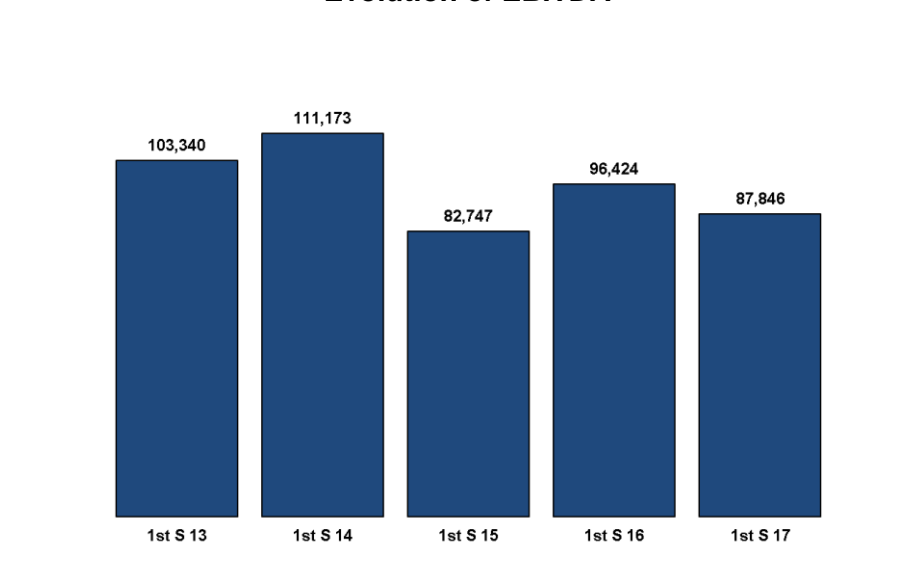
(Amounts in thousands of

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 30 June, 2017 were as follows:



**EBITDA** - Earnings before interest, taxes, depreciation and amortization, decreased by 8.9% compared to June 2016 and stood at EUR 87,846 m.

### 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	1 <sup>st</sup> S 17	1 <sup>st</sup> S 16	Var (%)	1st Q 17	2nd Q 16	Var (%)
Construction	27,320	16,832	62.3%	8,024	10,939	(26.6%)
Concessions and services (*)	5,880	9,796	(40.0%)	2,674	5,933	(54.9%)
Real estate (*)	30,926	23,069	34.1%	20,982	10,431	101.2%
Hospitality	5,678	3,921	44.8%	4,718	2,359	100.0%
Distribution	8,621	27,811	(69.0%)	3,675	9,351	(60.7%)
Energy	-	2,188	-	-	1,153	-
Automotive	12,818	17,523	(26.9%)	7,457	9,651	(22.7%)
Not included in the segments	(3,397)	(4,588)	26.0%	(2,078)	(1,764)	(17.8%)
Removals	-	(128)	-	(130)	(127)	(2.4%)
	<b>87,846</b>	<b>96,424</b>	<b>(8.9%)</b>	<b>45,322</b>	<b>47,926</b>	<b>(5.4%)</b>

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

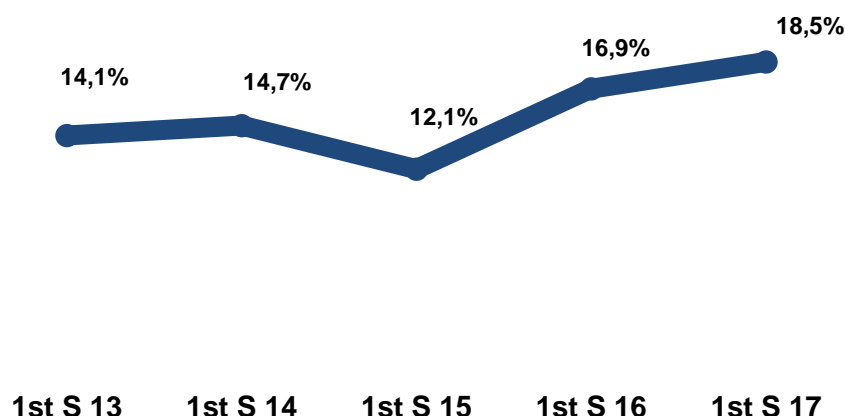
(Values in thousand euros)

This indicator was influenced during the first six months of 2017 by the appreciation in the fair value of investment properties, amounting to 9,916 thousand euros, essentially due to the reclassification of building 1 at Lagoas Park from a “Tangible Fixed Asset” (valued at amortized cost) to an “Investment Property” (valued at fair market value), resulting from placing building 1 on the market, as a consequence of the concentration of Group companies in building 2 of the same venture.



An increase of 9.4% was seen in **EBITDA Margin / Turnover** by virtue of the fact that the decrease in EBITDA in June 2017 was less than the decrease in Turnover experienced during the same period of the previous year.

### Evolution of the EBITDA margin / Turnover



**Financial results** were minus 43,267 euros during the period ending 30 June 2017, whereas the financial results were minus 72,325 thousand euros at the end of the first six months of 2016.

	1 <sup>st</sup> S 17	1 <sup>st</sup> S 16	Var (%)	1st Q 17	2nd Q 16	Var (%)
<b>Costs and financial losses</b>	<b>(164,280)</b>	<b>(236,964)</b>	<b>30.7%</b>	<b>(98,950)</b>	<b>(109,873)</b>	<b>9.9%</b>
Supported interests	(36,443)	(40,394)	9.8%	(17,635)	(21,503)	18.0%
Unfavourable exchange rate differences	(114,795)	(184,634)	37.8%	(75,585)	(82,353)	8.2%
Other costs and financial losses	(13,042)	(11,936)	(9.3%)	(5,730)	(6,017)	4.8%
<b>Income and financial earnings:</b>	<b>119,042</b>	<b>169,934</b>	<b>(29.9%)</b>	<b>81,706</b>	<b>89,518</b>	<b>(8.7%)</b>
Obtained interests	6,245	6,995	(10.7%)	3,153	3,811	(17.3%)
Favourable exchange rate differences	111,706	160,911	(30.6%)	78,014	84,675	(7.9%)
Cash discounts obtained	5	37	(86.5%)	4	4	-
Other income and financial earnings	1,086	1,991	(45.5%)	535	1,028	(48.0%)
<b>Income related to investment activities:</b>	<b>1,971</b>	<b>(5,295)</b>	<b>(137.2%)</b>	<b>1,384</b>	<b>(5,568)</b>	<b>-</b>
Earnings from associates and joint works	1,752	9,534	(81.6%)	1,076	4,425	(75.7%)
Dividends	698	1,652	(57.7%)	-	82	-
Other investments	3	2,622	(99.9%)	-	815	-
Gains / loss in assets available for sale	(482)	(19,103)	97.5%	308	(10,890)	-
<b>Financial Results</b>	<b>(43,267)</b>	<b>(72,325)</b>	<b>40.2%</b>	<b>(15,860)</b>	<b>(25,923)</b>	<b>38.8%</b>

(Values in thousand euros)

This indicator experienced a positive change of 29,058 thousand euros when compared to the same period of 2016, with an emphasis on the contribution of the following changes:

- A positive change of 20,634 thousand euros, resulting from the impact of exchange rate differences;

- A positive change of 18,621 thousand euros, resulting from the impact of impairment losses and sale of rights in the subsidiary "Banco Comercial Português, S.A.";
- A positive change of 3,951 thousand euros, resulting from the impact of interest incurred;
- Negative change of 7,782 thousand euros in results relating to associated companies and joint ventures.
- Negative change of 2,619 thousand euros under the item "other investments".

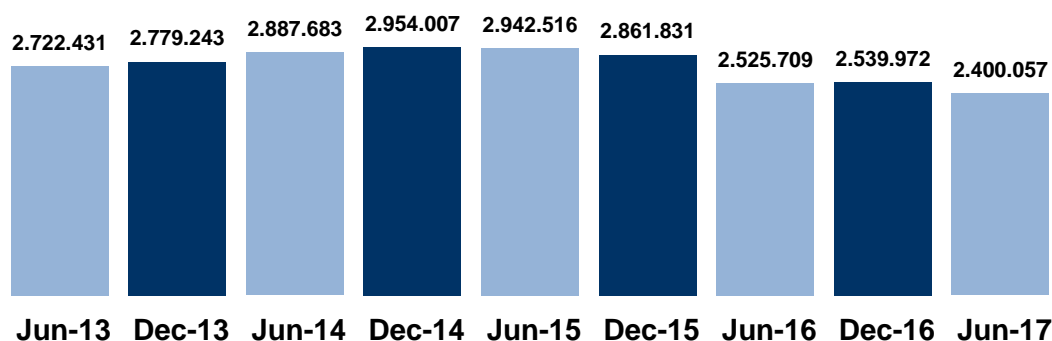
The amount of **Income Tax** payable at 30 June, 2017 was a negative amount of 21,883 thousand euros, whereas it stood at minus 13,797 thousand euros during the same period of the previous year.

	1 <sup>st</sup> S 17	1 <sup>st</sup> S 16	Var (%)	1st Q 17	2nd Q 16	Var (%)
Current Tax	(29,650)	(24,790)	(19.6%)	(18,371)	(5,886)	(212.1%)
Deferred tax	7,767	10,993	(29.3%)	3,907	(12,495)	-
	<b>(21,883)</b>	<b>(13,797)</b>	<b>(58.6%)</b>	<b>(14,464)</b>	<b>(18,381)</b>	<b>21.3%</b>

(Values in thousand euros)

**Total Net Assets** decreased by 5.5% in relation to 31 December 2016, having reached EUR 2,400,057 thousand.

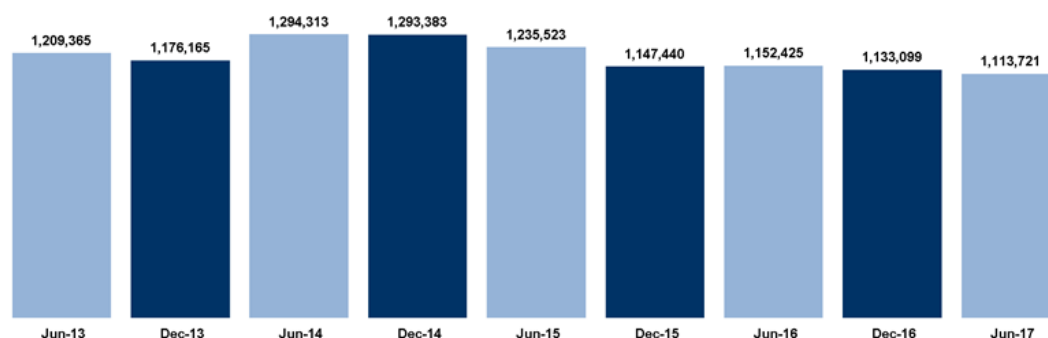
#### Evolution of Net asset



(Values in thousand euros)

**Net Borrowing** decreased by 1.7% in relation to the end of last year, and at March 30, 2017 was set at EUR 1,113,721 thousand.

### Evolution of Net Debt



(Values in thousand euros)

**Equity Attributable to Shareholders** decreased by 31,857 thousand euros, from 395,769 thousand euros to 363,912 thousand euros, corresponding to a 8% decrease when compared to 31 December 2016.

**Total Equity** decrease by 7.7%, standing at 410,530 thousand euros, influenced essentially by the following factors:

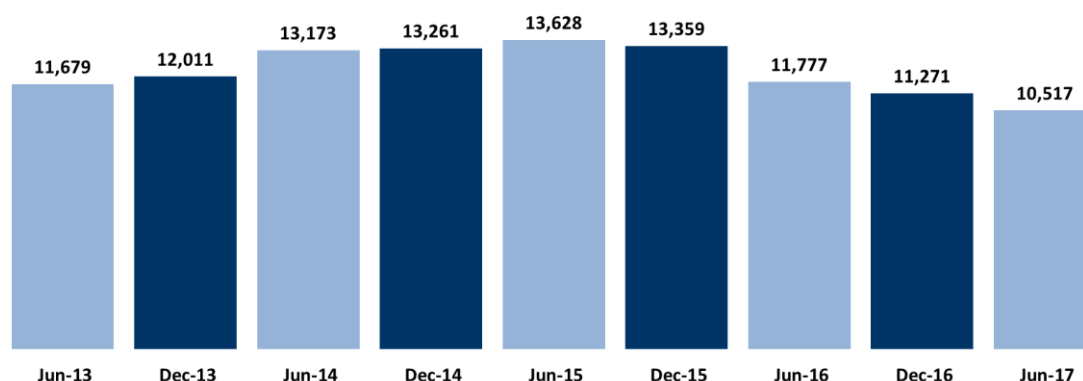
- A negative net result of 6,013 thousand euros;
- Negative effect of 22,913 thousand euros, resulting from the currency conversion recorded as a result of the devaluation of the Currencies in which the Group operates in relation to the Euro;
- Negative impact resulting from the disposal of the Group's 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 17.1% at 30 June, 2017.

On 30 June 2017 the **Average Number of Workers** was 10,517, representing a 6.7% decrease when compared to 31 December 2016, in line with the overall decrease in activity over the first six months of 2017, with the exception of the Brazilian market.

It should be mentioned that there were 11,086 employees on 30 June 2017, compared to 10,485 on 31 December 2016; an increase of 601 employees has been seen, due to the increase of 904 employees in Brazil, where the Group contracts employees depending on the works in progress.

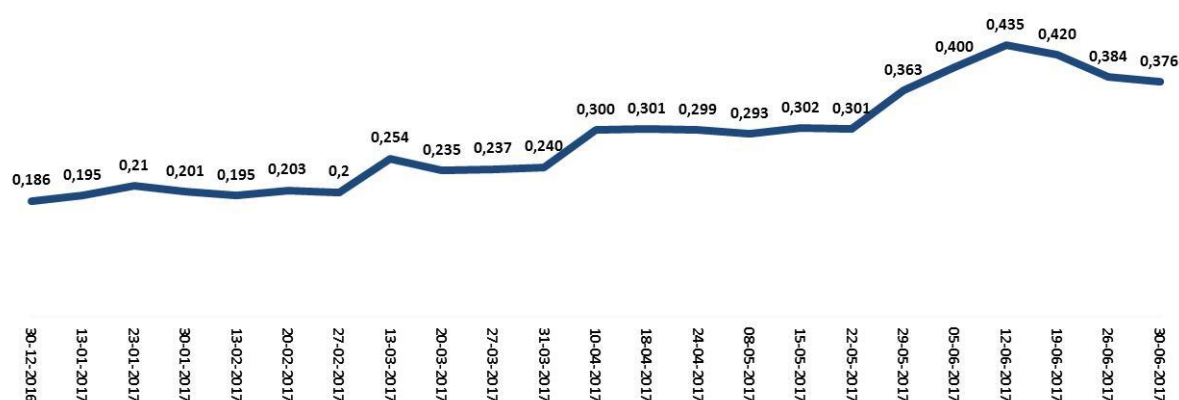
### Evolution of the Average Number of Employees



The price of "Teixeira Duarte, S.A." bonds increased from EUR 0.186 on 31 December 2016 to EUR 0.376 on 30 June 2017.

The following graph shows the evolution in listed share prices during the first six months of this year, which have varied during this period between a minimum of 0.183 euros and a maximum of 0.465 euros.

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



21,184,402 shares were traded on the stock exchange during this period, with a total amount of turnover of 6,741,797 euros.

### III. FACTS THAT OCCURRED AFTER THE CLOSE OF THE 1<sup>ST</sup> SEMESTER 2017

TEIXEIRA DUARTE continued its activity in the different markets in which it operates, and there are no relevant events to mention, occurring between 30 June 2017 and the issue date of this document.

Notwithstanding the foregoing, it should be mentioned that, as planned, in July 2017 the Group proceeded to divest RECOLTE, S.A., including its 100% owned company RECOLTE (Porto), S.A. In

this area and sector, the Group has kept Recolte Spain and RECOLTE Azores, the latter of which operating exclusively in the hospital waste sector.

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

Although the Teixeira Duarte Group's order book for the construction sector experienced an overall drop of 3.9% when compared to the end of 2016, the Group has ensured certain levels of construction activity in overseas markets that allowed - in addition to possible new contracts - the aforementioned order book to reach an overall value of 1,931,224 thousand euros on 30 June 2017, of which 629,132 thousand euros are for 2020 onwards.

For a more detailed analysis of closer periods, that is, for the remaining 1,303,092 thousand euros that have already been contracted and the execution of which is forecast for the next six 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:

	Jul to Dec 2017		2018		2019	
	Value	Contribution (%)	Value	Contribution (%)	Value	Contribution (%)
Portugal	79,788	18.5%	59,417	10.8%	29,638	9.2%
Angola	78,986	18.4%	76,848	14.0%	1,839	0.6%
Algeria	95,738	22.2%	254,317	46.2%	143,871	44.7%
Brazil	152,931	35.5%	129,358	23.5%	55,235	17.1%
Mozambique	12,454	2.9%	598	0.1%	259	0.1%
Venezuela	5,728	1.3%	27,621	5.0%	91,143	28.3%
Other Markets	5,148	1.2%	2,175	0.4%	-	-
<b>Total</b>	<b>430,773</b>	<b>100.0%</b>	<b>550,334</b>	<b>100.0%</b>	<b>321,985</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.

Considering the present situation of some markets that are heavily dependent on the evolution of oil prices, for 2017 Teixeira Duarte believes that it is appropriate to reduce its estimated operational profits to around 1 billion euros.

## **V. ANNEXES TO THE INTERIM MANAGEMENT REPORT**

### **NUMBER OF SECURITIES OF THE MEMBERS OF THE GOVERNING BODIES**

In compliance with the duties of information to which it is bound due to several different pieces of current legislation, Teixeira Duarte, S.A. hereby presents a list of securities issued by the Company, and by companies with which it has a controlling or group relationship, held by members of company boards, as well as all acquisitions, encumbrances or transmissions during the first six months of 2017, specifying the amount, the date of the fact and the compensation paid or received:

#### **I - Number of shares held by Members of the Governing Bodies as at 31 December 2016:**

Name	Company	Capacity	Nr. of Shares
Rogério Paulo Castanho Alves	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Gonalo Pereira de Sousa Guerra Costenla	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiares Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	42.000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Director	5.149.575
Joel Vaz Viana de Lemos	Teixeira Duarte, S.A.	Director	433.862
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Director	62.671
Diogo Bebianho Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Director	31.160
Jorge Ricardo de Figueiredo Catarino	Teixeira Duarte, S.A.	Director	180.000
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Mateus Moreira	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
Miguel Carmo Pereira Coutinho	Teixeira Duarte, S.A.	Member of the Supervisory Board	(a) 10.000
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

(a) Shares held under joint ownership with his wife

#### **II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 30 June 2017:**

For all due effects, it is reported that there were no operations involving shares directly or indirectly held by members of the Board of Directors during the period between 1 January and 30 June 2017.

#### **III - Number of shares held by Members of the Governing Bodies as at 30 June 2017:**

Name	Company	Capacity	Nr. of Shares
Rogério Paulo Castanho Alves	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Gonalo Pereira de Sousa Guerra Costenla	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiares Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	42.000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Director	5.149.575
Joel Vaz Viana de Lemos	Teixeira Duarte, S.A.	Director	433.862
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Director	62.671
Diogo Bebianho Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Director	31.160
Jorge Ricardo de Figueiredo Catarino	Teixeira Duarte, S.A.	Director	180.000
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Mateus Moreira	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
Miguel Carmo Pereira Coutinho	Teixeira Duarte, S.A.	Member of the Supervisory Board	(a) 10.000
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

(a) Shares held under joint ownership with his wife.



## SHAREHOLDERS WITH AT LEAST ONE TENTH OF THE SHARE CAPITAL

Company	Nr. shares as at 30.06.2017	% Capital
Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.	203,340,000	48.41%
MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda	43,439,877	10.34%

## LIST OF OWNERS OF QUALIFYING HOLDINGS AS AT 30 JUNE 2017

In compliance with applicable legal and regulatory provisions, and based on company records and on information received, TEIXEIRA DUARTE, S.A. hereby discloses the list of holders of qualified shares in its equity on 30 June 2017, indicating the number of shares held and allocated, with the corresponding voting right percentages, calculated under the terms of article 20 of the Securities Code.

Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.	No. of shares	Share capital with right to vote
Directly	203,340,000	48.41%
Through the members of Board of Directors of "TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.".	9,136,947	2.18%
<b>TOTAL ATTRIBUTABLE</b>	<b>212,476,947</b>	<b>50.59%</b>

Miguel Calainho de Azevedo Teixeira Duarte	No. of shares	Share capital with right to vote
Directly	113,000	0.027%
Through the company controlled directly by him "MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda"	43,439,877	10.342%
<b>TOTAL ATTRIBUTABLE</b>	<b>43,552,877</b>	<b>10.369%</b>

Banco Comercial Português, S.A.	No. of shares	Share capital with right to vote
Directly	-	-
Through the Pension Fund of the Banco Comercial Português Group that it holds	41,050,141	9.8157%
<b>TOTAL ATTRIBUTABLE</b>	<b>41,050,141</b>	<b>9.8157%</b>

Pedro Pereira Coutinho Teixeira Duarte	No. of shares	Share capital with right to vote
Directly	9,100,000	2.17%
<b>TOTAL ATTRIBUTABLE</b>	<b>9,100,000</b>	<b>2.17%</b>

## **DECLARATION OF CONFORMITY**

(under the terms of line c) of item 1 of article 246 of the Securities Code)

As far as the signatories are aware, the information disclosed in this report and the respective financial statements was drawn up in accordance with applicable accounting standards, giving a true and appropriate impression of the assets and liabilities, the financial situation and results of TEIXEIRA DUARTE, S.A. and the companies included within its perimeter of consolidation. Similarly, the interim management report accurately presents indications of important events that occurred during the first six months of 2017 and their impact on the respective financial statements, and contains a description of the main risks and uncertainties for the forthcoming six months.

Lagoas Park, 28 August 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> Semester 2017**



**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AT 30 JUNE 2017 AND 31 DECEMBER 2016**  
**(Values expressed in thousands of Euro)**

	Notes	30/06/2017 (Non Audited)	31/12/2016 (Audited)
<b>Non-current assets:</b>			
Goodwill		14,295	14,295
Intangible assets		71,570	38,954
Fixed tangible assets	13	469,176	495,787
Investment Properties	14	563,901	547,067
Investments in associates and joint-ventures	7 and 15	20,200	17,504
Financial assets available for sale	7 and 16	1,831	8,318
Other investments		50,877	54,125
Assets for deferred tax	18	199,417	198,187
Clients		41,746	43,137
Other non-current assets		716	653
<b>Total of non-current assets</b>		<b>1,433,729</b>	<b>1,418,027</b>
<b>Current assets:</b>			
Inventories		250,264	251,442
Clients		335,876	416,509
Other debtors		61,520	54,652
Cash and cash equivalents	20	159,208	180,908
Other current assets		154,019	179,657
		<b>960,887</b>	<b>1,083,168</b>
Assets for sale	17	5,441	38,777
<b>Total of current assets</b>		<b>966,328</b>	<b>1,121,945</b>
<b>TOTAL OF ASSET</b>	<b>7</b>	<b>2,400,057</b>	<b>2,539,972</b>
<b>Equity:</b>			
Capital	21	210,000	210,000
Adjustments of shareholdings in associates and joint-ventures		209	849
Effect of currency adjustments		(58,136)	(34,826)
Reserves and retained income	22	220,930	199,599
Consolidated net result		(9,091)	20,147
<b>Equity attributable to shareholders</b>		<b>363,912</b>	<b>395,769</b>
Non-controlling interests		46,618	49,041
<b>EQUITY TOTAL</b>		<b>410,530</b>	<b>444,810</b>
<b>Non-current liabilities:</b>			
Loans	23	622,850	664,094
Provisions		43,973	43,500
Financial Leases		151,297	154,304
Liabilities by deferred taxes	18	72,664	73,340
Other Creditors		65	68
Other non-current liabilities		40,649	66,530
<b>Total of non-current liabilities</b>		<b>931,498</b>	<b>1,001,836</b>
<b>Current liabilities:</b>			
Loans	23	650,079	649,913
Suppliers		120,476	121,371
Financial Leases		19,476	20,807
Other Creditors		33,141	33,096
Other current liabilities		230,629	243,777
		<b>1,053,801</b>	<b>1,068,964</b>
Liabilities for sale	17	4,228	24,362
<b>Total of current liabilities</b>		<b>1,058,029</b>	<b>1,093,326</b>
<b>TOTAL OF LIABILITY</b>	<b>7</b>	<b>1,989,527</b>	<b>2,095,162</b>
<b>TOTAL OF LIABILITY AND EQUITY</b>		<b>2,400,057</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 30 June 2017.



**CONSOLIDATED STATEMENT OF RESULTS**  
**DURING THE PERIODS ENDED ON 30 JUNE 2017 AND 2016**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>nd</sup> Quarter 17	2 <sup>nd</sup> Quarter 16	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
Operating income:							
Sales and services rendered	7 and 8	475,090	570,101	248,039	280,615	227,051	289,486
Other operating income	8	25,895	19,968	18,261	12,089	7,634	7,879
<b>Total of operating income</b>	<b>8</b>	<b>500,985</b>	<b>590,069</b>	<b>266,300</b>	<b>292,704</b>	<b>234,685</b>	<b>297,365</b>
Operating costs:							
Cost of sales		(128,665)	(176,779)	(68,708)	(89,112)	(59,957)	(87,667)
Production changes		5,782	954	3,178	287	2,604	667
External supplies and services		(146,477)	(173,168)	(81,126)	(86,040)	(65,351)	(87,128)
Expenses with staff		(120,556)	(125,390)	(60,492)	(60,988)	(60,064)	(64,402)
Amortizations and depreciations	7	(28,930)	(38,160)	(14,313)	(18,390)	(14,617)	(19,770)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	221	6,645	106	5,000	115	1,645
Other operating costs		(23,223)	(19,262)	(13,830)	(8,925)	(9,393)	(10,337)
<b>Total of operating costs</b>		<b>(441,848)</b>	<b>(525,160)</b>	<b>(235,185)</b>	<b>(258,168)</b>	<b>(206,663)</b>	<b>(266,992)</b>
<b>Operational Income</b>	<b>7</b>	<b>59,137</b>	<b>64,909</b>	<b>31,115</b>	<b>34,536</b>	<b>28,022</b>	<b>30,373</b>
Costs and financial losses	7 and 9	(164,280)	(236,964)	(98,950)	(109,873)	(65,330)	(127,091)
Income and financial earnings	7 and 9	119,042	169,934	81,706	89,518	37,336	80,416
Income related to investment activities:							
Income related to affiliates and joint-ventures	7 and 9	1,752	9,534	1,076	4,425	676	5,109
Other	7 and 9	219	(14,829)	308	(9,993)	(89)	(4,836)
<b>Financial Results</b>		<b>(43,267)</b>	<b>(72,325)</b>	<b>(15,860)</b>	<b>(25,923)</b>	<b>(27,407)</b>	<b>(46,402)</b>
<b>Results before taxes</b>	<b>7</b>	<b>15,870</b>	<b>(7,416)</b>	<b>15,255</b>	<b>8,613</b>	<b>615</b>	<b>(16,029)</b>
Income tax	10	(21,883)	(13,797)	(14,464)	(18,381)	(7,419)	4,584
<b>Consolidated net result for the period</b>		<b>(6,013)</b>	<b>(21,213)</b>	<b>791</b>	<b>(9,768)</b>	<b>(6,804)</b>	<b>(11,445)</b>
<b>Net results attributable to:</b>							
<b>Equity holders</b>	<b>11</b>	<b>(9,091)</b>	<b>(35,777)</b>	<b>(429)</b>	<b>(13,316)</b>	<b>(8,662)</b>	<b>(22,461)</b>
Non-controlling interests		3,078	14,564	1,220	3,548	1,858	11,016
<b>Income by share:</b>							
Basic (euros)	11	(0.02)	(0.09)	(0.00)	(0.03)	(0.02)	(0.05)
Diluted (euros)	11	(0.02)	(0.09)	(0.00)	(0.03)	(0.02)	(0.05)

**CONSOLIDATED STATEMENT OF RESULTS**  
**AND OTHER INTEGRATED INCOME**  
**DURING THE PERIODS ENDED ON 30 JUNE 2017 AND 2016**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>nd</sup> Quarter 17	2 <sup>nd</sup> Quarter 16	1 <sup>st</sup> Quarter 17	1 <sup>st</sup> Quarter 16
<b>Consolidated net result for the period</b>		<b>(6,013)</b>	<b>(21,213)</b>	<b>791</b>	<b>(9,768)</b>	<b>(6,804)</b>	<b>(11,445)</b>
<b>Income and expenses that will not be reclassified for results</b>							
Sale of Non-controlling interests		(7,207)	-	-	-	(7,207)	-
Other equity variations		1,989	(2,534)	4,606	472	(2,617)	(3,006)
		<b>(5,218)</b>	<b>(2,534)</b>	<b>4,606</b>	<b>472</b>	<b>(9,824)</b>	<b>(3,006)</b>
<b>Income and expenses that can be reclassified for results</b>							
Effect of currency adjustments		(22,913)	(89,688)	(19,616)	(6,140)	(3,297)	(83,548)
Adjustments of shareholdings in associates and joint-ventures	15	(640)	(8,297)	(270)	61	(370)	(8,358)
Financial instruments due to coverage		1,344	(2,027)	724	(460)	620	(1,567)
		<b>(22,209)</b>	<b>(100,012)</b>	<b>(19,162)</b>	<b>(6,539)</b>	<b>(3,047)</b>	<b>(93,473)</b>
<b>Result known directly in equity</b>		<b>(27,427)</b>	<b>(102,546)</b>	<b>(14,556)</b>	<b>(6,067)</b>	<b>(12,871)</b>	<b>(96,479)</b>
<b>Comprehensive income for the financial year</b>		<b>(33,440)</b>	<b>(123,759)</b>	<b>(13,765)</b>	<b>(15,835)</b>	<b>(19,675)</b>	<b>(107,924)</b>
<b>Comprehensive income attributable to:</b>							
Equity holders		<b>(31,017)</b>	<b>(122,508)</b>	<b>(15,140)</b>	<b>(15,650)</b>	<b>(15,877)</b>	<b>(106,858)</b>
Non-controlling interests		(2,423)	(1,251)	1,375	(185)	(3,798)	(1,066)

The notes are an integral part of the consolidated statement of the other comprehensive income for the period ended on 30 June 2017



**CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY**  
**DURING THE PERIODS ENDED ON 30 JUNE 2017 AND 2016**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

(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	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 semester		-	-	-	-	-	-	-	(35,777)	(85,777)	14,564	(21,213)
Variation in effect of currency conversion adjustments		-	-	(76,416)	-	-	-	-	-	(76,416)	(13,272)	(89,688)
Effect of hedge operations		-	-	-	-	-	(2,027)	-	-	(2,027)	-	(2,027)
Effect of the application of equity method:	15	-	(8,297)	-	-	-	-	-	-	(8,297)	-	(8,297)
Other		-	-	-	-	-	-	9	-	9	(2,543)	(2,534)
<b>Transactions with shareholders in the period:</b>												
Appropriation of the consolidated net income for 2015:		-	-	-	5,000	18,298	-	8,675	(31,973)	-	-	-
Transfer to legal reserves, free and retained earnings		-	-	-	-	-	-	-	(1,680)	(1,680)	-	(1,680)
Dividends distributed		-	-	-	-	-	-	-	-	-	-	-
<b>Balance on June 30<sup>th</sup>, 2016</b>		<b>210,000</b>	<b>29</b>	<b>(28,290)</b>	<b>36,500</b>	<b>194,461</b>	<b>(13,725)</b>	<b>(19,459)</b>	<b>(35,777)</b>	<b>343,739</b>	<b>49,039</b>	<b>392,778</b>
<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 semester		-	-	-	-	-	-	-	(9,091)	(9,091)	3,078	(6,013)
Variation in effect of currency conversion adjustments		-	-	(23,310)	-	-	-	-	-	(23,310)	397	(22,913)
Effect of hedge operations		-	-	-	-	-	1,344	-	-	1,344	-	1,344
Effect of the application of equity method:	15	-	(640)	-	-	-	-	-	-	(640)	-	(640)
Sale of Non-controlling interests		-	-	-	-	-	-	-	-	-	(7,207)	(7,207)
Other		-	-	-	-	-	-	-	680	680	1,309	1,989
<b>Transactions with shareholders in the period:</b>												
Appropriation of the consolidated net income for 2016:		-	-	-	5,500	752	-	17,055	(23,307)	-	-	-
Transfer to legal reserves, free and retained earnings		-	-	-	-	-	-	-	(840)	(840)	-	(840)
Dividends distributed		-	-	-	-	-	-	-	-	-	-	-
<b>Balance on June 30<sup>th</sup>, 2017</b>		<b>210,000</b>	<b>209</b>	<b>(58,136)</b>	<b>42,000</b>	<b>195,213</b>	<b>(10,641)</b>	<b>(2,322)</b>	<b>(12,411)</b>	<b>363,912</b>	<b>46,618</b>	<b>410,530</b>

The notes are an integral part of the consolidated statement of change in equity for the year ended on 30 June 2017

**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**DURING THE PERIODS ENDED ON 30 JUNE 2017 AND 2016**  
**(Non Audited)**  
**(Values expressed in thousands of Euro)**

	Notes	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
<b>OPERATIONAL ACTIVITIES:</b>					
Receipts from customers		503,385	501,721	239,667	250,708
Payment to suppliers		(280,640)	(313,455)	(144,598)	(155,073)
Payment to staff		(114,044)	(122,102)	(58,341)	(60,200)
<b>Cash flow generated by operations</b>		<b>108,701</b>	<b>66,164</b>	<b>36,728</b>	<b>35,435</b>
Payment/receipt of income tax		(10,961)	(16,172)	(306)	(13,428)
Other receipts/payments related to the operational activity		(12,962)	26,401	(16,213)	15,732
<b>Cash flows of operational activities (1)</b>		<b>84,778</b>	<b>76,393</b>	<b>20,209</b>	<b>37,739</b>
<b>INVESTMENT ACTIVITIES:</b>					
<b>Receipts related to:</b>					
Financial investments	20	13,825	9,136	-	6,645
Tangible fixed assets and investment properties		3,550	11,101	2,525	8,818
Intangible assets		-	7	-	7
Interests and similar gains		6,425	6,829	3,229	3,039
Dividends	20	698	1,652	-	82
		<b>24,498</b>	<b>28,725</b>	<b>5,754</b>	<b>18,591</b>
<b>Payments related to:</b>					
Financial investments	20	(5)	(12)	(5)	(12)
Tangible fixed assets and investment properties		(14,185)	(27,600)	(6,731)	(19,814)
Intangible assets		(35,870)	(1,791)	1,925	(1,704)
		<b>(50,060)</b>	<b>(29,403)</b>	<b>(4,811)</b>	<b>(21,530)</b>
<b>Cash flows from investment activities (2)</b>		<b>(25,562)</b>	<b>(678)</b>	<b>943</b>	<b>(2,939)</b>
<b>FINANCING ACTIVITIES:</b>					
<b>Revenue derived from:</b>					
Obtained loans		<b>1,055,407</b>	<b>931,373</b>	<b>577,963</b>	<b>628,406</b>
<b>Payments related to:</b>					
Obtained loans		(1,096,485)	(968,160)	(603,908)	(630,009)
Interests and similar costs		(34,993)	(38,536)	(15,565)	(20,617)
Dividends	12	(840)	(1,680)	(840)	(1,680)
		<b>(1,132,318)</b>	<b>(1,008,376)</b>	<b>(620,313)</b>	<b>(652,306)</b>
<b>Cash flows from financing activities (3)</b>		<b>(76,911)</b>	<b>(77,003)</b>	<b>(42,350)</b>	<b>(23,900)</b>
<b>Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)</b>		<b>(17,695)</b>	<b>(1,288)</b>	<b>(21,198)</b>	<b>10,900</b>
<b>Exchange rate differences Effect</b>		<b>(3,894)</b>	<b>(40,484)</b>	<b>(4,278)</b>	<b>(12,138)</b>
<b>Transfers to assets for sale (Note 17)</b>		<b>(111)</b>	<b>-</b>	<b>(111)</b>	<b>-</b>
<b>Cash and cash-equivalent items at the beginning of the period</b>	20	<b>180,908</b>	<b>252,693</b>	<b>184,795</b>	<b>212,159</b>
<b>Cash and cash-equivalent items at the end of the period</b>	20	<b>159,208</b>	<b>210,921</b>	<b>159,208</b>	<b>210,921</b>

**ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**ON JUNE 30<sup>TH</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 30 June, 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 30 June 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 Guaira, 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 2, 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.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 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.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%

#### **HOSPITALITY**

ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%
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<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
ANGOIMO - Empreendimentos e Construções, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%
HOTEL TRÓPICO, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	80,00%
HOTEL BAÍA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%

### **DISTRIBUIÇÃO**

CND – Companhia Nacional de Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 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.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	80,00%

### **AUTOMOTIVE**

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.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%
AUTO 8, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%
COMÉRCIO DE AUTOMÓVEIS, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%
TDA - Comércio e Indústria, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%
VAUCO - Automóveis e Equipamentos, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	51,00%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<b>OTHER</b>		
INVESTIPART – Participações e Investimentos, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 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, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	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%
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%

<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 12 Itaim Bibi - São Paulo	92,65%
TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 05 Itaim Bibi - São Paulo	92,65%
TDSP – Verum Mooca Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 06 Itaim Bibi - São Paulo	100,00%
TDSP – Gilberto Sabino Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 07 Itaim Bibi - São Paulo	100,00%
TDSP – Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 08 Itaim Bibi - São Paulo	92,65%
TDSP – Gualaxos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 09 Itaim Bibi - São Paulo	100,00%
TDSP – Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	92,65%
TDSP – Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 18 Itaim Bibi - São Paulo	92,50%
TDSP – Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	92,50%
TDSP – Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	100,00%
TDSP – Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 04 Itaim Bibi - São Paulo	95,00%
TDSP – Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 13 Itaim Bibi - São Paulo	95,00%
TDSP – Nilo Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º andar Conjunto 1401, sala 14 Itaim Bibi - São Paulo	100,00%
TDSP – Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 15 Itaim Bibi - São Paulo	92,65%
TDSP – 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 16 Itaim Bibi - São Paulo	100,00%
TDSP – 17 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 17 Itaim Bibi - São Paulo	100,00%

## **DISTRIBUIÇÃO**

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

### **CONSTRUCTION**

TEIXEIRA DUARTE – Engenharia e Construções (Colômbia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201 Centro empresarial Manhattan, Bogotá	100,00%
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<b>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<b><u>CYPRUS</u></b>		
<b>OTHER</b>		
LEVENEL, Limited	Irakli, 2, Egkomi, 2413 Nicosia	100,00%
<b><u>SPAIN</u></b>		
<b>CONSTRUCTION</b>		
UTE DE VIANA	Av. Alberto Alcocer, 24 - 7º Madrid	100,00%
<b>CONCESSIONS AND SERVICES</b>		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Av. Alberto Alcocer, 24 - 7º Madrid	100,00%
<b><u>UNITED 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>Social Denomination</b>	<b>Head Office</b>	<b>Percentage of effective participation</b>
<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>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%

Social Denomination	Head Office	Percentage of effective participation
<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 30 June 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 first quarter of 2017.

It is important to mention the following constitutions during the period ending June 30, 2017:

### Material

- 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 30 June 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 30 June 2017 and 2016:

Currency	Exchange rate close			Average exchange		
	30/06/2017	31/12/2016	Var	30/06/2017	30/06/2016	Var
American dollars	1.1412	1.0541	8.3%	1.0878	1.1106	(2.1%)
Macanese pataca	9.1740	8.4204	8.9%	8.7097	8.8823	(1.9%)
Mozambican metical	68.9500	74.5400	(7.5%)	71.8129	58.1371	23.5%
Venezuelan bolivar	3,012.7680	710.2122	324.2%	1,080.9199	384.2674	181.3%
Angola Kwanza	184.4900	184.4750	0.0%	184.8703	175.1734	5.5%
Algerian dinar	122.8644	116.3682	5.6%	118.8728	120.7650	(1.6%)
Dirham from Emirates	4.1917	3.8716	8.3%	3.9953	-	-
Moroccan Dirham	11.0144	10.6755	3.2%	10.8068	10.8620	(0.5%)
Brazilian real	3.7600	3.4305	9.6%	3.4750	4.1066	(15.4%)
Cape Verde Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian ruble	67.5449	64.3000	5.0%	63.4507	77.2497	(17.9%)
Tunisian Dinar	2.7788	2.4265	14.5%	2.5505	2.2936	11.2%
South Africa Rand	14.9200	14.4570	3.2%	14.4400	16.9825	(15.0%)
Peruvian Novo Sol	3.7098	3.5350	4.9%	3.5635	-	-
Colombian Peso	3,484.6500	3,164.4100	10.1%	3,216.2314	3,431.6986	(6.3%)

## 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 30 June 2017 and 2016, were as follows:

Segment	Sales and services rendered						Operational Income	
	1 <sup>st</sup> Sem. 17			1 <sup>st</sup> Sem. 16			1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction	234,121	12,645	246,766	246,281	15,022	261,303	11,030	2,225
Concessions and services (*)	52,176	11,003	63,179	54,356	11,312	65,668	3,843	7,338
Real estate (*)	40,067	4,592	44,659	54,790	6,169	60,959	28,141	18,973
Hospitality	23,792	6,959	30,751	25,949	7,879	33,828	3,273	566
Distribution	90,783	1,141	91,924	133,957	1,192	135,149	4,396	22,061
Energy	-	-	-	9,363	-	9,363	-	893
Automotive	34,151	2,860	37,011	45,405	2,156	47,561	11,886	15,987
Not included in the segments	-	-	-	-	-	-	(3,432)	(3,006)
Removals	-	(39,200)	(39,200)	-	(43,730)	(43,730)	-	(128)
	<b>475,090</b>	<b>-</b>	<b>475,090</b>	<b>570,101</b>	<b>-</b>	<b>570,101</b>	<b>59,137</b>	<b>64,909</b>
Costs and financial losses (Note 9)							(164,280)	(236,964)
Income and financial earnings (Note 9)							119,042	169,934
Income related to investment activities (Note 9)							1,971	(5,295)
<b>Results before taxes</b>							<b>15,870</b>	<b>(7,416)</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> Sem. 17	1 <sup>st</sup> Sem. 16	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16
Construction	3,632	22,905	16,324	19,395	(34)	(4,788)
Concessions and services (*)	36,427	720	2,032	2,490	5	(32)
Real estate (*)	2,408	8,933	3,066	4,096	(281)	-
Hospitality	1,206	546	2,405	3,355	-	-
Distribution	2,732	2,752	4,225	5,750	-	-
Energy	-	179	-	1,515	-	(220)
Automobile	248	1,196	843	1,536	89	-
Not included in the segments	-	-	35	23	-	(1,605)
	<b>46,653</b>	<b>37,231</b>	<b>28,930</b>	<b>38,160</b>	<b>(221)</b>	<b>(6,645)</b>

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



Expenditure of fixed capital of Concessions and Services essentially consists of the concession for the “Port Management of the Specialized Container Terminal at Porto De La Guaira”, for a 20 year period, for the commercialization, conservation, operation, administration, construction and operation of the aforementioned terminal, amounting to 35,670 thousand euros.

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 30 June 2017 and 31 December 2016, are as follows:

Segment	30/06/2017				Assets				31/12/2016		Liabilities	
	Investments in associates and joint-ventures (Note 15)	Financial assets available for sale (Note 16)	Other Assets	Total	Investments in associates and joint-ventures (Note 15)	Financial assets available for sale (Note 16)	Other Assets	Total	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Construction	1,425	-	2,073,432	<b>2,074,857</b>	1,269	-	2,216,175	<b>2,217,444</b>	1,084,428	1,140,467		
Concessions and services (*)	2,837	-	189,695	<b>192,532</b>	2,656	-	160,479	<b>163,135</b>	87,466	83,016		
Real estate (*)	633	1,274	1,645,201	<b>1,647,108</b>	684	5,787	1,727,660	<b>1,734,131</b>	901,490	922,579		
Hospitality	-	-	373,511	<b>373,511</b>	-	-	362,654	<b>362,654</b>	193,325	190,852		
Distribution	-	-	227,177	<b>227,177</b>	-	-	226,598	<b>226,598</b>	158,118	147,919		
Energy	-	-	-	<b>-</b>	-	-	38,777	<b>38,777</b>	-	24,362		
Automotive	24	-	144,018	<b>144,042</b>	24	-	148,213	<b>148,237</b>	51,331	58,596		
Not included in the segments	15,281	557	486,097	<b>501,935</b>	12,871	2,531	948,363	<b>963,765</b>	784,412	717,024		
Removals	-	-	(2,761,105)	<b>(2,761,105)</b>	-	-	(3,314,769)	<b>(3,314,769)</b>	(1,271,043)	(1,189,653)		
	<b>20,200</b>	<b>1,831</b>	<b>2,378,026</b>	<b>2,400,057</b>	<b>17,504</b>	<b>8,318</b>	<b>2,514,150</b>	<b>2,539,972</b>	<b>1,989,527</b>	<b>2,095,162</b>		

(\*) - 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 30 June 2017 and 30 and on 31 June 2017 and 31 December 2016, respectively:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	30/06/2017	31/12/2016
Portugal	81,730	95,715	590,949	553,458
Angola	192,747	243,401	434,175	438,796
Algeria	45,307	55,986	28,257	32,995
Brazil	94,328	67,334	24,990	30,297
Spain	14,811	15,933	16,852	17,855
Mozambique	37,549	71,446	21,950	21,702
Venezuela	1,720	9,545	86	362
Other	6,898	10,741	1,683	638
	<b>475,090</b>	<b>570,101</b>	<b>1,118,942</b>	<b>1,096,103</b>

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

## 8 - OPERATING INCOME

Operating profits were as follows for the periods ending 30 June 2017 and 2016:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
<b>Sales and services rendered:</b>				
Sales	274,592	400,420	140,322	188,724
Services rendered	200,498	169,681	107,717	91,891
	<b>475,090</b>	<b>570,101</b>	<b>248,039</b>	<b>280,615</b>
<b>Other operating income:</b>				
Variation in the fair value of income of investment properties a)	12,758	427	12,155	395
Supplementary income	3,378	4,465	1,405	1,674
Sales of assets (b)	2,881	5,843	1,904	4,973
Works for the company c)	593	7,340	529	3,919
Reversal of impairment losses in accounts receivable	568	463	281	290
Reversal of impairment losses in inventories	178	332	(15)	53
Gains in inventories	24	18	21	11
Exchange rate differences	-	-	(99)	-
Other operating income d)	5,515	1,080	2,080	774
	<b>25,895</b>	<b>19,968</b>	<b>18,261</b>	<b>12,089</b>
	<b>500,985</b>	<b>590,069</b>	<b>266,300</b>	<b>292,704</b>

- a) The appreciation in the fair value of investment properties essentially results from the reclassification of building 1 at “Lagoas Park” from a “Tangible Fixed Asset” (valued at amortized cost) to an “Investment Property” (valued at fair market value).
- b) During the period ending 30 June 2017, the stated gains were obtained with the divestment of tangible fixed assets worth 2,269 thousand euros (5,843 thousand euros in the period ending 30 June, 2016). In the first quarter 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”.
- c) Work for the company itself essentially corresponds to costs associated with real estate construction.
- d) “Other operational profits” are influenced by a negative adjustment of 3,026 thousand euros in the real estate acquisition value, resulting from a reduction in the planned construction area.

## 9 - FINANCIAL RESULTS

Financial results were as follows for the periods ending 30 June 2017 and 2016:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
<b>Costs and financial losses</b>				
Supported interests	(36,443)	(40,394)	(17,635)	(21,503)
Unfavourable exchange rate differences	(114,795)	(184,634)	(75,585)	(82,353)
Other costs and financial losses	(13,042)	(11,936)	(5,730)	(6,017)
	<b>(164,280)</b>	<b>(236,964)</b>	<b>(98,950)</b>	<b>(109,873)</b>
<b>Income and financial earnings:</b>				
Obtained interests	6,245	6,995	3,153	3,811
Favourable exchange rate differences	111,706	160,911	78,014	84,675
Cash discounts obtained	5	37	4	4
Other income and financial earnings	1,086	1,991	535	1,028
	<b>119,042</b>	<b>169,934</b>	<b>81,706</b>	<b>89,518</b>
<b>Income related to investment activities:</b>				
Income related to affiliates and joint-ventures (a)	1,752	9,534	1,076	4,425
Dividends (b)	698	1,652	-	82
Other investments (c)	3	2,622	-	815
Income / losses in the measurement of assets available for sale (d)	(482)	(19,103)	308	(10,890)
	<b>1,971</b>	<b>(5,295)</b>	<b>1,384</b>	<b>(5,568)</b>
<b>Financial Results</b>	<b>(43,267)</b>	<b>(72,325)</b>	<b>(15,860)</b>	<b>(25,923)</b>

(a) The earnings from associates and joint-ventures for the year ended on 30 June 2017 and 2016 include the effect of the application of the equity method to these investments (Note 15).

(b) At 30 June 2017 and 2016, the values shown correspond to dividends received from "Other Investments".

(c) At 30 June 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 30 June of 2017 and 2016, the Group recorded impairment losses of 6,487 thousand euros and 19,103, respectively, due to its stake in the "Banco Comercial Português, S.A."

During the period ending 30 June 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 30 June 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 30 June 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 30 June 2017 and 2016 are as follows:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
<b>Current Tax:</b>				
Income tax in Portugal	(14,798)	(4,137)	(13,348)	(920)
Income tax in other jurisdictions	(14,851)	(20,653)	(5,022)	(4,966)
<b>Current Tax</b>	<b>(29,650)</b>	<b>(24,790)</b>	<b>(18,371)</b>	<b>(5,886)</b>
<b>Deferred tax (Note 18)</b>	<b>7,767</b>	<b>10,993</b>	<b>3,907</b>	<b>(12,495)</b>
	<b>(21,883)</b>	<b>(13,797)</b>	<b>(14,464)</b>	<b>(18,381)</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 387 thousand were recorded directly in equity as at 30 June 2017 (EUR 640 thousand as at 30 June 2016) (Note 18).

## 11 - EARNINGS PER SHARE

Earnings per share for the years ended 30 June 2017 and 2016 were determined based on the following amounts:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
Result to estimate the net result by basic share (net result of period)	(9,091)	(35,777)	(429)	(13,316)
Weighted average number of shares to estimate the net result by basic share (millions)	420,000	420,000	420,000	420,000
<b>Net result by basic share</b>	<b>(0.02)</b>	<b>(0.09)</b>	<b>(0.00)</b>	<b>(0.03)</b>

Since for the financial years ended on 30 June 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

During a General Meeting of Shareholders held on 27 May 2017, it was decided to distribute dividends amounting to 840 thousand euros, corresponding to 0.002 euros per share, taking into consideration the separate financial statements of the Company at 31 December 2016. The dividends were settled in June 2017.

Dividends of 1,680 thousand euros were settled during the six month period ending on 30 June 2016, referring to the 2015 financial year.

### 13 - TANGIBLE FIXED ASSETS

During the years ended on 30 June 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	(76,351)	6,142	1,825	(1,371)	(4,456)	(991)	(8,391)	(92)	(83,584)
Additions	-	3,737	16,443	3,115	1,638	356	174	7,198	18	32,679
Transfers and reductions	224	(3,552)	(2,827)	(502)	(4,640)	(1,041)	-	(7,329)	(94)	(19,761)
Sales	-	(1,963)	(8,525)	(1,666)	(39)	(85)	(11)	-	-	(12,289)
Balance on June 30 <sup>th</sup> , 2016	24,773	487,567	427,516	87,838	40,952	37,341	10,896	33,110	-	1,149,993
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	(183)	2,813	(4,623)	(990)	(604)	63	2	34	-	(3,488)
Additions	-	138	3,188	1,354	940	321	94	4,748	-	10,783
Transfers and reductions	-	(6,178)	(23)	(48)	(44)	(524)	46	(490)	-	(7,261)
Sales	-	(23)	(4,010)	(1,015)	(306)	(70)	(1)	-	-	(5,425)
Transfers to assets for sale (Note 17)	-	(76)	(7,522)	(2,247)	(224)	(231)	(292)	-	-	(10,592)
Balance on June 30 <sup>th</sup> , 2017	31,145	479,991	375,760	82,654	41,418	35,785	10,643	19,353	-	1,076,749
<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	-	(18,180)	11,655	2,865	(921)	(3,163)	(522)	-	-	(8,266)
Reinforcements	-	9,490	16,455	5,190	1,528	1,241	1,531	-	-	35,435
Transfers and reductions	-	(1,226)	(5,280)	(244)	(4,800)	(1,034)	(12)	-	-	(12,596)
Sales	-	(734)	(6,741)	(1,412)	(36)	(60)	(10)	-	-	(8,993)
Balance on June 30 <sup>th</sup> , 2016	164	144,713	322,623	70,345	31,175	31,050	7,472	-	-	607,542
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	-	1,537	(2,885)	(1,086)	(40)	65	1	-	-	(2,408)
Reinforcements	-	7,767	13,688	3,212	1,590	946	520	-	-	27,723
Transfers and reductions	-	72	(507)	(40)	(68)	(413)	-	-	-	(956)
Sales	-	(11)	(3,226)	(933)	(286)	(65)	(1)	-	-	(4,522)
Transfers to assets for sale (Note 17)	-	(66)	(7,255)	(1,157)	(221)	(222)	(288)	-	-	(9,209)
Balance on June 30 <sup>th</sup> , 2017	164	161,304	305,192	70,005	33,197	31,190	6,521	-	-	607,573
<b>Net value:</b>										
On June 30 <sup>th</sup> , 2016	24,609	342,854	104,893	17,493	9,777	6,291	3,424	33,110	-	542,451
On June 30 <sup>th</sup> , 2017	30,981	318,687	70,568	12,649	8,221	4,595	4,122	19,353	-	469,176

The additions to tangible fixed assets during the year ended on 30 June 2017 refer mainly to investments in facilities and equipment.

As at 30 June 2017, the tangible assets in progress include EUR 17,845 thousand relative to buildings and other constructions in progress, in particular the following:

- For the Distribution sector, the expansion of the network of shops in Angola;
- For the Distribution and Automotive sectors, logistics facilities in Angola.

#### 14 - INVESTMENT PROPERTIES

During the years ended on 30 June 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	231	(19,985)
Increases / (sales)	(319)	(9,181)
Variation in fair value	9,916	335
Transfers of tangible fixed assets	7,006	(367)
<b>Balance on June 30<sup>th</sup></b>	<b>563,901</b>	<b>482,485</b>

The income gained from investment property arising from operating leasing contracts reached EUR 15,620 thousand for the financial year ended on 30 June 2017 (EUR 16,293 thousand as at 30 June 2016). For the financial year ended on 30 June 2017, direct operating costs related to investment properties reached EUR 1.931 thousand (EUR 1.550 thousand as at 30 June 2016).

## 15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 30 June 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 1, 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 30 June 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)	9,534	-	9,534
- Effect in equity	(8,297)	-	(8,297)
Increases	12	-	12
Effect of currency adjustments	(5,026)	-	(5,026)
Other	(631)	-	(631)
<b>Balance on June 30<sup>th</sup>, 2016</b>	<b>12,466</b>	<b>-</b>	<b>12,466</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)	1,752	-	1,752
- Effect in equity	(640)	-	(640)
Effect of currency adjustments	915	-	915
Other	669	-	669
<b>Balance on June 30<sup>th</sup>, 2017</b>	<b>20,200</b>	<b>-</b>	<b>20,200</b>

Investments in associated companies and joint-ventures as at 30 June 2017 and 31 December 2016 are broken down as follows:

Affiliates and joint-ventures	30-06-2017			31-12-2016		
	Capital shares	Goodwill	Value of financial position	Capital shares	Goodwill	Value of financial position
IMOC - Empreendimentos Imobiliários, S.A.R.L.	15.281	-	15.281	12.871	-	12.871
TDGISERV Services, LLC (a)	2.272	-	2.272	2.062	-	2.062
Alvorada Petróleo, S.A.	610	-	610	669	-	669
RPK Gulfstream Ltd.	565	-	565	594	-	594
AK-10 Empreendimentos e Participações SPE LTDA.	23	-	23	15	-	15
Other	1.449	-	1.449	1.293	-	1.293
	<b>20.200</b>	<b>-</b>	<b>20.200</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 30 June 2017 and 2016, had the following impacts:

1 <sup>st</sup> Sem. 17			
Associates	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(8)	(96)	(104)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2.211	(844)	1.367
AK-10 Empreendimentos e Participações SPE LTDA.	10	-	10
TDGISERV Services, LLC (a)	(649)	300	(349)
Other	188	-	188
	<b>1.752</b>	<b>(640)</b>	<b>1.112</b>

1 <sup>st</sup> Sem. 16			
Associates	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	18	60	78
IMOC - Empreendimentos Imobiliários, S.A.R.L.	8.814	(8.357)	457
AK-10 Empreendimentos e Participações SPE LTDA.	(5)	-	(5)
Other	707	-	707
	<b>9.534</b>	<b>(8.297)</b>	<b>1.237</b>

## 16 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the years ended on 30 June 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	(6,487)	(19,102)
<b>Fair Value on June 30<sup>th</sup></b>	<b>1,831</b>	<b>11,325</b>

On 30 June 2017 and 31 December 2016, the Group held 7,766,394 shares in the Banco Comercial Português, SA, corresponding to 0.49% on 30 June 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 30 June 2017 and 31 December 2016, are as follows:

	30/06/2017		31/12/2016	
	Cost V.	Market V.	Cost V.	Market V.
Banco Comercial Português, S.A.	686,652	1,831	686,652	8,318
	<b>686,652</b>	<b>1,831</b>	<b>686,652</b>	<b>8,318</b>

## 17 - FINANCIAL ASSETS FOR SALE

On 30 June 2017, the Group classified the companies “RECOLTE, Serviços e Meio Ambiente, S.A.” and “RECOLTE, Serviços e Meio Ambiente (Porto), S.A.” as “Assets and liabilities held for sale”. These companies operate in the Concessions and Services sector - Environment area - in Portugal, with the following details:

<b>Assets for sale</b>	
Tangible Fixed Assets (Note 13)	1,383
Assets for deferred tax (Note 18)	57
Clients	2,810
Other debtors	141
Cash and cash equivalents	111
Other Assets	939
<b>Total assets for sale</b>	<b>5,441</b>
<b>Liabilities for sale:</b>	
Loans	5
Provisions	243
Financial Leases	895
Suppliers	1,531
Other Creditors	85
Other liabilities	1,469
<b>Total liabilities for sale</b>	<b>4,228</b>
<b>Total Net</b>	<b>1,213</b>
<b>Estimated sale value</b>	<b>1,400</b>

During the period ending 30 June 2017, the Group sold the Energy sector, which was classified as "Assets and liabilities held for sale" on 31 December 2016.

<b>Energy</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 (Nota 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 June 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)	7,066	13,657	(701)	2,664
Equity	(390)	640	(3)	-
<b>Exchange conversion effect and adjustments</b>	<b>(5,389)</b>	<b>(3,351)</b>	<b>28</b>	<b>(4,245)</b>
<b>Transfer to assets for sale (Note 17)</b>	<b>(57)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance on June 30<sup>th</sup></b>	<b>199,417</b>	<b>205,859</b>	<b>72,664</b>	<b>57,438</b>

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

## 19 - RELATED PARTIES

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

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

The main balances with related parties as at 30 June 2017 and 31 December 2016 can be broken down as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016	30/06/2017	31/12/2016
AEBT - Auto Estradas do Baixo Tejo, S.A.	9	7	192	-	2,145	5,373	-	-
ADOQUINVAR	47	-	-	-	-	-	-	-
AVIA PORTUGAL, S.A.	14	11	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	50	46	-	-	4	4	-	-
CONBATE, ACE	15	17	1	-	-	-	-	-
Consórcio Minero Luso Vargas - CONLUVAR	32	199	-	-	-	-	-	-
Consórcio OPSUT 2010	13	42	1	-	-	-	-	-
DOURO LITORAL, ACE	4	15	200	-	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	2	-	-	-	166	166
EIA - Ensino de Investigação e Administração, S.A.	9	-	-	-	-	-	-	-
GMP - Grupo Marítimo Português, ACE	-	53	-	-	-	-	-	-
GMP MEK – Grupo Marítimo Português Mers El Kibir, ACE	-	7	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	5,374	2,660	14	14	-	-	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	94	153	-	-	2,025	150	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	11	11	-	-	-	-	-	-
Moreira e Cunha, Lda.	5	7	1	-	-	-	-	-
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	1,023	1,023	81	-	7	7	-	-
Promociones Inmobiliarias 3003, C.A.	347	347	-	-	-	-	(34)	(36)
RPK Gulfstream, Ltd.	-	-	-	-	1,477	1,551	-	-
SOMAFEL/FERROVIAS, ACE	4	2	-	-	-	-	-	-
TDGISERV Services, LLC (a)	294	-	-	44	-	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	7	7	58	-	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	35	-	-	-	-	-
	7,352	4,607	585	58	6,398	7,825	132	130

The main transactions carried out with related parties during the periods ended on 30 June 2017 and 2016 were as follows:

	Sales and services rendered		Purchases and services obtained		Charged interests	
	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16
AEBT - Auto Estradas do Baixo Tejo, S.A.	12	13	-	-	-	-
ADOQUINVAR	109	-	-	-	-	-
CONBATE, ACE	43	43	-	1	-	-
Consórcio Minero Luso Vargas - CONLUVAR	4	286	-	-	-	-
Consórcio OPSUT 2010	-	-	-	-	-	-
DOURO LITORAL, ACE	35	28	26	52	-	-
GMP - Grupo Marítimo Português, ACE	-	12	-	-	-	-
GMP MEK – Grupo Marítimo Português Mers El Kibir, ACE	-	5	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,291	2,260	32	128	-	-
Limited Liability Company Cement	-	-	-	-	-	884
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	442	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	-	9	-	-	-	-
Moreira e Cunha, Lda.	18	21	-	-	-	-
NOVA ESTAÇÃO, ACE	-	-	-	28	-	-
SOMAFEL/FERROVIAS, ACE	2	21	-	28	-	-
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	-	-	-	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	-	5	13	-	-	-
TDGISERV Services, LLC (a)	294	-	-	-	-	-
	2,250	2,703	71	237	-	884

The remunerations of the members of TD,S.A. governing bodies for the periods ended on 30 June 2017 and 2016 were as follows:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
<b>Executive Directors:</b>				
Short-term benefits	392	393	203	207
<b>Supervisory Board:</b>				
Short-term benefits	33	33	16	16
<b>Chartered accountant:</b>				
Short-term benefits	30	30	15	15
	<b>455</b>	<b>456</b>	<b>234</b>	<b>238</b>

The remunerations of the members of TD,S.A. administration for the periods ended on 30 June 2017 and 2016 were as follows:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
<b>Senior management:</b>				
Short-term benefits	2,509	2,675	1,417	1,418
	<b>2,509</b>	<b>2,675</b>	<b>1,417</b>	<b>1,418</b>

## 20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### Cash and cash equivalents

This item had the following composition at 30 June 2017 and 31 December 2016:

	30/06/2017	31/12/2016
Bank deposits	107,721	118,710
Time deposits	37,170	40,566
Other treasury applications	11,544	19,012
Cash	2,773	2,620
	<b>159,208</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 30 June 2017 and 2016 refer to the disposal of equity interests in the following companies:

(a) - Divestment of subscription rights.

Payments from financial investments during the periods ending on 30 June 2017 and 2016, are related to the acquisition of equity holdings in the following entities:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
Other	5	12	5	12
	<b>5</b>	<b>12</b>	<b>5</b>	<b>12</b>

The following dividends were received during the periods ending 30 June 2017 and 2016:

	1 <sup>st</sup> Sem. 17	1 <sup>st</sup> Sem. 16	2 <sup>th</sup> Quarter 17	2 <sup>th</sup> Quarter 16
CPM - Companhia de Parques de Macau, S.A.R.L.	698	342	-	82
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	1,310	-	-
	<b>698</b>	<b>1,652</b>	<b>-</b>	<b>82</b>

## 21 - SHARE CAPITAL

As at 30 June 2016, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of EUR 0.5 each.

On 30 June 2017, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 203,340,000 shares representing the capital of Teixeira Duarte, S.A., 48.41% of which corresponds to the respective share capital (203,520,000 shares representing the capital of Teixeira Duarte, S.A., corresponding to 48.46% of the respective share capital on 30 June 2016).

## 22 - RESERVES AND RETAINED EARNINGS

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

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

**Free reserves:** Free reserves are available for distribution, under the terms and subject to the limits stated in the Code of Commercial Companies.

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



## 23 - LOANS

As at 30 June 2017 and 31 December 2016, the loans received were as follows:

	30/06/2017	31/12/2016
<b>Non-current liabilities:</b>		
Bank loans a)	188,146	202,194
Commercial role b)	419,404	446,600
Debentures loans c)	15,300	15,300
	<b>622,850</b>	<b>664,094</b>
<b>Current liabilities:</b>		
Bank loans a)	518,529	545,306
Commercial role b)	131,550	104,607
	<b>650,079</b>	<b>649,913</b>
	<b>1,272,929</b>	<b>1,314,007</b>

### a) Bank loans

As at 30 June 2017, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 3.96% (4.52% as at 30 June 2016).

As at 30 June 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 June 2017 of EUR 41,983 thousand, which will be repaid in 33 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 June 2017 of EUR 23,680 thousand, which will be repaid in 78 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 June 2017 of EUR 3,739 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 June 2017 of EUR 3,828 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 June 2017 of EUR 8,500 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 June 2017 of EUR 1,378 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 June 2017 of EUR 1,357 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 december 2019.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 30 August 2013 of the value on June 2017 of EUR 1,423 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 June 2017 of EUR 6,926 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 June 2017 of EUR 15,519 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 June 2017 of EUR 10,820 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 June 2017 of EUR 8,690 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 June 2017 of EUR 10,671 thousand, which will fall due on 13 December 2021.

Loan from Banco do Brasil S.A. taken out on 17 October 2014, amounting to 1,300 thousand euros at the end of June, 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 June 2017 of EUR 5,227 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 June, 2017, which will be amortised half yearly through amounts varying between 1,157 thousand euros and 3,279 euros, starting on 29 september 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 June 2017 of EUR 1,750 thousand, which will fall due on 30 January 2018.

A loan from Novo Banco, S.A., taken out on 20 May 2015, amounting to 7,250 thousand euros at the end of June 2017, to be amortized in 4 installments, the first on 3 July 2017 and the last 3 every six months as of 30 December 2017.

Loan raised from Banco Brandesco, contracted on 26 June 2015 of the value on June 2017 of EUR 10,991 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 June 2017 of EUR 11,915 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 June, 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 June 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 June 2017 of EUR 10,000m, the capital will be repaid in twelve 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 June 2017 for an overall amount of 8,705 thousand euros, with liability shared by the banks respectively as follows: 3,263 thousand euros, 2,325 thousand euros, and 3,117 thousand euros, and will be effective until 3 October 2017.

Loan raised from Banco Safra, contracted on 29 June 2016 of the value on June 2017 of EUR 1,064 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 June 2017 of EUR 2,978 thousand, which will fall due on 30 September 2017.

A loan raised from Banco BPI, S.A., taken out on 5 July 2016, amounting to 20,921 thousand euros on the at the end of June 2017, to be amortized in fifty nine monthly installments, starting on 5 July 2017.

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 June 2017 at 4,600 thousand euros. 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 June 2017 of 1.743 thousand euros, to be repaid in fourteen 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 June 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.

A loan raised from Banco BAI Europa, S.A, taken out on 22 September 2016, totaling 3,024 thousand dollars, used in full at the end of June 2017, corresponding to 2,650 thousand euros, to be amortized in nine quarterly installments with amounts varying between 150 thousand dollars and 350 thousand dollars, with the final payment being 1,224 thousand dollars.

A loan from Banco BAI Europa, S.A, taken out on 22 September 2016, amounting to 375 thousand euros at the end of June 2017, to be amortized in three equal and successive quarterly payments, starting on 30 September 2017.

A loan from Banco PAN, taken out on 30 November 2016, amounting to 2,009 thousand euros at the end of June 2017, which will be payable on 30 November 2018.

A loan from Banco Caixa Geral (Spain), taken out on 25 January 2017, amounting to 4,965 thousand euros on 30 June 2017, which will be payable on 30 December 2021.

A load from Banco Santander Spain, taken out on 17 April 2017, amounting to 150 thousand euros at 30 June 2017, which will be payable on 17 July 2017.

A loan from Banco Popular, taken out on 16 June 2017, amounting to 2,000 thousand euros on 30 June 2017, which will be payable on 20 July 2021.

A load from Banco Espanha Duero, taken out on 16 June 2017, amounting to 650 thousand euros on the 30 June 2017, which will be payable on 16 December 2018.

Factoring line with recourse with Novo Banco, S.A., amounting to 2,500 thousand euros, of which 635 thousand euros were used at the end of June 2017.

Line of factoring with recourse to Banco Popular, S.A., in the amount of 136 thousand euros at the closing date of June 2017.

Factoring line with recourse to Novo Banco, S.A., in the amount of 21 thousand euros at the closing date of June 2017.

Line of factoring with recourse to Caixa Económica Montepio Geral, in the amount of 757 thousand euros at the closing date of June 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 June 2017 of 966 thousand euros, which will be amortised in 36 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 June 2017 of 118 thousand euros, which will be amortised in 38 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 June 2017 of 441 thousand euros, which will be amortised in 37 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 June 2017 of 218 thousand euros, which will be amortised in 37 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 June 2017 of 33 thousand euros, which will be amortised on 1 June 2017.

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 1,844 thousand US dollars, at the end of June 2017, corresponding to 1,616 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 21,099 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 June 2017, the amounts of 1,807 thousand euros, 73 thousand euros and 4,378 thousand euros respectively were used.

As part of a overseas commercial discount line (Angola) granted by TEIXEIRA DUARTE - Distribuição, S.A, and TDO – Investimentos e Gestão, S.A., with Banco Privado Atlântico Europa, amounting to 4,000 thousand euros, 3,036 thousand euros of which is used by TEIXEIRA DUARTE - Distribuição, S.A. and 531 thousand euros by TDO – Investimentos e Gestão, S.A., at the end of June 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 4,200,000m, which is being used at the closing date of March 2017 for VEF 918,125m, which, at the closing exchange rate of June 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 June 50.000, which, at the exchange rate at the end of June 2017, correspond to 17 thousand euros.

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

As at 30 June 2017 and 31 December 2016, the bank loans also include the pledged accounts of the value of EUR 369,038 thousand and EUR 368,586 thousand, respectively.

## **b) Commercial role**

As at 30 June 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 June 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, 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 1.8%. 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 June 2017, renewable annually. The interest is earned in arrears, with the rate being indexed to the three-month Euribor plus a spread of 2.90% 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 June 2017. It will be subject to three amortizations of 20,000 thousand euros on 27 September 2017 and 14 May 2017, and 10,000 thousand euros on 14 May 2019. Interest is payable in advance on the date of each subscription, with the application rate indexed to the Euribor for the respective period, in force two business days prior to each subscription date, plus a spread of 3.75%.

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 June 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 2.90% and determined in accordance with the date of each auction, with the repayment of the last issue taking place on 29 September 2017.



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 June 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 Saturday, September 30, 2017, amounting to 13,500 thousand euros, and the remaining amortizations are scheduled every six months, starting on 30 December 2017, with amounts varying between 3,300 thousand euros and 4,500 thousand euros, with the exception of the final one, which will be 6,400 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 2.90%.

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 June 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 2.25%, 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, to be made half-yearly from 30 December 2017, amounting to 12,500 and 12,550 thousand euros, with the settlement of the remaining amount on the repayment date of the programme's final issue.

A grouped commercial paper issuance program by contracted on May 2, 2014 with Banco Finantia, S.A., for the amount of 10,000 thousand euros, authorized by Teixeira Duarte – Engenharia e Construções, S.A., by TEIXEIRA DUARTE, S.A. and by TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., 1,550 thousand euros of which is being used by TEIXEIRA DUARTE - Engenharia e Construções, S.A. at the end of June 2017; the share of each issuing party may vary in each issue. The programme lasts until 2 May 2020, 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.



A grouped commercial paper issuance programme contracted on June 27, 2014 with Banco Comercial Português, S.A., for an overall amount of 55,000 thousand euros, authorized by Teixeira Duarte – Engenharia e Construções, S.A., and by Teixeira Duarte – Gestão de Participações e Investimentos Imobiliários, S.A.; 11,000 thousand euros and 39,000 thousand euros respectively had been used at the end of June 2017. 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 2.90%. The programme will be subject to partial amortisations, the first of 10,000 thousand euros on 27 September 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 96,150 thousand euros at the end of June 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 8,850 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 programme has a duration of five years, 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 2.25%, determined based on the date on which each bid is made; the final issue will be repaid on 27 December 2020. The programme will be subject to partial amortisations, with the first, amounting to 3,900 thousand euros, occurring on 6 May 2017, and all others half-yearly with amounts varying between 2,850 thousand euros and 3,400 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 January 2018 and all others half-yearly with amounts varying between 2,400 thousand euros and 2,900 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 1.80% and determined in accordance with the date of each auction.

As a result of the commitment of successive renewal during the financial year of the programme contracts, some existing issues as at 30 June 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 30 June 2017 and 31 December 2016, the repayment of the non-current bank loans is defined as follows:

	30/06/2017	31/12/2016
2018	266,777	301,405
2019	108,378	112,117
2020	131,730	143,351
2021	70,609	64,145
2022 and the following	45,356	43,076
	<b>622,850</b>	<b>664,094</b>

As at 30 June 2017 and 31 December 2016, financing agreements in foreign currency were expressed in the following currencies:

Currency	30/06/2017		31/12/2016	
	Currency	Euros	Currency	Euros
Venezuelan bolivar	5,860,204	1,945	3,390,426	4,774
American dollars	9,867	8,646	9,815	9,311
Angola Kwanza	15,759,606	85,423	17,515,311	94,947
Colombian Peso	5,503	2	1,795	1
Brazilian real	131,625	35,007	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 2013, 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	42,088	29,331
2008	36,573	45,938
2009	46,203	24,807
2010	5,123	6,467
2011	12,779	3,213
2012	13,294	3,965
2013	26,221	5,280

The nature of corrections made is presented below:

### 1. Financial costs not accepted

With the exception of the situations listed in the following points, the corrections result from the fact that the financial charges incurred due to the investment made in owned companies, under the form of ancillary payments subject to the supplementary provisions regime, have been disregarded as a taxable expense.

Given that TEIXEIRA DUARTE– Gestão de Participações e Investimentos Imobiliários, S.A. pays corporation tax (IRC) according to the Special Taxation Regime for Groups of Companies (article 69 onwards of the Corporate Income Tax Code), the corrections to tax losses over the financial years from 2007 to 2011 were subject to Corporate Income Tax settlement statements and compensatory interest issued to the parent company during these financial years - TEIXEIRA DUARTE – Engenharia e Construções, S.A. Under the terms of the law, this company contested corrections made by AT to financial years 2007 to 2011.

Despite the outcome being unfavorable to the intentions of TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., and, consequently, to the parent company, within the scope of the process relating to the 2006 financial year (whose grounds for AT's corrections are the same), the Board of Directors still has expectations of obtaining a different outcome for the remaining financial years subject to such a correction.

The correction related to the 2012 financial year was subject to an additional settlement by the parent company from that financial year, TEIXEIRA DUARTE, S.A., which has contested it within the legal periods.

### 2. Elimination of economic double taxation - revenue distributed by the TDF Fund

The correction to the 2008 tax loss includes the amount of 611 thousand euros relating to, according to AT, the improper application of item 10 of article 22 of the Tax Benefits Statute (EBF) to the distribution of revenue by the Real Estate Investment Fund TDF.

TEIXEIRA DUARTE – Engenharia e Construções, S.A., in its capacity as parent company, contested this correction under the terms of the law.

**Guarantees:**

As at 30 June 2017 and 31 December 2016, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	30/06/2017	31/12/2016
Granted bank guarantees	335,261	360,847
Guarantee insurance	245,369	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 23,680 thousand euros at the end of June 2017.

To guarantee the contract entered into with Banco Caixa Geral Angola, amounting to 3,739 thousand euros at the end of June 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 3,828 thousand euros at the end of June 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 8,500 thousand euros at the end of June 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 10,671 thousand euros at the end of June 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 15,519 thousand euros at the end of June 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 5,227 thousand euros at the end of June 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 6,926 thousand euros at the end of June 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 June 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 June 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 1,357 thousand euros at the end of June 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.

To guarantee the 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., for an overall amount of 8,705 thousand euros at the end of June 2017, with the liability shared between the banks amounting to 3,263 thousand euros, 2,325 thousand euros and 3,117 thousand euros respectively, Teixeira Duarte – Engenharia e Construções, S.A., Teixeira Duarte – Engenharia e Construções, S.A. undertook to transfer 375,000 shares in lieu of payment, with a par value of 5 euros, representing 7.5% of the share capital of the limited company Lusoponte - Concessionária para a Travessia do Tejo S.A.

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 an amount of 39,315 thousand euros at the end of June 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 the company 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 96,150 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 IMOPEDROUÇOS - 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 June 2017 in EUR 4,600m, IMOPEDROUÇOS 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 June 2017, granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., by TEIXEIRA DUARTE, 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 June 2017, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. and C+P.A. – Cimentos e Produtos Associados, S.A. gave 1,600,000 and 1,936,395 shares in Banco Comercial Português, S.A. as pledges, respectively.

To guarantee a commercial paper contract entered into with Haitong Bank, S.A. and Novo Banco, S.A., amounting to 191,250 thousand euros at the end of June 2017, used in its entirety by TEIXEIRA DUARTE - Engenharia e Construções, S.A., granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., and by TEIXEIRA DUARTE, S.A. and by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., TEDAL - Sociedade Gestora de Participações Sociais, S.A. gave as a lien 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 lien 1,325,000 share units in the Closed Real Estate Investment Fund TDF. 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 13,242 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 June 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 11,915 thousand euros at the end of June 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 June 2017 of EUR 41,983 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 lot 13 at the Lagoas Park venture.

To guarantee the loan amounting to 7,000 thousand euros at the end of June 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 June 2017 of 966 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 June 2017 of 118 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 June 2017 of 441 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 June 2017 of 218 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 June 2017 of 33 thousand euros, the respective equipment acquired by the loan was given as a guarantee.

### **Financial commitments:**

As at 30 June 2017 and 31 December 2016, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 410,940 thousand and EUR 430,627 thousand, respectively.

As at 30 June 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 8,370 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 30 June 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	1,831	-	-
Investment Properties	Buildings and land	-	563,901	-
<b>Liabilities:</b>				
Financial assets at fair value	Coverage derivatives	-	14,773	-

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 period that ended on 30 June 2017 were approved by the Board of Directors on 28 August 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 30 June 2017 and the issue date of this document.

Notwithstanding the foregoing, it should be mentioned that, as planned, in July 2017 the Group proceeded to divest RECOLTE, S.A., including its 100% owned company RECOLTE (Porto), S.A. In this area and sector, the Group has kept Recolte Spain and RECOLTE Azores, the latter of which operating exclusively in the hospital waste sector.