

Report and Accounts

3rd Quarter **2017**

TABLE OF CONTENTS

1. Identification of the company
2. Summary of the Indicators
3. Teixeira Duarte Group – 3rd quarter of 2017
4. Interim Management Report
 - I. Introduction
 - II. Global Appraisal of the Activity
 - III. Events that occurred after the end of the 3rd quarter of 2017
 - IV. Outlook for 2017
5. Consolidated Financial Statements
 - I. Consolidated statements of financial position
 - II. Consolidated Statements of Results for the Period
 - III. Consolidated Statement of Results and Other Integrated Income
 - IV. Consolidated statements of changes in equity
 - V. Consolidated statements of cash flows
 - VI. Annexes to the Consolidated Financial Statements

Teixeira Duarte, S.A.

LISTED COMPANY

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

Share capital: € 210.000.000

Single Legal Person and

Registration number 509234526 at Cascais Commercial Register (Oeiras)

SUMMARY OF THE INDICATORS

	3 rd 2013	3 rd 2014	3 rd 2015	3 rd 2016	3 rd 2017	Variation 2017/2016 %
Average number of workers	11,989	13,165	13,691	11,534	10,618	(7.9%)
Turnover	1,119	1,175	1,005	828	739	(10.7%)
Operating income	1,147	1,188	1,038	863	771	(10.7%)
EBITDA	149	165	125	150	123	(18.0%)
EBITDA / Turnover	13.3%	14.0%	12.5%	18.1%	16.6%	-1,5 p.p.
EBIT	95	133	67	99	84	(15.6%)
Net Income Attributable to Shareholders	10	71	17	(26)	(11)	57.9%
Net Debt	1,202	1,293	1,253	1,166	1,085	(7.0%)
Net income attributable to shareholders	263	424	459	345	364	5.4%
Equity total	299	461	480	390	412	5.5%
Total of net asset	2,692	2,987	2,819	2,477	2,427	(2.0%)

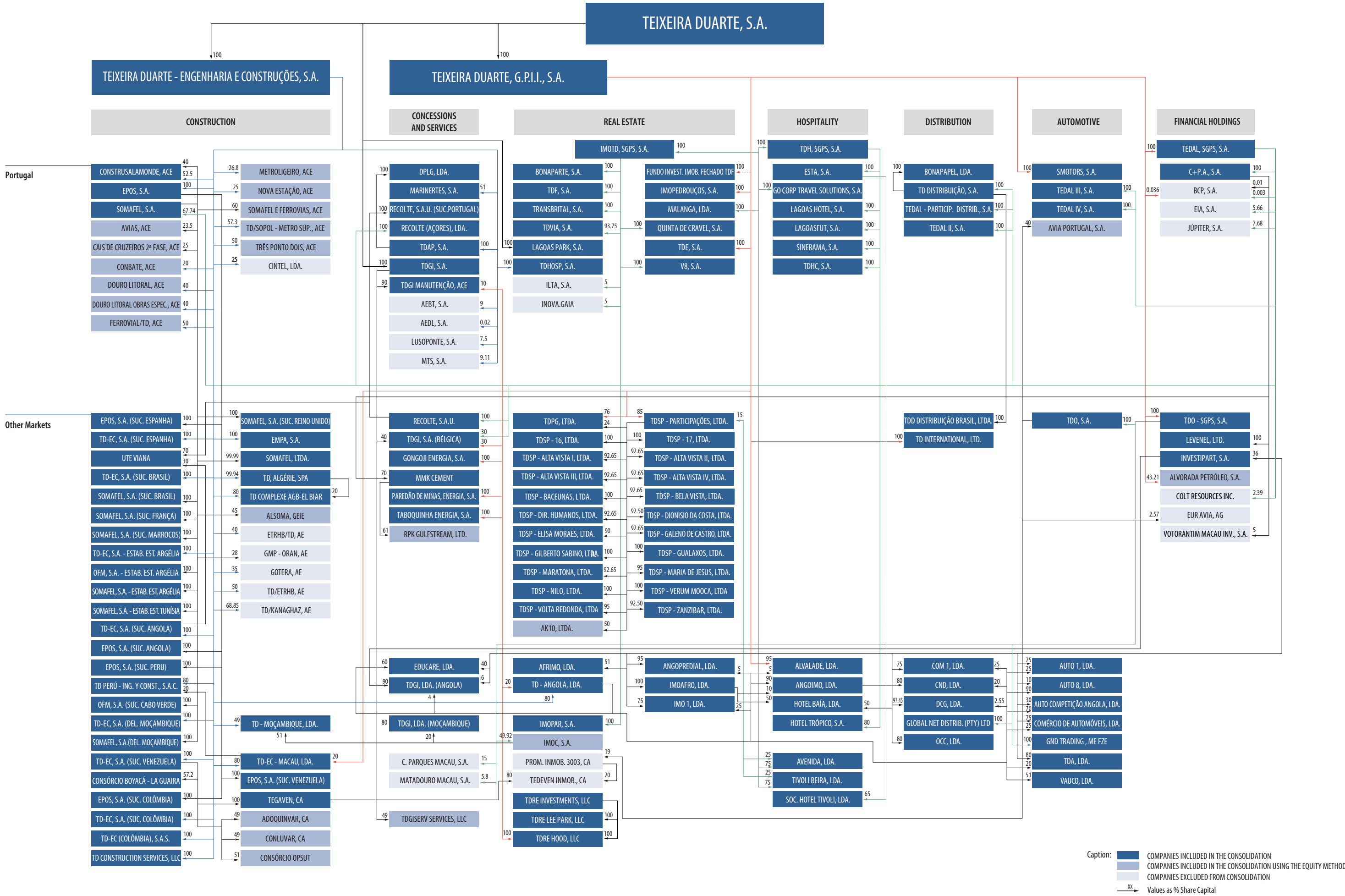
Notes:

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 - 3rd Quarter 2017



Interim Management Report **3rd Quarter 2017**



I - INTRODUCTION

Under the terms of, and for the purposes of applicable legal and regulatory provisions TEIXEIRA DUARTE, S.A. ("TD, S.A.") hereby discloses the Interim Report referring to the first nine 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 September, 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 not, 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 analyzed period. In this regard, emphasis should first be placed on the following topics:

- **Net Results Attributable to Holders of Equity** were negative, amounting to 11.1 million euros;
- **Turnover** of 739 million euros;
- **External Market** accounts for 81.6% of turnover;
- **EBITDA** of 123 million euros;
- **EBITDA margin / Turnover** of 16.6%;
- **Net Debt** of 1.085 billion euros;
- **Net Group Assets** of 2.427 billion euros;
- **Financial Autonomy** of 17%;
- **Teixeira Duarte Group Orders Portfolio** for the construction sector of 1,996 billion euros.

II – GLOBAL APPRAISAL OF THE ACTIVITY

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

	3rd Q 17	3rd Q 16	Var (%)	Jul-Sep 17	Jul-Sep 16	Var (%)
Operating income	770,846	863,246	(10.7%)	269,861	273,177	(1.2%)
Operating costs	(647,962)	(713,390)	(9.2%)	(234,823)	(219,745)	6.9%
EBITDA	122,884	149,856	(18.0%)	35,038	53,432	(34.4%)
Amortizations and depreciations	(42,840)	(57,183)	(25.1%)	(13,910)	(19,023)	(26.9%)
Provisions and impairment losses	3,678	6,483	(43.3%)	3,457	(162)	-
EBIT	83,722	99,156	(15.6%)	24,585	34,247	(28.2%)
Financial Results	(56,768)	(96,890)	41.4%	(13,501)	(24,565)	45.0%
Results before taxes	26,954	2,266	1089.5%	11,084	9,682	14.5%
Income tax	(31,334)	(15,565)	(101.3%)	(9,451)	(1,768)	(434.6%)
Net Income	(4,380)	(13,299)	67.1%	1,633	7,914	(79.4%)
Attributable to:						
Equity holders	(11,066)	(26,259)	57.9%	(1,975)	9,518	-
Non-controlling interests	6,686	12,960	(48.4%)	3,608	(1,604)	-

(Values in thousand euros)

The **Net Return for Equity Shareholders** was negative by 11,066 thousand euros, compared to the negative 26,259 thousand euros recorded in September 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 September 2017 were negative to the tune of 878 thousand euros, whereas they were minus 24,688 thousand euros during the same period of 2016;
- The negative impact, net of deferred taxes, of the loss of 4,972 thousand euros due to impairment in the share in “Banco Comercial Português, S.A.”, during the first nine months of 2017, whereas the negative impact in September 2016, also net of deferred taxes, ascertained at the time was 16,161 thousand euros;
- Change of 15,769 thousand euros in “Income Tax”;
- The sale of subscription rights to the capital increase of “Banco Comercial Português, S.A.”, amounting to 6,005 thousand euros;

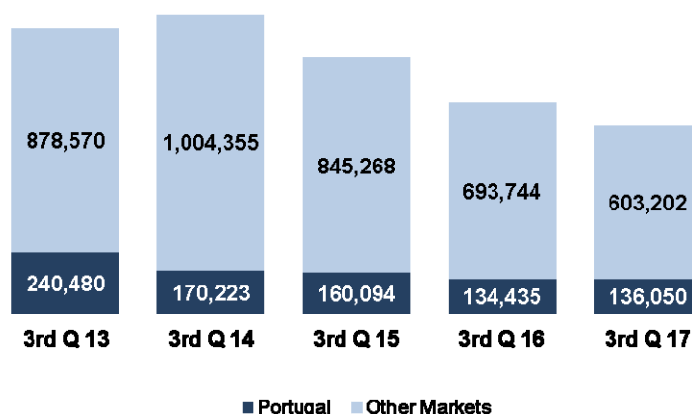
Turnover reached 739,252 thousand euros, representing a decrease of 10.7% compared to September 2016, that is a drop of 88,927 thousand euros.

In Portugal, an increase of 1,615 thousand euros was recorded when compared to September 2016, which is considered very positive taking into account the following:

- In March 2017, the Group divested a share that it held in Energy sector entities, which formed part of the consolidation perimeter and contributed 12,715 thousand to the Turnover ascertained in September of last year;
- In July 2017, the Group divested its share in RECOLTE, S.A., including its 100% share in RECOLTE (Porto), S.A., which formed part of the consolidation perimeter up until June 2017 and contributed 3,470 thousand euros to the Turnover for the period between July and September 2016.

Other markets, which represented 83.8% of this indicator in September last year, experienced an overall decrease of 13.1%, coming to represent 81.6% of the Teixeira Duarte Group's total turnover.

Evolution of Turnover by Markets



(Values in thousand euros)

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

Country	3rd Q 17		3rd Q 16		Variation	Jul-Sep 17		Jul-Sep 16		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Portugal	136,050	18.4%	134,435	16.2%	1.2%	54,320	20.6%	38,720	40.3%	
Angola	288,506	39.0%	352,626	42.6%	(18.2%)	95,759	36.3%	109,225	(12.3%)	
Algeria	64,121	8.7%	79,278	9.6%	(19.1%)	18,814	7.1%	23,292	(19.2%)	
Brazil	158,165	21.4%	106,211	12.8%	48.9%	63,837	24.2%	38,877	64.2%	
Spain	22,603	3.1%	23,848	2.9%	(5.2%)	7,792	2.9%	7,915	(1.6%)	
Mozambique	55,761	7.5%	104,371	12.6%	(46.6%)	18,212	6.9%	32,925	(44.7%)	
Venezuela	4,633	0.6%	13,489	1.6%	(65.7%)	2,913	1.1%	3,944	(26.1%)	
Other	9,413	1.3%	13,921	1.7%	(32.4%)	2,515	1.0%	3,180	(20.9%)	
	739,252	100.0%	828,179	100.0%	(10.7%)	264,162	100.0%	258,078	2.4%	

(Values in thousand euros)

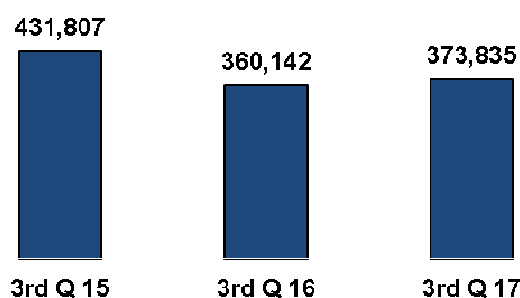
Activity Sector	3rd Q 17		3rd Q 16		Variation	Jul-Sep 17		Jul-Sep 16		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Construction	373,835	50.6%	360,142	43.5%	3.8%	139,714	52.9%	113,861	44.1%	22.7%
Concessions and services (*)	71,362	9.7%	81,192	9.8%	(12.1%)	19,186	7.3%	26,836	10.4%	(28.5%)
Real estate (*)	60,861	8.2%	79,194	9.6%	(23.1%)	20,794	7.9%	24,404	9.5%	(14.8%)
Hospitality	36,253	4.9%	38,554	4.7%	(6.0%)	12,461	4.7%	12,605	4.9%	(1.1%)
Distribution	146,197	19.8%	188,855	22.8%	(22.6%)	55,414	21.0%	54,898	21.3%	0.9%
Energy	-	-	12,715	1.5%	-	-	-	3,352	1.3%	-
Automotive	50,744	6.9%	67,527	8.2%	(24.9%)	16,593	6.3%	22,122	8.6%	(25.0%)
	739,252	100.0%	828,179	100.0%	(10.7%)	264,162	100.0%	258,078	100.0%	2.4%

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

(Amounts in thousands of euros)

In addition to 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



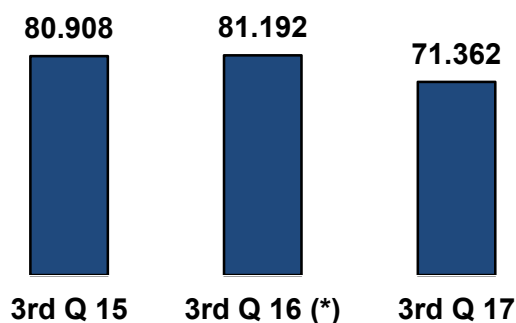
Construction Turnover grew by 3.8% compared to the same period of 2016, essentially due to growth achieved on the domestic market.

In effect, Portugal posted an increase of 46.9% compared to the first nine months of the previous year, essentially due to good performance achieved in the private construction market.

In turn, overseas markets decreased overall by 3.8% when compared to the first nine months of 2016, as the 76.6% increase seen in Brazil did not compensate for the decreases posted in Angola, Algeria and Mozambique.

Therefore, on 30 September 2017 the overseas market dropped to account for 78.8% of Construction turnover, instead of the 85% that it accounted for at the end of the first quarter of 2016.

Turnover of Concessions and Services



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

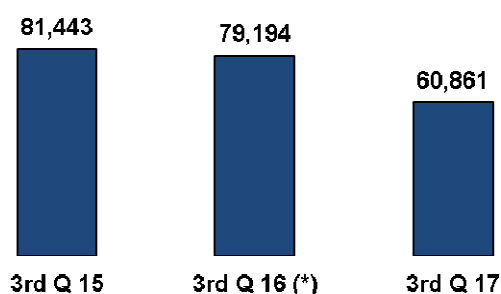
In Concessions and Services, Turnover decreased by 12.1% when compared to September 2016.

Portugal posted a decrease of 2.4% when compared to the same period of the previous year, due to the fact that the Group did not have contributions from its owned companies in the environment area in Portugal (Recolte S.A. and from Recolte (Porto), S.A.), divested in July of this year.

In effect these companies contributed 3,470 thousand euros to this indicator in Portugal between July and September 2016. In 2017, not counting the contribution of these owned companies over these three months, the decrease in this market in this sector up to September 2017 was 585 thousand euros.

Good performance was recorded in all other markets where the Group operates, with the exception of the Angolan market, which posted a drop of 37.1% when compared to September 2016.

Turnover of Real estate Services



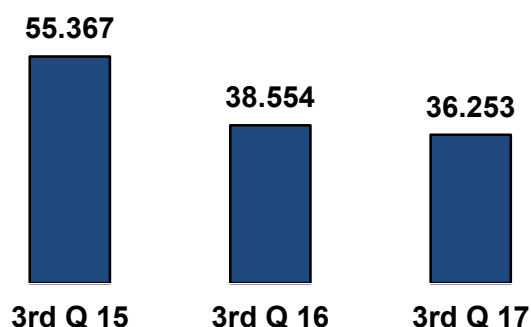
(*) – Amounts restated as explained above in the Introduction.

There was an overall drop of 23.1% in Real Estate when compared to the first nine months of last year.

A decrease of 36.6% was seen in Portugal when compared to September 2016, attributed to the commercialization phase of ventures under development.

In Brazil, the Group experienced a drop of 3.6% when compared to the same period of the previous year.

Turnover of Hospitality



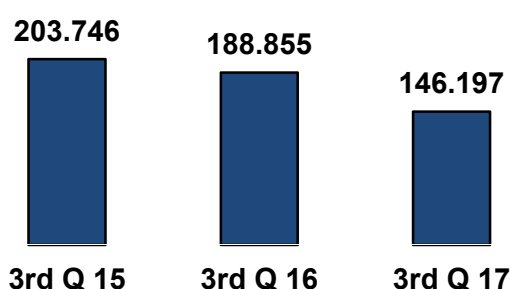
Turnover from Hospitality suffered an overall decrease of 6% when compared to the same period of 2016.

In Portugal, activity increased by 6.3% compared to the first nine months of 2016.

In Angola, this indicator suffered an 8.9% decrease when compared to September 2016. It should be noted, however, that disregarding the exchange rate effect, the decrease was only 5.5%.

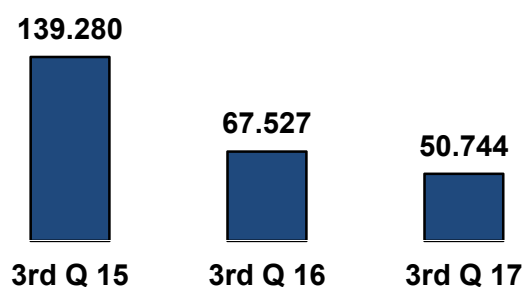
Activity in Mozambique experienced a 9.4% decrease during the first nine months of 2017, compared to the same period of the previous year, essentially due to the effect of the exchange rate.

Turnover of Distribution Services



Distribution dropped by 22.6% when compared to the first nine months of 2016, penalized by the lower purchasing power of companies and families due to the economic situation in Angola and due to difficulties importing products into this country during the first few months of the year.

Turnover of the Automotive sector

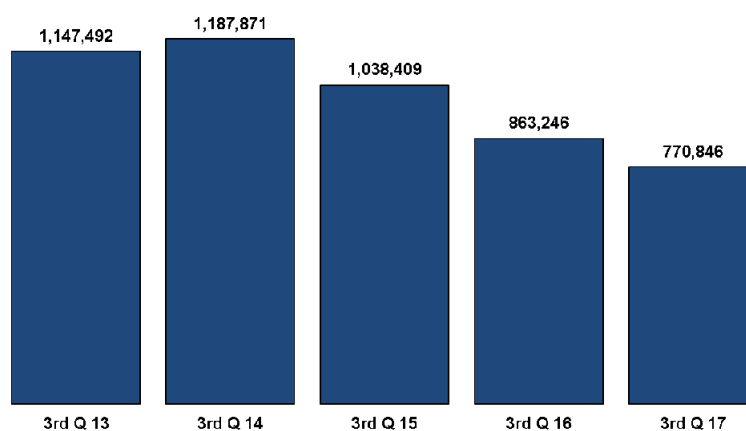


(Values in thousand euros)

In the Automotive sector, the Group experienced a 24.9% drop in Turnover when compared to September 2016, essentially due to difficulties importing vehicles and parts into Angola and due to less activity in technical assistance offices, with a year-on-year decrease of 16.1%.

Operating profits suffered a decrease of 10.7% when compared to the same period of the previous year, dropping to 770,846 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.

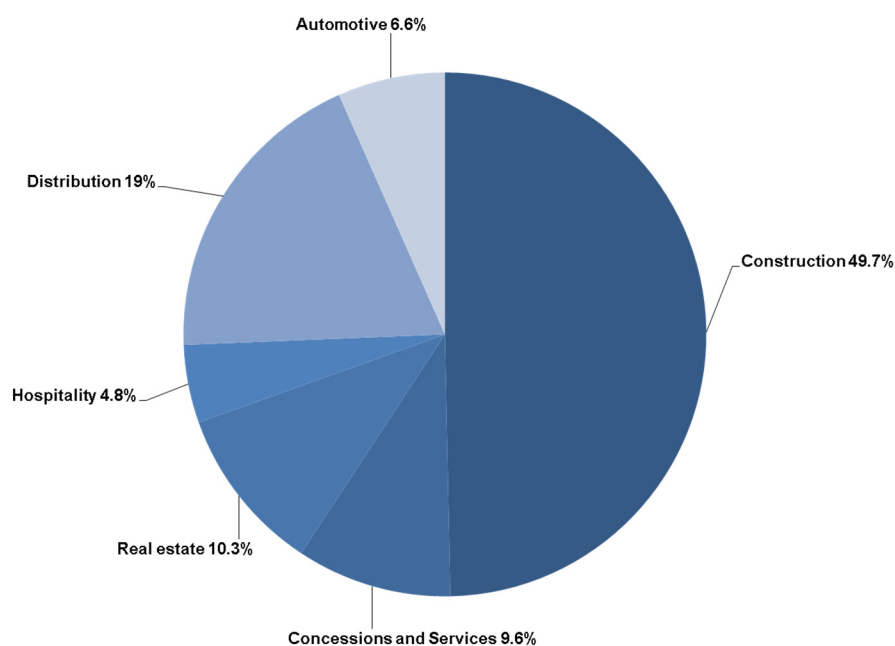
Operating Profits by activity and geographical markets:

Activity Sector	Internal Market			External Market			Total		
	3rd Q 17	3rd Q 16	Var (%)	3rd Q 17	3rd Q 16	Var (%)	3rd Q 17	3rd Q 16	Var (%)
Construction	84,838	64,734	31.1%	298,034	312,207	(4.5%)	382,872	376,941	1.6%
Concessions and services (*)	25,120	25,111	0.0%	48,862	57,745	(15.4%)	73,982	82,856	(10.7%)
Real estate (*)	40,051	35,234	13.7%	39,163	50,559	(22.5%)	79,214	85,793	(7.7%)
Hospitality	8,160	7,654	6.6%	28,966	37,802	(23.4%)	37,126	45,456	(18.3%)
Distribution	611	710	(13.9%)	145,864	189,575	(23.1%)	146,475	190,285	(23.0%)
Energy	-	12,698	-	-	106	-	-	12,804	-
Automotive	2,033	238	754.2%	49,144	68,873	(28.6%)	51,177	69,111	(25.9%)
Total	160,813	146,379	9.9%	610,033	716,867	(14.9%)	770,846	863,246	(10.7%)

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

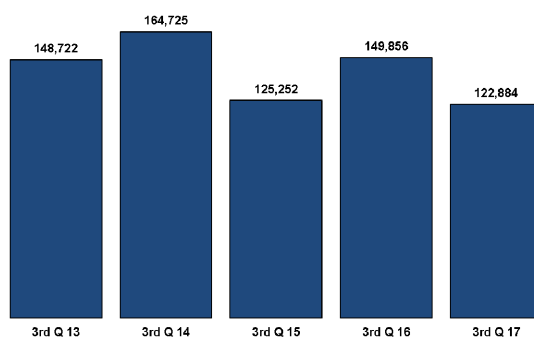
(Amounts in thousands of euros)

As a result of the evolutions mentioned above, the contributions of each of the sectors of activity to the global value of operating profits achieved on 30 September, 2017 were as follows:



EBITDA decreased by 18% compared to September 2016 and stood at EUR 122,884 m.

Evolution of EBITDA



(Values in thousand euros)

Analyzing the chart that follows, there are very different behaviors 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	3rd Q 17	3rd Q 16	Var (%)	Jul-Sep 17	Jul-Sep 16	Var (%)
Construction	35,042	31,697	10.6%	7,722	14,865	(48.1%)
Concessions and services (*)	7,050	13,215	(46.7%)	1,170	3,419	(65.8%)
Real estate (*)	42,361	40,743	4.0%	11,435	17,674	(35.3%)
Hospitality	8,360	7,413	12.8%	2,682	3,492	(23.2%)
Distribution	16,508	36,014	(54.2%)	7,887	8,203	(3.9%)
Energy	-	2,525	-	-	337	-
Automotive	18,601	25,206	(26.2%)	5,783	7,683	(24.7%)
Not included in the segments	(5,272)	(6,753)	21.9%	(1,875)	(2,165)	13.4%
Removals	234	(204)	-	234	(76)	-
	122,884	149,856	(18.0%)	35,038	53,432	(34.4%)

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

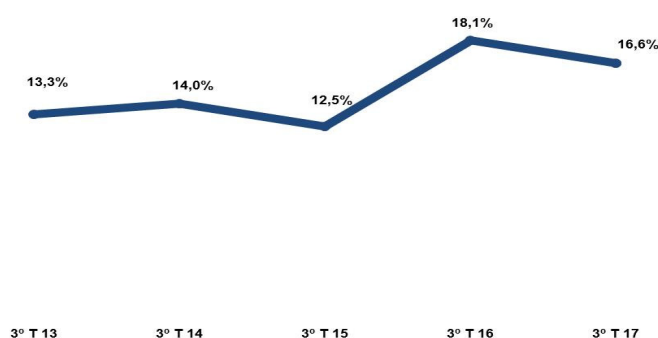
(Values in thousand euros)

During the first nine months of 2017, this indicator was influenced by the following two aspects that are worth mentioning:

- Operational exchange rate differences, which had a negative impact amounting to 8,055 thousand euros;
- Appreciation in the fair value of investment properties, amounting to 9,916 thousand euros, 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). This reclassification resulted from placing building 1 on the market, as a result of the concentration of Group companies in building 2 of the same venture.

A decrease of 1.5 p.p. was seen in **EBITDA Margin / Turnover** by virtue of the fact that the decrease in EBITDA in September 2017 was greater than the decrease in Turnover experienced during the same period of the previous year.

Evolution of the EBITDA margin / Turnover



Financial results were negative - amounting to 56,768 thousand euros in the period ending 30 September 2017, whereas at the end of the first nine months of 2016 the financial results were negative to the tune of 96,890 thousand euros.

	3rd Q 17	3rd Q 16	Var (%)	Jul-Sep 17	Jul-Sep 16	Var (%)
Costs and financial losses	(175,940)	(279,539)	37.1%	(11,660)	(42,575)	72.6%
Supported interests	(50,622)	(60,637)	16.5%	(14,179)	(20,243)	30.0%
Unfavourable exchange rate differences	(104,358)	(201,612)	48.2%	10,437	(16,978)	-
Other costs and financial losses	(20,960)	(17,290)	(21.2%)	(7,918)	(5,354)	(47.9%)
Income and financial earnings:	114,145	190,019	(39.9%)	(4,897)	20,085	-
Obtained interests	8,770	11,239	(22.0%)	2,525	4,244	(40.5%)
Favourable exchange rate differences	103,480	176,924	(41.5%)	(8,226)	16,013	-
Cash discounts obtained	3	41	(92.7%)	(2)	4	-
Other income and financial earnings	1,892	1,815	4.2%	806	(176)	-
Income related to investment activities:	5,027	(7,370)	-	3,056	(2,075)	-
Earnings from associates and joint works	2,684	9,204	(70.8%)	932	(330)	-
Dividends	2,728	1,652	65.1%	2,030	-	-
Other investments	23	2,619	(99.1%)	20	(3)	-
Gains / loss in assets available for sale	(408)	(20,845)	98.0%	74	(1,742)	-
Financial Results	(56,768)	(96,890)	41.4%	(13,501)	(24,565)	45.0%

(Values in thousand euros)

This indicator experienced a positive change of 40,122 thousand euros when compared to the same period of 2016, with an emphasis on the contribution of the following changes:

- A positive change of 23,810 thousand euros, resulting from the impact of exchange rate differences;
- A positive change of 20,437 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 10,015 thousand euros, resulting from the impact of interest incurred;
- Negative change of 6,520 thousand euros in results relating to associated companies and joint ventures.
- Negative change of 2,596 thousand euros under the item "other investments".

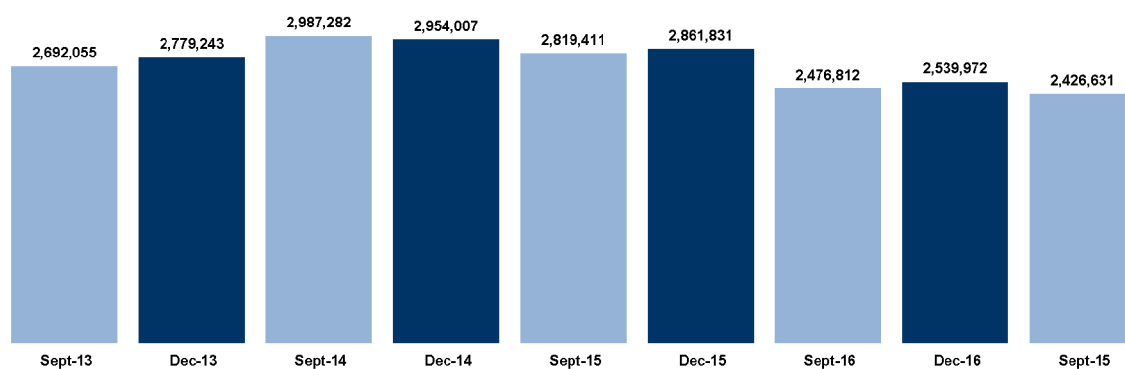
The amount of **Income Tax** payable at 30 September, 2017 was a negative amount of 31,334 thousand euros, whereas it stood at minus 15,565 thousand euros during the same period of the previous year.

	3rd Q 17	3rd Q 16	Var (%)	Jul-Sep 17	Jul-Sep 16	Var (%)
Current Tax	(37,233)	(25,306)	(47.1%)	(7,583)	(516)	(1369.6%)
Deferred tax	5,899	9,741	(39.4%)	(1,868)	(1,252)	(49.2%)
	(31,334)	(15,565)	(101.3%)	(9,451)	(1,768)	(434.6%)

(Values in thousand euros)

Total Net Assets decreased by 4.5% in relation to 31 December 2016, having reached EUR 2,426,631 thousand.

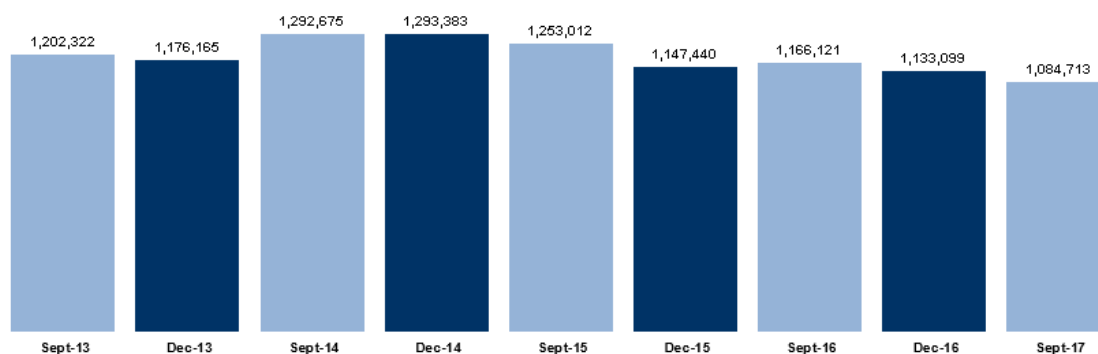
Evolution of Net asset



(Values in thousand euros)

Net Borrowing decreased by 4.3% in relation to the end of last year, and at September 30, 2017 was set at EUR 1,084,713 thousand.

Evolution of Net Debt



(Values in thousand euros)

Equity Attributable to Shareholders decreased by 31,638 thousand euros, from 395,769 thousand euros to 364,131 thousand euros, corresponding to a 8% decrease when compared to 31 December 2016.

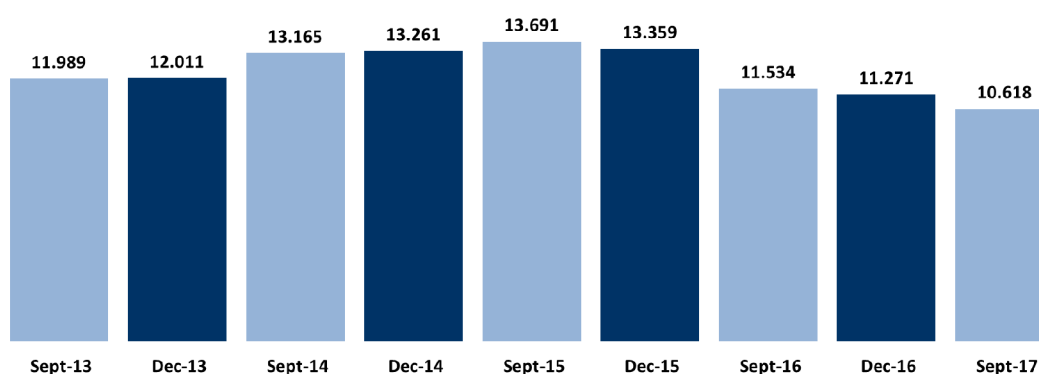
Total Equity decrease by 7.4%, standing at 411,699 thousand euros, influenced essentially by the following factors:

- A negative net result of 4,380 thousand euros;
- Negative impact of 23,320 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 7,207 thousand euros were recorded.

Financial Autonomy shifted from 17.5% as at 31 December 2016 to 17% at 30 September, 2017.

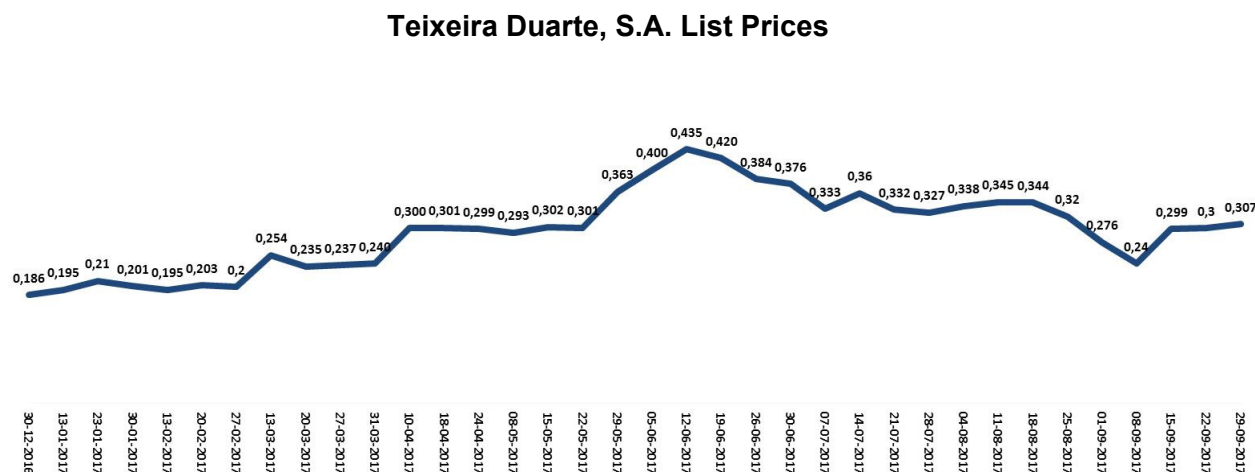
On 30 September, 2017 the **Average Number of Workers** was 10,618, representing a 5.8% decrease when compared to 31 December 2016, in line with the overall decrease in activity over the first nine months of 2017, with the exception of the Brazilian market.

Evolution of the Average Number of Employees



The **price of "Teixeira Duarte, S.A." bonds** increased from 0.186 euros on 31 December 2016 to 0.307 euros on 30 September, 2017.

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



34,588,235 shares were traded on the stock exchange during this period, with a total amount of turnover of 11,006,094 euros.

III. EVENTS THAT OCCURRED AFTER THE END OF THE 3RD QUARTER OF 2017

TEIXEIRA DUARTE continued its business in the different markets in which it operates, it being worth noting the following significant factors that occurred after 30 September 2017:

Start-up of the project execution contract in Algeria, amounting to an equivalent of 137 million euros, according to a disclosure made in a timely manner to the market, through a released dated 11 October 2017, with this title and the following essential content:

On 11 October 2017, a group led by its 100% owned company "Teixeira Duarte - Engenharia e Construções, S.A." received a service order from the Algerian entity known as "L'Établissement de Construction et de Réparation Navales (E.C.R.N.)", part of the Algerian National Ministry of Defense, for the execution of a maritime works contract entitled "l'Étude, la réalisation des aires de travail e de transfert, les infrastructures maritimes et génie-civil, les fournitures et l'installation d'un complexe élévateur à bateaux d'une capacité de levage égale ou supérieure à 9000 tonnes et la formation de techniciens", including drawing up the designs, as well as carrying out the works areas and transferring the infrastructure and civil construction work, as well as the supply and installation of a ship elevator with a lifting capacity in excess of 9000 tonnes and providing the respective training to technicians. Teixeira Duarte Group has a 90.32% share in the aforementioned group.

The period foreseen for execution of the works is of 29 months, with the value of the works totaling 96 million Euro and 4,513 million Algerian Dinars, representing a total approximately equivalent to 137 million Euro.

Change in the composition of the Board of Directors of "Teixeira Duarte, S.A.", following the resignation from the position submitted on 7 November 2017 by the then-director Mr. Eng. Jorge Ricardo de Figueiredo Catarino, due to him having reached retirement age. This resignation was accepted by the Board of Directors with effect as of that date, following a decision made in a meeting on that day, at which the board also decided to grant the aforementioned Mr. Eng. Jorge Ricardo de Figueiredo Catarino a special vote of commendation and recognition due to the competent and dedicated manner with which he provided significant services to "Teixeira Duarte, S.A." and its business group for more than 36 years, in demanding roles requiring great responsibility that he always performed with great capability, particularly within the scope of the activity of "Teixeira Duarte - Engenharia e Construções, S.A.", in which he built up his career, and of which he was also a member of the Board of Directors for several years.

During the same meeting, the Board of Directors also decided to opt to not appoint anybody to fill the vacancy, leaving that option for a later moment, or to be decided on by the shareholders at the General Meeting.

IV. OUTLOOK FOR 2017

Although the Teixeira Duarte Group's order book for the construction sector experienced an overall drop of 0.6% 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 1,996,193 thousand euros on 30 September 2017, of which 665,265 thousand euros are for 2020 onwards.

For a more detailed analysis of closer periods, that is, for the remaining 1,330,928 thousand euros that have already been contracted and the execution of which is forecast for the next three 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:

	Out a Dez 2017		2018		2019	
	Value	Contribution (%)	Value	Contribution (%)	Value	Contribution (%)
Portugal	43,144	20.6%	77,709	11.6%	41,198	9.2%
Angola	30,867	14.9%	96,454	14.3%	12,984	2.9%
Algeria	50,915	24.4%	332,359	49.4%	239,767	53.4%
Brazil	72,111	34.5%	134,309	19.9%	64,261	14.2%
Mozambique	4,343	2.1%	3,009	0.4%	221	0.1%
Venezuela	4,772	2.3%	26,367	3.9%	90,479	20.2%
Other Markets	2,571	1.2%	3,088	0.5%	-	-
Total	208,723	100.0%	673,295	100.0%	448,910	100.0%

(Values in thousand euros)

In October 2017, Teixeira Duarte concluded the transfer of the "Lagoas Park" branch of the business to a company 100% owned by it and specifically set up for this purpose, planning the subsequent disposal of the capital of this subsidiary.

Teixeira Duarte maintains its estimate of achieving operational profits of around 1,000 million euros in 2017.

Lagoas Park, 29 November 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

Consolidated Financial Statements

3rd Quarter 2017



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

	Notes	30/09/2017 (Non Audited)	31/12/2016 (Audited)
Non-current assets:			
Goodwill		14,295	14,295
Intangible assets		71,034	38,954
Tangible fixed assets	13	449,291	495,787
Investment Properties	14	565,974	547,067
Investments in associates and joint-ventures	7 and 15	20,470	17,504
Financial assets available for sale	7 and 16	1,905	8,318
Other investments		50,823	54,125
Assets for deferred tax	18	197,455	198,187
Clients		41,048	43,137
Other non-current assets		799	653
Total of non-current assets		1,413,094	1,418,027
Current assets:			
Inventories		252,567	251,442
Clients		362,424	416,509
Other debtors		60,093	54,652
Cash and cash equivalents	20	186,438	180,908
Other current assets		152,015	179,657
		1,013,537	1,083,168
Assets for sale	17	-	38,777
Total of current assets		1,013,537	1,121,945
TOTAL OF ASSET	7	2,426,631	2,539,972
Equity:			
Capital	21	210,000	210,000
Adjustments of shareholdings in associates and joint-ventures		(305)	849
Effect of currency translation		(57,119)	(34,826)
Reserves and retained income	22	222,621	199,599
Consolidated net result		(11,066)	20,147
Equity attributable to shareholders		364,131	395,769
Non-controlling interests		47,568	49,041
EQUITY TOTAL		411,699	444,810
Non-current liabilities:			
Loans	23	607,674	664,094
Provisions		40,396	43,500
Financial Leases		151,187	154,304
Liabilities by deferred taxes	18	72,699	73,340
Other Creditors		-	68
Other non-current liabilities		49,858	66,530
Total of non-current liabilities		921,814	1,001,836
Current liabilities:			
Loans	23	663,477	649,913
Suppliers		135,569	121,371
Financial Leases		19,324	20,807
Other Creditors		30,705	33,096
Other current liabilities		244,043	243,777
		1,093,118	1,068,964
Liabilities for sale	17	-	24,362
Total of current liabilities		1,093,118	1,093,326
TOTAL OF LIABILITY	7	2,014,932	2,095,162
TOTAL OF LIABILITY AND EQUITY		2,426,631	2,539,972

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

	Notes	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16	1 st Sem. 17	1 st Sem. 16
Operating income:							
Sales and services rendered	7 and 8	739,252	828,179	264,162	258,078	475,090	570,101
Other operating income	8	31,594	35,067	5,699	15,099	25,895	19,968
Total of operating income	8	770,846	863,246	269,861	273,177	500,985	590,069
Operating costs:							
Cost of sales		(211,050)	(257,702)	(82,385)	(80,923)	(128,665)	(176,779)
Production changes		7,156	2,637	1,374	1,683	5,782	954
External supplies and services		(228,367)	(244,275)	(81,890)	(71,107)	(146,477)	(173,168)
Expenses with staff		(178,751)	(185,158)	(58,195)	(59,768)	(120,556)	(125,390)
Amortizations and depreciations	7	(42,840)	(57,183)	(13,910)	(19,023)	(28,930)	(38,160)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	3,678	6,483	3,457	(162)	221	6,645
Other operating costs		(36,950)	(28,892)	(13,727)	(9,630)	(23,223)	(19,262)
Total of operating costs		(687,124)	(764,090)	(245,276)	(238,930)	(441,848)	(525,160)
Operational income	7	83,722	99,156	24,585	34,247	59,137	64,909
Costs and financial losses	7 and 9	(175,940)	(279,539)	(11,660)	(42,575)	(164,280)	(236,964)
Income and financial earnings	7 and 9	114,145	190,019	(4,897)	20,085	119,042	169,934
Income related to investment activities:							
Income related to affiliates and joint-ventures	7 and 9	2,684	9,204	932	(330)	1,752	9,534
Other	7 and 9	2,343	(16,574)	2,124	(1,745)	219	(14,829)
Financial Results		(56,768)	(96,890)	(13,501)	(24,565)	(43,267)	(72,325)
Results before taxes	7	26,954	2,266	11,084	9,682	15,870	(7,416)
Income tax	10	(31,334)	(15,565)	(9,451)	(1,768)	(21,883)	(13,797)
Consolidated net result for the period		(4,380)	(13,299)	1,633	7,914	(6,013)	(21,213)
Net results attributable to:							
Equity holders	11	(11,066)	(26,259)	(1,975)	9,518	(9,091)	(35,777)
Non-controlling interests		6,686	12,960	3,608	(1,604)	3,078	14,564
Income by share:							
Basic (euros)	11	(0.03)	(0.06)	(0.00)	0.02	(0.02)	(0.09)
Diluted (euros)	11	(0.03)	(0.06)	(0.00)	0.02	(0.02)	(0.09)

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

	Notes	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16	1 st Sem. 17	1 st Sem. 16
Consolidated net result for the period		(4,380)	(13,299)	1,633	7,914	(6,013)	(21,213)
Income and expenses that will not be reclassified for results							
Sale of Non-controlling interests		(7,207)	-	-	-	(7,207)	-
Other equity variations		2,214	(3,922)	225	(1,388)	1,989	(2,534)
		(4,993)	(3,922)	225	(1,388)	(5,218)	(2,534)
Income and expenses that can be reclassified for results							
Effect of currency translation		(23,320)	(99,439)	(407)	(9,751)	(22,913)	(89,688)
Adjustments of shareholdings in associates and joint-ventures	15	(1,154)	(7,603)	(514)	694	(640)	(8,297)
Financial instruments due to coverage		1,576	(2,006)	232	21	1,344	(2,027)
		(22,898)	(109,048)	(689)	(9,036)	(22,209)	(100,012)
Result known directly in equity		(27,891)	(112,970)	(464)	(10,424)	(27,427)	(102,546)
Comprehensive income for the financial year		(32,271)	(126,269)	1,169	(2,510)	(33,440)	(123,759)
Comprehensive income attributable to:							
Equity holders		(30,798)	(120,849)	219	1,659	(31,017)	(122,508)
Non-controlling interests		(1,473)	(5,420)	950	(4,169)	(2,423)	(1,251)

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

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

	Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Currency conversion adjustment	Reserves and retained income				Income result consolidated	Total capital equity attributable to shareholders	Interests non-controlling	Total
					Legal reserve	Free reserves	Reserve of hedge operations	Income retained				
Balance on January 1st, 2016		210,000	8,326	48,126	31,500	176,163	(11,698)	(28,143)	33,653	467,927	50,290	518,217
Comprehensive income for the financial year:												
Consolidated net result for the period		-	-	-	-	-	-	-	(26,259)	(26,259)	12,960	(13,299)
Variation in effect of currency conversion adjustments		-	-	(83,262)	-	-	-	-	-	(83,262)	(16,177)	(99,439)
Effect of hedge operations		-	-	-	-	-	(2,006)	-	-	(2,006)	-	(2,006)
Effect of the application of equity method:	15	-	(7,603)	-	-	-	-	-	-	(7,603)	-	(7,603)
Other		-	-	-	-	-	-	(1,719)	-	(1,719)	(2,203)	(3,922)
Transactions with shareholders in the period:												
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		-	-	-	-	-	-	-	-	-	-	-
Balance on September 30th, 2016		210,000	723	(35,136)	36,500	194,461	(13,704)	(21,187)	(26,259)	345,398	44,870	390,268
Balance on January 1st, 2017		210,000	849	(34,826)	36,500	194,461	(11,985)	(19,377)	20,147	395,769	49,041	444,810
Comprehensive income for the financial year:												
Consolidated net result for the period		-	-	-	-	-	-	-	(11,066)	(11,066)	6,686	(4,380)
Variation in effect of currency conversion adjustments		-	-	(22,293)	-	-	-	-	-	(22,293)	(1,027)	(23,320)
Effect of hedge operations		-	-	-	-	-	1,576	-	-	1,576	-	1,576
Effect of the application of equity method:	15	-	(1,154)	-	-	-	-	-	-	(1,154)	-	(1,154)
Sale of Non-controlling interests		-	-	-	-	-	-	-	-	-	(7,207)	(7,207)
Other		-	-	-	-	-	-	2,139	-	2,139	75	2,214
Transactions with shareholders in the period:												
Appropriation of the consolidated net income for 2016:		-	-	-	5,500	752	-	13,055	(19,307)	-	-	-
Transfer to legal reserves, free and retained earnings		-	-	-	-	-	-	-	(840)	(840)	-	(840)
Dividends distributed		-	-	-	-	-	-	-	-	-	-	-
Balance on September 30th, 2017		210,000	(305)	(57,119)	42,000	195,213	(10,409)	(4,183)	(11,066)	364,131	47,568	411,699

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

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

	Notes	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
OPERATIONAL ACTIVITIES:					
Receipts from customers		718,037	759,319	250,322	257,598
Payment to suppliers		(429,613)	(489,352)	(148,973)	(175,897)
Payment to staff		(168,856)	(185,070)	(54,812)	(62,968)
Cash flow generated by operations		119,568	84,897	46,537	18,733
Payment/receipt of income tax		(15,430)	(19,462)	(4,469)	(3,290)
Other receipts/payments related to the operational activity		(10,135)	23,188	2,827	(3,213)
Cash flows of operational activities (1)		94,003	88,623	44,895	12,230
INVESTMENT ACTIVITIES:					
Receipts related to:					
Financial investments	20	15,075	25,208	1,250	16,072
Tangible fixed assets and investment properties		4,222	12,850	672	1,749
Intangible assets		1	8	1	1
Interests and similar gains		9,028	10,881	2,603	4,052
Dividends	20	2,728	1,652	2,030	-
		31,054	50,599	6,556	21,874
Payments related to:					
Financial investments	20	(215)	(17)	(210)	(5)
Tangible fixed assets and investment properties		(18,876)	(45,180)	(4,691)	(17,580)
Intangible assets		(465)	(1,967)	(265)	(176)
		(19,556)	(47,164)	(5,166)	(17,761)
Cash flows from investment activities (2)		11,498	3,435	1,390	4,113
FINANCING ACTIVITIES:					
Revenue derived from:					
Obtained loans		1,096,308	1,412,393	40,901	481,020
Payments related to:					
Obtained loans		(1,139,164)	(1,453,875)	(42,679)	(485,715)
Interests and similar costs		(49,942)	(59,470)	(14,949)	(20,934)
Dividends	12	(840)	(1,680)	-	-
		(1,189,946)	(1,515,025)	(57,628)	(506,649)
Cash flows from financing activities (3)		(93,638)	(102,632)	(16,727)	(25,629)
Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)		11,863	(10,574)	29,558	(9,286)
Exchange rate differences Effect		(6,222)	(49,588)	(2,328)	(9,104)
Cash and cash-equivalent items - scope change (Note 5)		(111)		(111)	-
Transfers to assets for sale		-	-	111	-
Cash and cash-equivalent items at the beginning of the period	20	180,908	252,693	159,208	210,921
Cash and cash-equivalent items at the end of the period	20	186,438	192,531	186,438	192,531

The annex forms an integral part of the cash flow statement for the period ending 30 September 2017.

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ON SEPTEMBER 30TH, 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 0.5 euros 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 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 September, 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 September 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
<u>INTERNAL MARKET</u>		
CONSTRUCTION		
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	67,74%
TEIXEIRA DUARTE – Engenharia e Construções, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
CONCESSIONS AND SERVICES		
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%
MARINERTES, S.A.	Rotunda Engº Edgar Cardoso, nº 23 – 8º Vila Nova de Gaia	51,00%
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%
REAL ESTATE		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park Porto Salvo	100,00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
IMOTD – Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
LAGOAS PARK, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
MALANGA – Investimentos Imobiliários, Unipessoal Lda.	Edifício 2, Lagoas Park Porto Salvo	100,00%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park Porto Salvo	93,75%
TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%

Social Denomination	Head Office	Percentage of effective participation
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%
OTHERS		
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%
TEDAL - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park Porto Salvo	100,00%

Social Denomination	Head Office	Percentage of effective participation
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EXTERNAL MARKET

SOUTH AFRICA

DISTRIBUTION

Global Net Distributors (Pty) Ltd.	10 Ninth Avenue Northmead, Gauteng 1501	100,00%
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ANGOLA

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%
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%

Social Denomination	Head Office	Percentage of effective participation
HOTEL BAÍA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100,00%
DISTRIBUTION		
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%
OTHERS		
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%

Social Denomination	Head Office	Percentage of effective participation
<u>ALGERIA</u>		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	8 Rue de Ben Aknoun, Rés de Chanssée El Biar - Alger	99,94%
<u>BELGIUM</u>		
CONCESSIONS AND SERVICES		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100,00%
<u>BRAZIL</u>		
CONSTRUCTION		
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	67,74%
CONCESSIONS AND SERVICES		
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%
REAL ESTATE		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Avenida Domingos Ferreira nº 4060, sala 301 - Boa Viagem Cidade de Recife	100,00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 01 Itaim Bibi - São Paulo	100,00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 02 Itaim Bibi - São Paulo	90,00%
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 15 Itaim Bibi - São Paulo	92,65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 03 Itaim Bibi - São Paulo	92,65%
TDSP – Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 10 Itaim Bibi - São Paulo	92,65%
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 12 Itaim Bibi - São Paulo	92,65%
TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 05 Itaim Bibi - São Paulo	92,65%

Social Denomination	Head Office	Percentage of effective participation
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%

DISTRIBUTION

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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Social Denomination	Head Office	Percentage of effective participation
<u>CYPRUS</u>		
OTHERS		
LEVENEL, Limited	Irakli, 2, Egkomi, 2413 Nicosia	100,00%
<u>SPAIN</u>		
CONSTRUCTION		
UTE DE VIANA	Av. Alberto Alcocer, 24 - 7º Madrid	100,00%
CONCESSIONS AND SERVICES		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Av. Alberto Alcocer, 24 - 7º Madrid	100,00%
<u>UNITED ARAB EMIRATES</u>		
AUTOMOTIVE		
GND Trading ME FZE	Office Number FZLOA1503, Jafza One Jebel Ali Free Zone, Dubai	100,00%
<u>UNITED STATES OF AMERICA</u>		
CONSTRUCTION		
TEIXEIRA DUARTE CONSTRUCTION SERVICES, LLC	1030 Salem Road Union, NJ 07083	100,00%
REAL ESTATE		
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%
<u>GIBRALTAR</u>		
DISTRIBUTION		
Teixeira Duarte International, LTD.	23, Portland House - Glacis Road Gibraltar	100,00%

Social Denomination	Head Office	Percentage of effective participation
<u>MACAO</u>		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25 Edifício Montepio Apr. 26 e 28 – 3º andar Macau	100,00%
<u>MOZAMBIQUE</u>		
CONSTRUCTION		
TEIXEIRA DUARTE - Engenharia e Construções (Moçambique), Lda.	Av. Július Nyerere, nº 130 Maputo	74,46%
CONCESSIONS AND SERVICES		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	69,55%
REAL ESTATE		
IMOPAR - Centro Comercial de Maputo, S.A.	Av. Július Nyerere, nº 130 Maputo	100,00%
HOSPITALITY		
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%
<u>PERU</u>		
CONSTRUCTION		
TEIXEIRA DUARTE PERÚ – Ingeniería y Construcciones, Sociedad Anonima Cerrada;	Avenida Arenales, nº 773 Lima	100,00%
<u>RUSSIA</u>		
CONCESSIONS AND SERVICES		
MMK Cement, Limited Liability Company	Tri Rutchia Murmansk	70,00%

Social Denomination	Head Office	Percentage of effective participation
<u>VENEZUELA</u>		
CONSTRUCTION		
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 September 2017, there was alterations to the consolidation perimeter relative to 31 December 2016:

Departures

Energy

- 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.

Concessions and services

- RECOLTE - Serviços e Meio Ambiente, S.A.;
- RECOLTE, Serviços e Meio Ambiente (Porto), S.A..

The companies “RECOLTE, Serviços e Meio Ambiente, S.A.” and “RECOLTE, Serviços e Meio Ambiente (Porto), S.A.”, operating in the Concessions and Services sector - Environment area - in Portugal, were divested during the third quarter of 2017.

Asset:	
Tangible Fixed Assets (Note 13)	1,337
Assets for deferred tax (Note 18)	57
Clients	2,810
Other debtors	141
Cash and cash equivalents	111
Other Assets	939
Total assets for sale	5,395
Liability:	
Loans	5
Provisions	243
Financial Leases	895
Suppliers	1,531
Other Creditors	85
Other liabilities	1,769
Total liabilities for sale	4,528
Total Net	867
Sale amount (Note 20)	1,150
Profit (Note 8)	283

“BETANGOLA – Betões e Pré-Fabricados de Angola, Lda.” was wound up during the third quarter of 2017.”

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

Construction:

- TEIXEIRA DUARTE PERÚ – Ingeniería y Construcciones, Sociedad Anonima Cerrada;
- TEIXEIRA DUARTE CONSTRUCTION SERVICES, LLC.

Concessions and services

- DPLG - Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal Lda.;
- TDAP - Atividades Portuárias, S.A..

6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into Euro as at 30 September 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 September 2017 and 2016:

Currency	Exchange rate close			Average exchange		
	30/09/2017	31/12/2016	Var.	30/09/2017	30/09/2016	Var.
American dollars	1.1806	1.0541	12.0%	1.1151	1.1115	0.3%
Macanese pataca	9.4980	8.4204	12.8%	8.9430	8.8865	0.6%
Mozambican metical	72.3400	74.5400	(3.0%)	71.9570	65.0080	10.7%
Venezuelan bolivar	3,949.1070	710.2122	456.0%	1,872.4320	486.0534	285.2%
Angola Kwanza	184.4950	184.4750	0.0%	184.7573	178.0500	3.8%
Algerian dinar	133.5458	116.3682	14.8%	122.3941	121.1697	1.0%
Dirham from Emirates	4.3362	3.8716	12.0%	4.0954	-	-
Moroccan Dirham	11.1148	10.6755	4.1%	10.8930	10.8601	0.3%
Brazilian real	3.7635	3.4305	9.7%	3.5506	3.9617	(10.4%)
Cape Verde Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian ruble	68.2519	64.3000	6.1%	65.1995	75.8412	(14.0%)
Tunisian Dinar	2.9050	2.4265	19.7%	2.6515	2.3428	13.2%
South Africa Rand	15.9440	14.4570	10.3%	14.7852	16.6305	(11.1%)
Peruvian Novo Sol	3.8564	3.5350	9.1%	3.6431	-	-
Colombian Peso	3,466.8300	3,164.4100	9.6%	3,298.2740	3,395.0880	(2.9%)

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 September 2017 and 2016, were as follows:

Segment	Sales and services rendered						Operational Income	
	3 rd Quarter 17			3 rd Quarter 16			3 rd Quarter 17	3 rd Quarter 16
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction	373,835	14,952	388,787	360,142	19,769	379,911	14,949	7,302
Concessions and services (*)	71,362	15,866	87,228	81,192	18,164	99,356	3,890	9,593
Real estate (*)	60,861	6,726	67,587	79,194	9,683	88,877	37,803	34,049
Hospitality	36,253	10,435	46,688	38,554	11,621	50,175	4,713	2,433
Distribution	146,197	1,735	147,932	188,855	1,566	190,421	10,216	27,646
Energy	-	-	-	12,715	-	12,715	-	533
Automotive	50,744	4,257	55,001	67,527	3,140	70,667	17,249	22,991
Not included in the segments	-	-	-	-	-	-	(5,332)	(5,187)
Removals	-	(53,971)	(53,971)	-	(63,943)	(63,943)	234	(204)
	739,252	-	739,252	828,179	-	828,179	83,722	99,156
Costs and financial losses (Note 9)							(175,940)	(279,539)
Income and financial earnings (Note 9)							114,145	190,019
Income related to investment activities (Note 9)							5,027	(7,370)
Results before taxes							26,954	2,266

(*) - 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.

Other information:

Segment	Fixed capital expenditures		Amortizations and depreciations in results		Provisions and impairment losses	
	3 rd Quarter 17	3 rd Quarter 16	3 rd Quarter 17	3 rd Quarter 16	3 rd Quarter 17	3 rd Quarter 16
Construction	5,197	24,792	24,025	28,983	(3,932)	(4,588)
Concessions and services (*)	36,367	1,409	3,153	3,630	7	(8)
Real estate (*)	5,549	7,840	4,400	6,694	158	-
Hospitality	1,687	2,116	3,647	4,980	-	-
Distribution	3,476	3,628	6,292	8,368	-	-
Energy	-	279	-	2,275	-	(283)
Automotive	444	1,733	1,263	2,215	89	-
Not included in the segments	248	65	60	38	-	(1,604)
	52,968	41,862	42,840	57,183	(3,678)	(6,483)

(*) - 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 September 2017 and 31 December 2016, are as follows:

Segment	30/09/2017				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	30/09/2017	31/12/2016
Construction	1,424	-	2,111,750	2,113,174	1,269	-	2,216,175	2,217,444	1,106,850	1,140,467
Concessions and services (*)	2,831	-	150,671	153,502	2,656	-	160,479	163,135	82,939	83,016
Real estate (*)	627	1,325	1,639,352	1,641,304	684	5,787	1,727,660	1,734,131	890,733	922,579
Hospitality	-	-	355,120	355,120	-	-	362,654	362,654	181,511	190,852
Distribution	-	-	220,908	220,908	-	-	226,598	226,598	152,374	147,919
Energy	-	-	-	-	-	-	38,777	38,777	-	24,362
Automotive	24	-	146,257	146,281	24	-	148,213	148,237	49,412	58,596
Not included in the segments	15,564	580	919,280	935,424	12,871	2,531	948,363	963,765	728,104	717,024
Removals	-	-	(3,139,082)	(3,139,082)	-	-	(3,314,769)	(3,314,769)	(1,176,991)	(1,189,653)
	20,470	1,905	2,404,256	2,426,631	17,504	8,318	2,514,150	2,539,972	2,014,932	2,095,162

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

The sales and services rendered, and information on non-monetary non-current assets by geographic segment are broken down as follows for the years ended on 30 September 2017 and 30 and on 31 September 2017 and 31 December 2016, respectively:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	3 rd Quarter 17	3 rd Quarter 16	30/09/2017	31/12/2016
Portugal	136,050	134,435	590,873	553,458
Angola	288,506	352,626	423,760	438,796
Algeria	64,121	79,278	24,340	32,995
Brazil	158,165	106,211	23,630	30,297
Spain	22,603	23,848	16,303	17,855
Mozambique	55,761	104,371	19,837	21,702
Venezuela	4,633	13,489	64	362
Other	9,413	13,921	1,787	638
	739,252	828,179	1,100,594	1,096,103

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

8 - OPERATING INCOME

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

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
Sales and services rendered:				
Sales	405,145	565,777	130,553	165,357
Services rendered	334,107	262,402	133,609	92,721
	739,252	828,179	264,162	258,078
Other operating income:				
Variation in the fair value of income of investment properties a)	14,747	4,931	1,989	4,504
Supplementary income	5,144	8,046	1,766	3,581
Sales of assets (b)	3,817	7,102	936	1,259
Works for the company c)	890	10,724	297	3,384
Reversal of impairment losses in accounts receivable	599	577	31	114
Reversal of impairment losses in inventories	243	413	65	81
Gains in inventories	36	136	12	118
Other operating income d)	6,118	3,138	603	2,058
	31,594	35,067	5,699	15,099
	770,846	863,246	269,861	273,177

- 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 September 2017, the stated gains were obtained with the divestment of tangible fixed assets worth 2,922 thousand euros (7,102 thousand euros in the period ending 30 June, 2016). In the first quarter 2017, the Group disposed of the Energy sector for 7,820 thousand euros (Note 20), with an added value of 612 thousand euros (Note 17), which were part of the consolidation perimeter on 31 December 2016 and which were classified as “Assets and liabilities held for sale”. The divestment of “RECOLTE, Serviços e Meio Ambiente, S.A.” and of “RECOLTE, Serviços e Meio Ambiente (Porto), S.A.” for 1,150 thousand euros (Note 20), should also be mentioned, with a recorded capital gain of 283 thousand euros (Note 5). These companies formed part of the consolidation perimeter on 31 December 2016.
- 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 September 2017 and 2016:

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
Costs and financial losses				
Supported interests	(50,622)	(60,637)	(14,179)	(20,243)
Unfavourable exchange rate differences	(104,358)	(201,612)	10,437	(16,978)
Other costs and financial losses	(20,960)	(17,290)	(7,918)	(5,354)
	(175,940)	(279,539)	(11,660)	(42,575)
Income and financial earnings:				
Obtained interests	8,770	11,239	2,525	4,244
Favourable exchange rate differences	103,480	176,924	(8,226)	16,013
Cash discounts obtained	3	41	(2)	4
Other income and financial earnings	1,892	1,815	806	(176)
	114,145	190,019	(4,897)	20,085
Income related to investment activities:				
Income related to affiliates and joint-ventures (a)	2,684	9,204	932	(330)
Dividends (b)	2,728	1,652	2,030	-
Other investments (c)	23	2,619	20	(3)
Income / losses in the measurement of assets available for sale (d)	(408)	(20,845)	74	(1,742)
	5,027	(7,370)	3,056	(2,075)
Financial Results	(56,768)	(96,890)	(13,501)	(24,565)

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

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

(c) At 30 September 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 September 2017 and 2016, the Group recorded impairment losses of 6,413 thousand euros and 20,845 thousand euros respectively, due to its stake in "Banco Comercial Português, S.A."

During the period ending 30 September 2017, the Group sold subscription rights of the "Banco Comercial Português, S.A." for EUR 6,005 thousand euros.

Net exchange rate differences, recorded during the periods ending 30 September 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 1,500, 7,500 and 35,000 thousand euros, 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 five (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 September 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 recognized for the years ended on 30 September 2017 and 2016 are as follows:

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
Current Tax:				
Income tax in Portugal	(16,286)	(5,157)	(1,488)	(1,020)
Income tax in other jurisdictions	(20,947)	(20,149)	(6,095)	504
Current Tax	(37,233)	(25,306)	(7,583)	(516)
Deferred tax (Note 18)	5,899	9,741	(1,868)	(1,252)
	(31,334)	(15,565)	(9,451)	(1,768)

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to 455 thousand euros were recorded directly in equity as at 30 September 2017 (605 thousand euros as at 30 September 2015) (Note 18).

11 - EARNINGS PER SHARE

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

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
Result to estimate the net result by basic share (net result of period)	(11,066)	(26,259)	(1,975)	9,518
Weighted average number of shares to estimate the net result by basic share (millions)	420,000	420,000	420,000	420,000
Net result by basic share	(0.03)	(0.06)	(0.00)	0.02

Since for the financial years ended on 30 September 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 period ending 30 September 2016, referring to the 2015 financial year.

13 - TANGIBLE FIXED ASSETS

During the years ended on 30 September 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	Other tangible fixed assets	Fixed assets on account of tangible assets	Advances on account of tangible assets	Total
Gross asset:										
Balance on January 1 st , 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	84	(85,764)	1,878	321	(2,362)	(5,186)	(948)	(8,700)	(92)	(100,769)
Additions	24	4,411	17,328	3,675	2,111	477	412	10,502	-	38,940
Transfers and reductions	(349)	(3,688)	(4,667)	(517)	(4,751)	(1,081)	(40)	(7,395)	(76)	(22,564)
Sales	-	(4,051)	(8,588)	(2,822)	(72)	(82)	(11)	-	-	(15,426)
Balance on September 30 th , 2016	24,207	476,604	422,234	85,923	40,290	36,695	11,137	36,039	-	1,133,129
Balance on January 1 st , 2017	31,328	483,317	388,750	85,600	41,656	36,226	10,794	15,061	-	1,092,732
Perimeter alteration (Note 5)	-	(77)	(7,898)	(2,187)	(265)	(233)	(291)	-	-	(10,951)
Effect of currency translation	(185)	109	(6,808)	(1,299)	(1,220)	(108)	(1)	(1)	-	(9,513)
Additions	-	718	4,471	1,530	1,382	767	99	5,427	-	14,394
Transfers and write-offs	3	(1,037)	(14,937)	(1,461)	(454)	(1,152)	(396)	(5,792)	-	(25,226)
Sales	-	(352)	(6,504)	(1,929)	(492)	(74)	(1)	-	-	(9,352)
Balance on September 30 th , 2017	31,146	482,678	357,074	80,254	40,607	35,426	10,204	14,695	-	1,052,084
Depreciation and losses from impairment:										
Balance on January 1 st , 2016	164	155,363	306,534	63,946	35,404	34,066	6,485	-	-	601,962
Scope changes	-	-	-	-	-	-	-	-	-	-
Exchange conversion effect	-	(18,584)	7,934	1,841	(1,602)	(3,695)	(541)	-	-	(14,647)
Reinforcements	-	13,959	26,236	7,088	2,214	1,814	1,812	-	-	53,123
Transfers and reductions	-	(932)	(8,666)	(215)	(4,844)	(1,066)	(961)	-	-	(16,684)
Sales	-	(2,730)	(5,961)	(2,216)	(70)	(55)	(10)	-	-	(11,042)
Balance on September 30 th , 2016	164	147,076	326,077	70,444	31,102	31,064	6,785	-	-	612,712
Balance on January 1 st , 2017	164	152,005	305,377	70,009	32,222	30,879	6,289	-	-	596,945
Perimeter alteration (Note 5)	-	(67)	(7,614)	(1,159)	(262)	(223)	(289)	-	-	(9,614)
Exchange conversion effect	-	78	(3,703)	(1,265)	(425)	(68)	(1)	-	-	(5,384)
Reinforcements	-	11,713	19,944	4,502	2,463	1,385	777	-	-	40,784
Transfers and reductions	-	(397)	(7,733)	(1,577)	(699)	(1,442)	(45)	-	-	(11,893)
Sales	-	(41)	(5,792)	(1,816)	(327)	(68)	(1)	-	-	(8,045)
Balance on September 30 th , 2017	164	163,291	300,479	68,694	32,972	30,463	6,730	-	-	602,793
Net value:										
On September 30 th , 2016	24,043	329,528	96,157	15,479	9,188	5,631	4,352	36,039	-	520,417
On September 30 th , 2017	30,982	319,387	56,595	11,560	7,635	4,963	3,474	14,695	-	449,291

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

As at 30 September 2017, the tangible assets in progress include 13,740 thousand euros relative to buildings and other constructions in progress, in particular the following:

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

14 - INVESTMENT PROPERTIES

During the years ended on 30 September 2017 and 2016, the movement in investment properties was as follows:

	2017	2016
Balance on January 1st	547,067	511,683
Effect of currency translation	78	(20,527)
Increases / (sales)	2,116	(9,906)
Variation in fair value	9,722	3,373
Transfers of tangible fixed assets	6,991	7,098
Balance on September 30th	565,974	491,721

The income gained from investment property arising from operating leasing contracts reached 23,415 thousand euros for the financial year ended on 30 September 2017 (23,494 thousand euros as at 30 September 2016). For the financial year ended on 30 September 2017, direct operating costs related to investment properties reached 2,690 thousand euros (2,272 thousand euros as at 30 September 2016).

15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 30 September 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	30,48%
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	16,94%
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%
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	40,64%
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 September 2017 and 2016:

	Equity holdings	Goodwill	Total
Balance on January 1st, 2016	16,874	-	16,874
Effects of the application of equity method:			
- Effect on the financial year result (Note 9)	9,204	-	9,204
- Effect in equity	(7,603)	-	(7,603)
Increases	12	-	12
Effect of currency translation	(6,329)	-	(6,329)
Other	(26)	-	(26)
Balance on September 30th, 2016	12,132	-	12,132
Balance on January 1st, 2017	17,504	-	17,504
Effects of the application of equity method:			
- Effect on the financial year result (Note 9)	2,684	-	2,684
- Effect in equity	(1,154)	-	(1,154)
Increases	210	-	210
Effect of currency translation	280	-	280
Other	946	-	946
Balance on September 30th, 2017	20,470	-	20,470

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

Affiliates and joint-ventures	30/09/2017			31/12/2016		
	Equity holdings	Goodwill	Value of financial position	Equity holdings	Goodwill	Value of financial position
IMOC - Empreendimentos Imobiliários, S.A.R.L.	15,564	-	15,564	12,871	-	12,871
TDGISERV Services, LLC (a)	2,272	-	2,272	2,062	-	2,062
Alvorada Petróleo, S.A.	604	-	604	669	-	669
RPK Gulfstream Ltd.	559	-	559	594	-	594
AK-10 Empreendimentos e Participações SPE LTDA.	23	-	23	15	-	15
Other	1,448	-	1,448	1,293	-	1,293
	20,470	-	20,470	17,504	-	17,504

(a) – Advance on account of capital increase.

These shares are stated using the equity method, which, in the years ended on 30 September 2017 and 2016, had the following impacts:

3 rd Quarter 17				
Associates	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Dividends	Total
Alvorada Petróleo, S.A.	(13)	7	-	(6)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	3.861	(1.559)	-	2.302
AK-10 Empreendimentos e Participações SPE LTDA.	10	-	-	10
TDGISERV Services, LLC (a)	(1.361)	398	-	(963)
Other	187	-	-	187
	2.684	(1.154)	-	1.530

3 rd Quarter 16				
Associates	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Dividends	Total
Alvorada Petróleo, S.A.	(32)	157	-	125
IMOC - Empreendimentos Imobiliários, S.A.R.L.	9.261	(7.760)	-	1.501
AK-10 Empreendimentos e Participações SPE LTDA.	(8)	-	-	(8)
Other	(17)	-	-	(17)
	9.204	(7.603)	-	1.601

16 - FINANCIAL ASSETS AVAILABLE FOR SALE

During the years ended on 30 September 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
Fair Value on January 1st	8,318	30,427
Reduction in fair value	(6,413)	(20,845)
Fair Value on September 30th	1,905	9,582

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

	30/09/2017		31/12/2016	
	Cost V.	Market V.	Cost V.	Market V.
Banco Comercial Português, S.A.	686,652	1,905	686,652	8,318
	686,652	1,905	686,652	8,318

17 - FINANCIAL ASSETS FOR SALE

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

Energy	
Assets for sale	38,777
Liabilities for sale	24,362
Total Net	14,415
Equity of Non-controlling interests	7,207
Equity of the Group	7,208
Sale amount (Note 20)	7,820
Profits (Nota 8)	612

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 30 September 2017 and 2016 was as follows:

	Assets for deferred tax		Liabilities for deferred tax	
	2017	2016	2017	2016
Balance on January 1st	198,187	194,913	73,340	59,019
Constitution / Reversal				
Net income (Note 10)	5,318	15,385	(581)	5,644
Equity	(458)	605	(3)	-
Exchange conversion effect and adjustments	(5,535)	(2,877)	(57)	(4,982)
Perimeter alteration (Note 5)	(57)	-	-	-
Balance on September 30th	197,455	208,026	72,699	59,681

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

19 - RELATED PARTIES

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

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

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

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016	30/09/2017	31/12/2016	30/09/2017	31/12/2016
AEBT - Auto Estradas do Baixo Tejo, S.A.	9	7	197	-	2,145	5,373	-	-
ADOQUINVAR	36	-	-	-	-	-	-	-
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	25	199	-	-	-	-	-	-
Consórcio OPSUT 2010	7	42	1	-	-	-	-	-
DOURO LITORAL, ACE	7	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.	5,034	2,660	12	14	-	-	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	54	153	-	-	150	150	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	11	11	-	-	-	-	-	-
Moreira e Cunha, Lda.	-	7	-	-	-	-	-	-
MTS - Metro Transportes do Sul, S.A.	171	-	-	-	570	740	-	-
NOVA ESTAÇÃO, ACE	1,023	1,023	81	-	7	7	-	-
Promociones Inmobiliarias 3003, C.A.	347	347	-	-	-	-	33	(36)
RPK Gulfstream, Ltd.	-	-	-	-	1,461	1,551	-	-
SOMAFEL/FERROVIAS, ACE	2	2	-	-	-	-	-	-
TDGISERV Services, LLC (a)	319	-	-	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	-	-	-	-	-
	7,140	4,607	587	58	4,337	7,825	199	130

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

	Sales and services rendered		Purchases and services obtained		Charged interests	
	3 rd Quarter	3 rd Quarter	3 rd Quarter	3 rd Quarter	3 rd Quarter	3 rd Quarter
	17	16	17	16	17	16
AEBT - Auto Estradas do Baixo Tejo, S.A.	12	18	-	-	-	-
ADOQUINVAR	63	-	-	-	-	-
CONBATE, ACE	56	64	-	1	-	-
Consórcio Minero Luso Vargas - CONLUVAR	2	329	-	-	-	-
Consórcio OPSUT 2010	-	-	-	-	-	-
DOURO LITORAL, ACE	70	55	26	18	-	-
GMP - Grupo Marítimo Português, ACE	-	12	-	-	-	-
GMP MEK - Grupo Marítimo Português Mers El Kibir, ACE	-	5	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1,633	2,107	110	178	-	-
Limited Liability Company Cement	-	-	-	-	-	972
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	496	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	-	15	-	-	-	-
Moreira e Cunha, Lda.	-	22	-	-	-	-
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)	319	-	-	-	-	-
	2,653	2,653	149	253	-	972

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

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
Executive Directors:				
Short-term benefits	618	892	226	499
Supervisory Board:				
Short-term benefits	50	50	17	17
Chartered accountant:				
Short-term benefits	45	45	15	15
	713	987	258	531

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

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
Senior management:				
Short-term benefits	3,736	5,192	1,227	2,517
	3,736	5,192	1,227	2,517

20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

Cash and cash equivalents

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

	30/09/2017	31/12/2016
Bank deposits	121,657	118,710
Time deposits	36,265	40,566
Other treasury applications	25,506	19,012
Cash	3,010	2,620
	186,438	180,908

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

Cash flow from investment activities

Revenue from financial investments for the years ended on 30 September 2017 and 2016 refer to the disposal of equity interests in the following companies:

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
TDARCOL – Sociedade Gestora de Participações Sociais, S.A..	7,820	-	-	-
Banco Comercial Português, S.A. (a)	6,005	-	-	-
RECOLTE - Serviços e Meio Ambiente, S.A.	1,150	-	1,150	-
Moreira & Cunha, Lda.	100	-	100	-
Limited Liability Company Cement	-	22,717	-	16,072
AEDL - Auto-Estradas do Douro Litoral, S.A.	-	2,491	-	-
	15,075	25,208	1,250	16,072

(a) - Divestment of subscription rights.

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

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
TDGISERV Services, LLC (a)	210	-	210	-
Other	5	17	-	5
	215	17	210	5

Dividends received in the financial years ending on 30 September 2017 and 2016 were as follows:

	3 rd Quarter 17	3 rd Quarter 16	Jul-Sep 17	Jul-Sep 16
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	1,377	1,310	1,377	-
CPM - Companhia de Parques de Macau, S.A.R.L.	1,351	342	653	-
	2,728	1,652	2,030	-

21 - SHARE CAPITAL

As at 30 September 2017 and 2016, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of 0.5 euros each.

On 30 September 2017, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 202,740,000 shares representing the capital of Teixeira Duarte, S.A., 48.27% 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 September 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 recognized in the income statement.

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

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

23 - LOANS

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

	30/09/2017	31/12/2016
Non-current liabilities:		
Bank loans a)	194,179	202,194
Commercial role b)	398,195	446,600
Debentures loans c)	15,300	15,300
	607,674	664,094
Current liabilities:		
Bank loans a)	511,270	545,306
Commercial role b)	152,207	104,607
	663,477	649,913
	1,271,151	1,314,007

a) Bank loans

As at 30 September 2017, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 3.52% (4.5% as at 30 September 2016).

As at 30 September 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 September 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 September 2017 of EUR 23,680 thousand, which will be repaid in 71 equal and successive monthly instalments, ending on 30 December 2023.

Loan raised from Banco Caixa Geral Angola, contracted on 21 December 2011 of the value on September 2017 of EUR 3,178 thousand, which will fall due on 28 February 2019.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the value on September 2017 of EUR 3,445 thousand, which will fall due on 5 December 2019.

Loan raised from Banco BIC de Angola, contracted on 9 October 2012 of the value on September 2017 of EUR 7,649 thousand, which will fall due on 13 December 2019.

Loan raised from Banco Privado Atlântico de Angola, contracted on 12 October 2012 of the value on September 2017 of EUR 344 thousand, which will fall due on 18 October 2017.

Loan raised from Banco Popular Portugal, S.A., contracted on 13 December 2012 of the value on September 2017 of EUR 1,228 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 amortized over the entire contractual period in quarterly payments, with the final payment on 31 December 2019.

Loan raised from Banco Caixa Geral Angola, contracted on 23 January 2014 of the value on September 2017 of EUR 6,474 thousand, which will fall due on 30 April 2021.

Loan raised from Banco Angolano de Investimento, contracted on 20 February 2014 of the value on September 2017 of EUR 14,528 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 September 2017 of EUR 6,066 thousand, which will fall due on 25 May 2018.

Loan raised from Banco BIC de Angola, contracted on 22 September 2014 of the value on September 2017 of EUR 10,078 thousand, which will fall due on 13 December 2021.

Loan raised from Banco Itaú Unibanco, S.A., contracted on 14 October 2014 of the value on September 2017 of EUR 9,523 thousand, which will fall due on 20 November 2018.

Loan raised from Banco do Brasil S.A., contracted on 17 October 2014 of the value on September 2017 of EUR 1,300 thousand, which will fall due on 6 October 2017.

Loan raised from Banco Caixa Geral Angola, contracted on 31 December 2014 of the value on September 2017 of EUR 4,936 thousand, which will fall due on 31 December 2021.

Loan from Novo Banco, S.A., taken out on 26 January 2015, amounting to EUR 22,182 thousand at the end of September, 2017, which will be amortized half yearly through amounts varying between 1,543 thousand euros and 1,929 euros, starting on 30 June 2018 with the last payment of 17,167 thousand euros being paid on 30 December 2019.

Loan raised from Banco Caixa Geral, S.A., contracted on 13 May 2015 of the value on September 2017 of EUR 1,570 thousand, which will fall due on 30 January 2018.

A loan from Novo Banco, S.A., taken out on 20 May 2015, amounting to EUR 6,754 thousand at the end of September 2017, to be amortized in 3 installments, the first on 30 December 2017 and the last 2 every six months as of 30 June 2018.

Loan raised from Banco Brandesco, contracted on 26 June 2015 of the value on September 2017 of EUR 12,640 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 September 2017 of EUR 11,915 thousand, which will fall due on 29 June 2020.

Loan from Banco do Brasil S.A. contracted on 22 January 2016, with a duration of 3 years, amounting to EUR 2,333 thousand at the end of September, 2017, which will be amortized in annual amounts of 1,167 thousand euros.

Loan from Caixa Geral de Depósitos, S.A., contracted on 29 February 2016, amounting to EUR 7,000 thousand at the end of September 2017, which will mature on 15 January 2018.

Loan with Banco Comercial Português, SA, contracted on 29 March 2016, in the amount at the closing date of September 2017 of EUR 10,000 thousand, the capital will be repaid in eleven consecutive half-yearly instalments, beginning on 29 March 2018, 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 September 2017 for an overall amount of EUR 8,705 thousand, 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 15 January 2018.

Loan raised from Novo Banco, S.A., contracted on 30 June 2016 of the value on September 2017 of EUR 3,474 thousand, which will fall due on 4 April 2018.

A loan raised from Banco BPI, S.A., contracted on 5 July 2016, amounting to EUR 18,746 thousand on the at the end of September 2017, to be amortized in fifty nine monthly installments, starting on 5 October 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 September 2017 at EUR 6,499 thousand. The loan lasts for five years and will be repaid with proceeds from the sale of the development.

Loan with Banco Santander Totta, S.A., contracted on 1 August 2016, in the amount at the closing date of September 2017 of EUR 1.368 thousand, to be repaid in eleven 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 September 2017 for an overall amount of EUR 37,013 thousand, with liability shared by the banks respectively as follows: EUR 13,880 thousand, EUR 9,882 thousand, and EUR 13,251 thousand, and will be effective until 12 November 2017.

A loan raised from Banco BAI Europa, S.A, contracted on 22 September 2016, totaling 2,874 thousand dollars, used in full at the end of September 2017, corresponding to EUR 2,574 thousand, to be amortized in eight 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, contracted on 22 September 2016, amounting to EUR 250 thousand at the end of September 2017, to be amortized in two equal and successive quarterly payments, starting on 31 September 2017.

A loan from Banco PAN, contracted on 30 November 2016, amounting to EUR 1,653 thousand at the end of September 2017, which will be payable on 30 November 2018.

A loan from Banco Caixa Geral (Spain), contracted on 25 January 2017, amounting to EUR 4,650 thousand on 30 September 2017, which will be payable on 25 January 2022.

A loan from Banco Popular, contracted on 16 June 2017, amounting to EUR 1,923 thousand on 30 September 2017, which will be payable on 20 July 2021.

A load from Banco Espanha Duero, contracted on 16 June 2017, amounting to EUR 544 thousand on the 30 September 2017, which will be payable on 16 December 2018.

A load from Banco Santander Spain, contracted on 18 July 2017, amounting to EUR 150 thousand at 30 September 2017, which will be payable on 18 October 2017.

Loan raised from Banco Renner, S.A., contracted on 31 August 2017, amounting to EUR 6,405 thousand at the end of September 2017, which will mature on 22 December 2017.

Factoring line with recourse with Novo Banco, S.A., amounting to EUR 2,500 thousand, of which EUR 1.115 thousand were used at the end of September 2017.

Factoring line with recourse with Banco Popular, S.A., of which EUR 253 thousand were used at the end of September 2017.

Factoring line with recourse with Novo Banco, S.A., of which EUR 2 thousand were used at the end of September 2017.

Factoring line with recourse with Caixa Económica Montepio, of which EUR 622 thousand were used at the end of September 2017.

Loan agreement for the acquisition of equipment, with a start date in June 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 September 2017 of EUR 887 thousand, which will be amortised in 33 monthly payments.

A loan agreement for the acquisition of equipment, starting on 11 July 2016, entered into by and between Caterpillar Financial Corporacion Financiera, S.A. - E.F.C. and TEIXEIRA DUARTE – Engenharia e Construções, S.A. amounting to 406 thousand euros at the end of September 2017, which will be amortized in 34 monthly installments.

A loan agreement for the acquisition of equipment, starting on 19 July 2016, entered into by and between Caterpillar Financial Corporacion Financiera, S.A. - E.F.C. and TEIXEIRA DUARTE – Engenharia e Construções, S.A. amounting to 109 thousand euros at the end of September 2017, which will be amortized in 35 monthly installments.

A loan agreement for the acquisition of equipment, starting on 12 December 2016, entered into by and between Caterpillar Financial Corporacion Financiera, S.A. - E.F.C. and TEIXEIRA DUARTE – Engenharia e Construções, S.A. amounting to 203 thousand euros at the end of September 2017, which will be amortized in 39 monthly installments.

An overseas commercial discount line (Venezuela) granted by TEIXEIRA DUARTE - Engenharia e Construções, S.A., with Caixa Geral de Depósitos for the amount of 449 thousand US dollars, at the end of September 2017, corresponding to 380 thousand euros.

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 20,956 thousand euros were used at the end of September 2017.

An overseas commercial discount line (Angola) granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A., Teixeira Duarte - Distribuição, S.A, EPOS – Empresa Portuguesa de Obras

Subterrâneas, S.A. and TDO – Investimento e Gestão, S.A., with Caixa Geral de Depósitos for the amount of 15,000 thousand euros, of which at the end of September 2017, the amounts of 4,349 thousand euros were used.

A commercial discount line for overseas (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, of which 3,840 thousand euros were used at the end of September 2017.

A line of credit, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. - Sucursal Venezuela, on 29 July 2013, with Banco Occidental de Descuento, C.A.), with a maximum amount of 300,000 thousand Venezuelan bolivars, of which 266,750 thousand Venezuelan bolivars were being used at the end of September 2017, corresponding to 68 thousand euros at the exchange rate at the end of September 2017.

A line of credit, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. - Sucursal Venezuela, in October 2013, with Banco Occidental de Descuento, C.A.), with a maximum amount of 9,800,000 thousand Venezuelan bolivars, of which 3,980,000 thousand Venezuelan bolivars were being used at the end of September 2017, corresponding to 1,008 thousand euros at the exchange rate at the end of September 2017.

A line of credit, granted by TEIXEIRA DUARTE – Engenharia e Construções, S.A. - Sucursal Venezuela, in August 2017, with Banco Universal Mercantil, with a maximum amount of 4,000,000 thousand Venezuelan bolivars, of which 3,200,000 thousand Venezuelan bolivars were being used at the end of September 2017, corresponding to 810 thousand euros at the exchange rate at the end of September 2017.

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

As at 30 September 2017 and 31 December 2016, the bank loans also include the pledged accounts of the value of EUR 374,777 thousand and EUR 368,586 thousand, respectively.

b) Commercial role

As at 30 September 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 September 2017, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. and TEIXEIRA DUARTE, S.A. take part, all of which are in use by TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. The participation of each company in the programme may vary each time the programme is used. The issue periods are from 1 to 6 months and earn interest in advance at the Euribor rate of the period plus a *spread* of 1.8%, with the repayment of the last issue being on 20 August 2018.

A commercial paper issue program contracted with Banco Comercial Português, S.A. on 20 August 2008, for an amount of 17000 thousand euros at the end of September 2017, with the repayment of the final issue on 27 November 2017. Interest accrues in arrears, with the rate being indexed to the three month Euribor plus a *spread* of 2.90%, calculated based on the date on which each issue is made.

Grouped contract programme, for the placing and underwriting of commercial paper with Caixa Geral de Depósitos, S.A. on 7 July 2010, to the sum of EUR 70,000 thousand, in which TEIXEIRA DUARTE - Engenharia e Construções, S.A. and TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. take part, with the entire amount being used by TEIXEIRA DUARTE - Gestão de Engenharia e Construções, S.A. The participation of each company in each programme may vary each time it is used. The programme was renewed on 12 May 2014 until 14 May 2019, for an amount of 50,000 thousand euros, with the amount of 40,000 thousand euros in force at the end of September 2017. It will be subject to three amortizations of 20,000 thousand euros on 27 January 2018 and 14 May 2018, 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 2.75%.

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 September 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 30 January 2018.

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 September 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, December 30, 2017, amounting to 13,500 thousand euros, and the remaining amortizations are scheduled every six months, starting on 30 June 2018, with amounts varying between 8,300 thousand euros and 3,300 thousand euros, with the exception of the final one, which will be 8,400 thousand euros. The applicable interest rate is the Euribor for each issue period, in force on the second business day prior to its beginning, increased by a spread of 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 September 2017, granted by the issuing parties and TEIXEIRA DUARTE, S.A., 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 program is subject to partial amortization, to occur on 30 June 2018, with an amount of 12,550 thousand euros. The remaining value is to be settled on the repayment date of the program'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., 2,100 thousand euros of which is being used by TEIXEIRA DUARTE - Engenharia e Construções, S.A. at the end of September 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 September 2017. The program has a duration of 5 years, the issuances may have a term of one or three months. The interest is in arrears to the rate that will be equal to the Euribor applicable to the term of the issuance plus a *spread* of 2.90%. The program is subject to partial amortizations, the first of 10,000 thousand euros on 27 December 2017, and all others half-yearly starting on 27 June 2018, with amounts varying between 2,000 thousand euros and 7,000

thousand euros; the remaining value will be settled on the repayment date of the program's final issue of 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 a *spread* of 3.25%.

Grouped programme of commercial paper issues contracted with Novo Banco, S.A., on 28 December 2015, for an amount of 95,000 thousand euros at the end of September 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, 8,550 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 program is subject to partial amortizations, with the first, amounting to 2,850 thousand euros, occurring on 6 May 2018 and all others half-yearly with amounts varying between 3,350 thousand euros and 3,400 thousand euros; the remaining value will be settled on the repayment date of the program's final issue, amounting to 75,250 thousand euros.

Programme of commercial paper issues contracted with Novo Banco, S.A., on 14 January 2016, for the amount of 34,000 thousand euros, in which TEIXEIRA DUARTE, S.A., e a TEIXEIRA DUARTE - Engenharia e Construções, S.A. takes part. The duration of the program is four years and it is subject to partial amortizations, the first on 14 July 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, amounting to 26,300 thousand euros. The interest is earned in advance on each subscription date, with the intervention rate being indexed to the Euribor for the respective period, in force on the second business day prior to each subscription date, plus a *spread* of 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 September 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 September 2017 and 31 December 2016, the repayment of the non-current bank loans is defined as follows:

	30/09/2017	31/12/2016
2018	252,959	301,405
2019	129,698	112,117
2020	123,891	143,351
2021	60,193	64,145
2022 and the following	40,933	43,076
	607,674	664,094

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

Currency	30/09/2017		31/12/2016	
	Currency	Euros	Currency	Euros
Venezuelan bolivar	9,098,918	2,304	3,390,426	4,774
American dollars	9,398	7,960	9,815	9,311
Angola Kwanza	15,079,786	81,735	17,515,311	94,947
Colombian Peso	1,122	0.3	1,795	1
Brazilian real	136,604	36,297	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 September 2017 and 31 December 2016, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	30/09/2017	31/12/2016
Granted bank guarantees	325,494	360,847
Guarantee insurance	237,449	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, 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 September 2017.

To guarantee the contract entered into with Banco Caixa Geral Angola, amounting to 3,178 thousand euros at the end of September 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 3,445 thousand euros at the end of September 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 7,649 thousand euros at the end of September 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 10,078 thousand euros at the end of September 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 14,528 thousand euros at the end of September 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 4,936 thousand euros at the end of September 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 6,474 thousand euros at the end of September 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 23,000 thousand euros at the end of September 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 September 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 1,228 thousand euros at the end of September 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 September 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 37,013 thousand euros at the end of September 2017, with the liability shared between the banks as follows: 13,880 thousand euros, 9,882 thousand euros and 13,251 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 18 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 95,000 thousand euros, granted by the issuing parties, Teixeira Duarte, S.A., Teixeira Duarte Engenharia e Construções, S.A., and Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários S.A., the guarantors, TDE - Empreendimentos Imobiliários, S.A., and Transbrital 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 1,045,610 shares in RECOLTE - Servicios y Medioambiente, S.A.U., valued at 30,720 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 September 2017 in EUR 6,499 m, 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 September 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 September 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 September 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 Marinha Design District, Santa Marinha, Vila Nova de Gaia, for the total value of 26,698 thousand euros.

To guarantee the commercial paper contract entered into with Caixa Geral de Depósitos, S.A., amounting to 70,000 thousand euros, renewed on 12 May 2014 until 14 May 2019, for the amount of 50,000 thousand euros - 40,000 thousand euros at the end of September 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 September 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 September 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 September 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 September 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 June 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 September 2017 of 887 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 11, 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 September 2017 of 406 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 19, 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 September 2017 of 109 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 December 12, 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 September 2017 of 203 thousand euros, the respective equipment acquired by the loan was given as a guarantee.

Financial commitments:

As at 30 September 2017 and 31 December 2016, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 370,797 thousand and EUR 430,627 thousand, respectively.

As at 30 September 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 4,575 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 September 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
Assets:				
Financial assets available for sale	Actions	1,905	-	-
Investment Properties	Buildings and land	-	565,974	-
Liabilities:				
Financial assets at fair value	Coverage derivatives	-	13,929	-

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 (amortized cost) does not differ significantly from corresponding market value.

26 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year that ended on 30 September 2017 were approved by the Board of Directors on 29 November 2017.

27 - SUBSEQUENT EVENTS

TEIXEIRA DUARTE continued its business in the different markets in which it operates, it being worth noting the following significant factors that occurred after 30 September 2017:

Start-up of the project execution contract in Algeria, amounting to an equivalent of 137 million euros, according to a disclosure made in a timely manner to the market, through a released dated 11 October 2017, with this title and the following essential content:

On 11 October 2017, a group led by its 100% owned company "Teixeira Duarte - Engenharia e Construções, S.A." received a service order from the Algerian entity known as "L'Établissement de Construction et de Réparation Navales (E.C.R.N.)", part of the Algerian National Ministry of Defense, for the execution of a maritime works contract entitled "l'Étude, la réalisation des aires de travail e de transfert, les infrastructures maritimes et génie-civil, les fournitures et l'installation d'un complexe élévateur à bateaux d'une capacité de levage égale ou supérieure à 9000 tonnes et la formation de techniciens", including drawing up the designs, as well as carrying out the works areas and transferring the infrastructure and civil construction work, as well as the supply and installation of a ship elevator with a lifting capacity in excess of 9000 tonnes and providing the respective training to technicians. Teixeira Duarte Group has a 90.32% share in the aforementioned group.

The period foreseen for execution of the works is of 29 months, with the value of the works totaling 96 million Euro and 4,513 million Algerian Dinars, representing a total approximately equivalent to 137 million Euro.

Change in the composition of the Board of Directors of "Teixeira Duarte, S.A.", following the resignation from the position submitted on 7 November 2017 by the then-director Mr. Eng. Jorge Ricardo de Figueiredo Catarino, due to him having reached retirement age. This resignation was accepted by the Board of Directors with effect as of that date, following a decision made in a meeting on that day, at which the board also decided to grant the aforementioned Mr. Eng. Jorge Ricardo de Figueiredo Catarino a special vote of commendation and recognition due to the competent and dedicated manner with which he provided significant services to "Teixeira Duarte, S.A." and its business group for more than 36 years, in demanding roles requiring great responsibility that he always performed with great capability, particularly within the scope of the activity of "Teixeira Duarte - Engenharia e Construções, S.A.", in which he built up his career, and of which he was also a member of the Board of Directors for several years.

During the same meeting, the Board of Directors also decided to opt to not appoint anybody to fill the vacancy, leaving that option for a later moment, or to be decided on by the shareholders at the General Meeting.