

**Teixeira Duarte**

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# Report and Accounts

## 1st Half of 2018



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## IDENTIFICATION OF THE COMPANY

TEIXEIRA DUARTE, S.A.

PUBLICLY-TRADED COMPANY

Headquarters: Lagoas Park, Edifício 2 - 2740-265 Porto Salvo

Share Capital: €210,000,000

Unique Legal Entity and

Registration Number in the Commercial Registry Office of Cascais-Oeiras 509.234.526

## SUMMARY OF INDICATORS

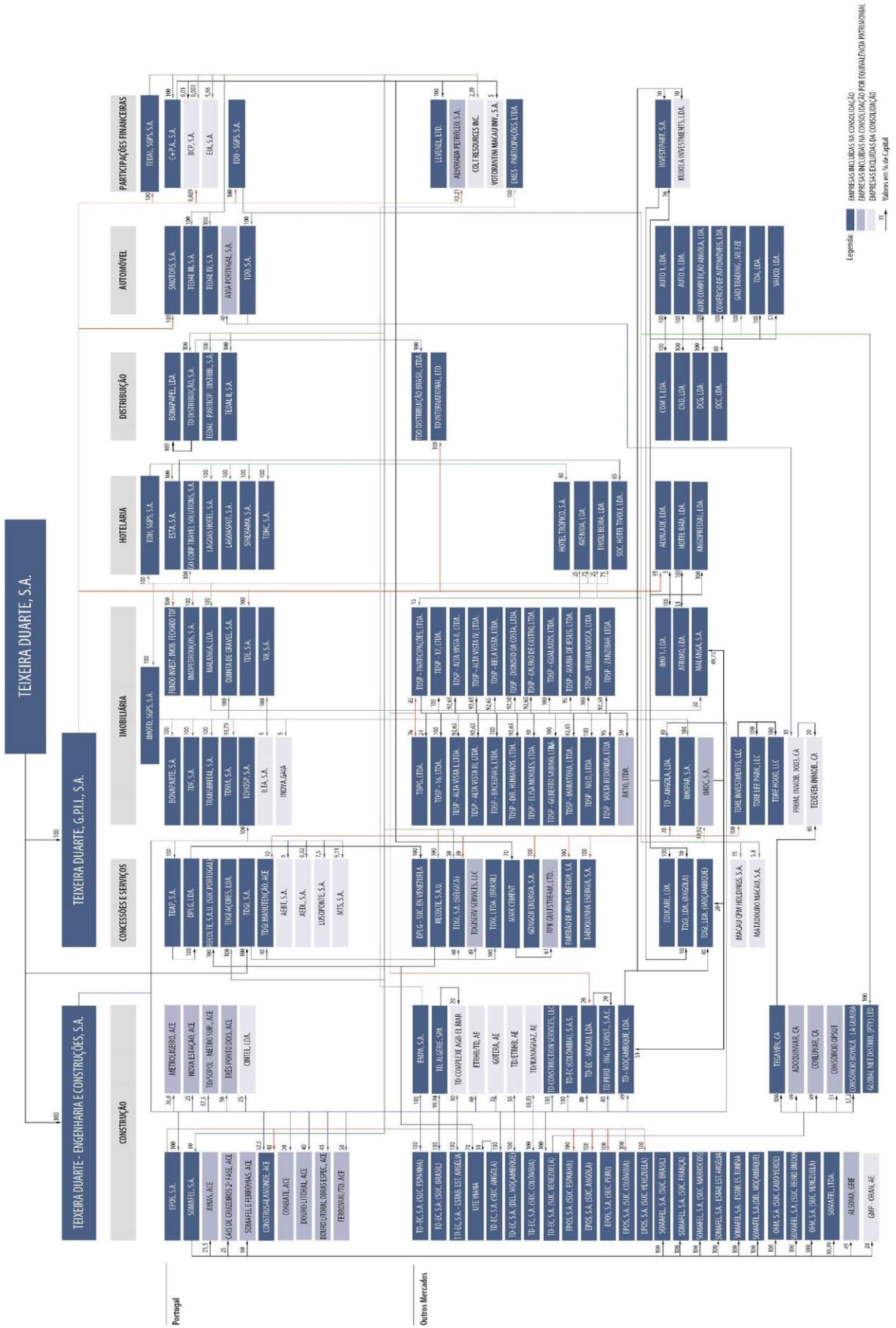
	1st Half 2014	1st Half 2015	1st Half 2016	1st Half 2017	1st Half 2018	Change 2018/2017 %
Average no. of employees	13.173	13.628	11.777	10.517	10.238	(2,7%)
Turnover	759	684	570	475	428	(9,8%)
Operating Income	766	702	590	501	495	(1,3%)
EBITDA	111	83	96	88	91	3,8%
EBITDA/Turnover Margin	14,7%	12,1%	16,9%	18,5%	21,3%	+ 2.8%
EBIT	104	47	65	59	66	12,4%
Net Profits/Losses Attributable to Equity Holders	43	24	(36)	(9)	17	-
Net Debt	1.294	1.236	1.152	1.114	771	(30,8%)
Total of Equity Attributable to Equity Holders	397	507	344	364	264	(27,5%)
Equity Total	430	528	393	411	301	(26,7%)
Net Assets Total	2.888	2.943	2.526	2.400	1.789	(25,5%)

### Notes:

The book values are expressed in millions of euros.

The amounts of the "2018/2017 % Change" column were calculated on the basis of the amounts without rounding.

Total Equity includes the non-controlling interest.





**Teixeira Duarte**

1st Half of 2018

# Interim Management Report

## I – INTRODUCTION

Under the terms and for the purposes of the applicable legal and regulatory provisions, TEIXEIRA DUARTE, S.A. (“TD, S.A.”) hereby publishes the Interim Report referring to the first six months of 2018, which also includes the attached consolidated financial statements.

In compliance with and under the regulations on regular reporting, we hereby clarify that the elements disclosed herein refer only to the consolidated scope and that the consolidated financial statements at 30 June 2018 were prepared using accounting policies that are consistent with International Financial Reporting Standards (“IFRS”), as adopted in the European Union, effective for the periods started on 1 January 2018 and in accordance with IAS 34 – Interim Financial Reporting.

Resulting from the application of IAS 29 – Hyperinflationary Economies to Angolan companies in 2018, the Group restated the balance sheet and respective notes to the accounts at 31 December 2017. Accordingly, the profit and loss accounts and respective notes at 30 June 2018 are not directly comparable with the financial statements at 30 June 2017.

It should be noted that within the Teixeira Duarte Group two of the wholly-owned companies repositioned themselves: “ANGOPREDIAL - Empreendimentos Imobiliários, Lda.” from the Real Estate sector to the Hospitality sector and “Global Net Distributors (Pty) Ltd.” from the Distribution sector to the Construction sector, for which in this document the notes to the 2017 consolidated financial statements were – only in relation to these four sectors – restated to allow the adequate level of comparability.

At 31 December 2017 the companies “BONAPARTE – Imóveis Comerciais e Participações, S.A.” (owner of “Shopping Cidade do Porto”), “TDHOSP - Gestão de Edifício Hospitalar, S.A.” and “LAGOAS PARK, S.A.” were classified as “Held for Sale” and therefore were no longer consolidated from that date. This has an impact on the comparability of the various indicators presented hereinafter, since such companies formed part of the scope of consolidation at June 2017 and contributed to these same indicators determined at the end of this first half of last year.

It should be noted that on 25 May 2018 the Group entered into a contract for disposal of the entire share capital of the company “Lagoas Park, S.A.” to a subsidiary of the European private equity fund Kildare.

This operation, together with those relating to the disposal of 90% of “TDHOSP - Gestão de Edifício Hospitalar, S.A.” and 7.5% of “LUSOPONTE – Concessionária da Travessia do Tejo, S.A.”, means that the Teixeira Duarte Group has, in the second quarter of this year, contracted an overall asset disposal amount of around 450 million euros of the announced 500 million euros expected to be disposed of.

This is therefore yet another important stage in the implementation of the Teixeira Duarte Group's strategy of reduction in the bank debt and focus on the key sectors and markets.

Notwithstanding the regular monitoring of the Teixeira Duarte Group's activity by its Supervisory Bodies, as well as the reporting of information which was being provided to them for the purpose of preparing this document, the elements hereby disclosed were not audited under the applicable provisions.

In addition to the Consolidated Financial Statements and the respective attached notes, a brief overview shall also be presented in this document regarding the change in the Group's activity during the period under analysis, in relation to which the following topics are highlighted in advance:

- **Net Profits Attributable to Equity Holders** of 17.4 million euros;
- **Turnover** of 428.4 million euros;
- **Foreign Markets** represent 73.3% of Turnover;
- **EBITDA** of 91.2 million euros;
- **EBITDA/Turnover Margin** of 21.3%;
- **Net Debt** of 771 million euros;
- **Group's Net Assets** of 1.789 billion euros;
- **Financial Autonomy** of 16.8%;
- **Order Book of the Teixeira Duarte Group** for the construction sector of 1.887 billion euros.

## II – OVERALL ASSESSMENT OF ACTIVITY

### Profit and Loss Accounts of the periods ended at 30 June 2018 and 2017.

	1H 18	1H 17	Change (%)	Q2 18	Q2 17	Change (%)
Operating income	494.653	500.985	(1,3%)	245.282	266.300	(7,9%)
Operating costs	(403.478)	(413.139)	2,3%	(206.290)	(220.978)	6,6%
<b>EBITDA</b>	<b>91.175</b>	<b>87.846</b>	<b>3,8%</b>	<b>38.992</b>	<b>45.322</b>	<b>(14,0%)</b>
Amortisation and depreciation	(21.788)	(28.930)	24,7%	(10.272)	(14.313)	28,2%
Provisions and impairment losses	(2.904)	221	-	(998)	106	-
<b>EBIT</b>	<b>66.483</b>	<b>59.137</b>	<b>12,4%</b>	<b>27.722</b>	<b>31.115</b>	<b>(10,9%)</b>
<b>Financial profits/losses</b>	<b>(37.633)</b>	<b>(43.267)</b>	<b>13,0%</b>	<b>(3.139)</b>	<b>(15.860)</b>	<b>80,2%</b>
<b>Profit before tax</b>	<b>28.850</b>	<b>15.870</b>	<b>81,8%</b>	<b>24.583</b>	<b>15.255</b>	<b>61,1%</b>
Income tax	(13.940)	(21.883)	36,3%	(6.690)	(14.464)	53,7%
<b>Net profit/loss</b>	<b>14.910</b>	<b>(6.013)</b>	<b>-</b>	<b>17.893</b>	<b>791</b>	<b>2162,1%</b>
<b>Attributable to:</b>						
<b>Equity holders</b>	<b>17.370</b>	<b>(9.091)</b>	<b>-</b>	<b>19.462</b>	<b>(429)</b>	<b>-</b>
Non-controlling interest	(2.460)	3.078	-	(1.569)	1.220	-

(AMOUNTS IN THOUSANDS OF EUROS)

**Net Profits Attributable to Equity Holders** were 17.370 million euros, which compare with the net losses of 9.091 million euros recorded at June 2017.

In addition to the normal impact of the carrying out of the activity of the entities that form the Teixeira Duarte Group in their different markets, this indicator was also impacted by foreign exchange losses, which at June 2018 were 38.577 million euros, whilst in the same period of 2017 there were losses of 3.089 million euros, and also by the positive impact, in the amount of 19.742 million euros, of the net monetary position resulting from the application of IAS 29 to the Angolan companies.

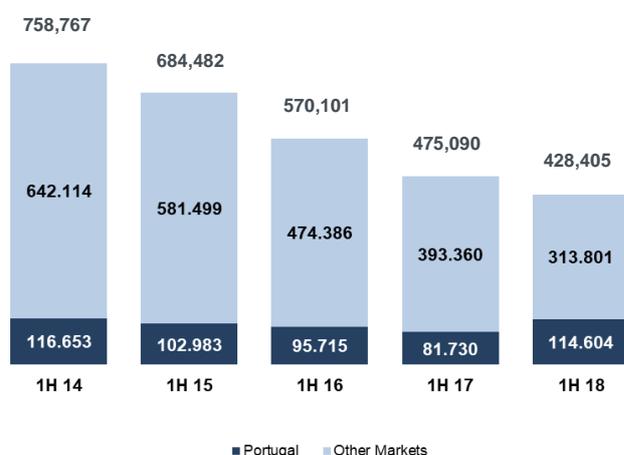
**Turnover** reached 428.405 million euros, which reflects a decrease of 9.8% from June 2017, i.e., a decline of 46.685 million euros.

In Portugal, an increase of 32.874 million euros from June 2017 was recorded, which is considered positive when particularly taking into account that at the end of this half of last year the companies RECOLTE, S.A. and RECOLTE (Porto), S.A. – disposed of in July 2017 – were still part of the Group's scope of consolidation and had contributed 6.157 million euros to Turnover of this period.

The other markets fell overall by 20.2%, partly resulting from the lesser significance in euros of the activity in some foreign markets, especially in Angola.

In this context, the foreign markets, which represented 82.8% of this indicator at June of last year, came to represent 73.3% of the total of the Teixeira Duarte Group's Turnover.

## Change in Turnover by Markets



(AMOUNTS IN THOUSANDS OF EUROS)

In the charts *below*, Turnover is detailed by countries and by sectors, and the exposure of the Group to more adverse economic climates and in particular the effects resulting from the devaluation of the Kwanza is perceptible.

## Change in Turnover by Countries

Countries	1H 18		1H 17		Change	Q2 18		Q2 17		Change
	Amount	Contribution	Amount	Contribution		Amount	Contribution	Amount	Contribution	
Portugal	114.604	26,8%	81.730	17,2%	40,2%	46.797	22,3%	47.949	19,3%	(2,4%)
Angola	139.411	32,5%	192.747	40,6%	(27,7%)	72.363	34,5%	96.864	39,1%	(25,3%)
Algeria	55.162	12,9%	45.307	9,5%	21,8%	30.646	14,6%	22.591	9,1%	35,7%
Brazil	71.969	16,8%	94.328	19,9%	(23,7%)	35.362	16,8%	53.007	21,4%	(33,3%)
Spain	18.062	4,2%	14.811	3,1%	21,9%	9.406	4,5%	7.373	3,0%	27,6%
Mozambique	12.334	2,9%	37.549	7,9%	(67,2%)	5.328	2,5%	15.612	6,3%	(65,9%)
Venezuela	10.255	2,4%	1.720	0,4%	496,2%	6.394	3,0%	1.375	0,6%	365,0%
Other	6.608	1,5%	6.898	1,5%	(4,2%)	3.625	1,7%	3.268	1,3%	10,9%
	<b>428.405</b>	<b>100,0%</b>	<b>475.090</b>	<b>100,0%</b>	<b>(9,8%)</b>	<b>209.921</b>	<b>100,0%</b>	<b>248.039</b>	<b>100,0%</b>	<b>(15,4%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

The increase in Turnover in Venezuela is a result of the Porto De La Guaria operation, which began in the second half of 2017 and that in the first half of 2018 reached 10.133 million euros.

## Change in Turnover by Sectors

Sector	1H 18		1H 17		Change	Q2 18		Q2 17		Change
	Amount	Contribution	Amount	Contribution		Amount	Contribution	Amount	Contribution	
Construction (*)	229.918	53,7%	234.121	49,3%	(1,8%)	123.179	58,7%	123.073	49,6%	0,1%
Concessions and Services	47.886	11,2%	52.176	11,0%	(8,2%)	25.740	12,3%	26.186	10,6%	(1,7%)
Real Estate (*)	51.663	12,1%	40.067	8,4%	28,9%	11.820	5,6%	20.941	8,4%	(43,6%)
Hospitality (*)	19.281	4,5%	23.792	5,0%	(19,0%)	10.469	5,0%	12.721	5,1%	(17,7%)
Distribution (*)	64.229	15,0%	90.783	19,1%	(29,2%)	31.107	14,8%	47.162	19,0%	(34,0%)
Automotive	15.428	3,6%	34.151	7,2%	(54,8%)	7.606	3,6%	17.956	7,2%	(57,6%)
	<b>428.405</b>	<b>100,0%</b>	<b>475.090</b>	<b>100,0%</b>	<b>(9,8%)</b>	<b>209.921</b>	<b>100,0%</b>	<b>248.039</b>	<b>100,0%</b>	<b>(15,4%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

(\*) - 2017 AMOUNTS RESTATED AS EXPLAINED ABOVE IN THE INTRODUCTION.

Continuing on from that indicated in the above chart, we now present some notes in relation to the activity in the first six months in each of the Group's Sectors:

**CONSTRUCTION**

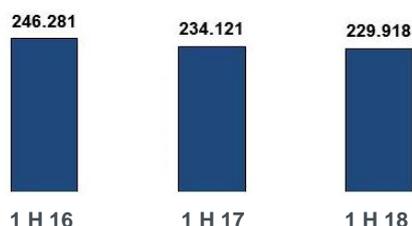
Construction Turnover declined 1.8% YoY, essentially due to the decline of the foreign markets as a whole.

Portugal recorded an increase of 38.2% YoY, essentially due to the good performance achieved in the private Construction market.

Overall Turnover in foreign markets decreased by 10.6% YoY, with a greater impact in Brazil and Mozambique, in the first case also due to the devaluation of the Real. It should also be noted that in Angola and Algeria activity grew (8.8% and 21.8%, respectively) but that the amount in euros of turnovers achieved at the end of this period in these countries was hurt by the devaluation in the currencies of these markets.

Thus, at 30 June 2018 the foreign markets represented 74.7% of Construction turnover, instead of the 82% that they represented at June 2017.

**Construction Turnover**



(AMOUNTS IN THOUSANDS OF EUROS)

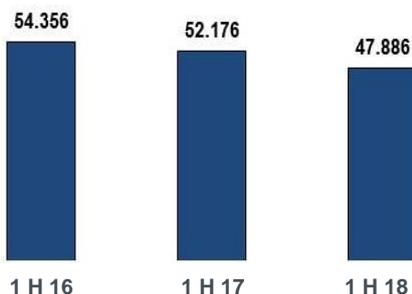
**CONCESSIONS AND SERVICES**

In Concessions and Services, Turnover fell by 8.2% YoY, which corresponds to a reduction of 4.290 million euros, largely resulting from the fact that in the first half of 2018 the Group no longer had the contribution of its subsidiaries in the environmental field in Portugal (Recolte, S.A. and Recolte (Porto), S.A.), disposed of in July 2017 and that had contributed 6.157 million euros to this indicator determined at 30 June 2017.

In Portugal, the fact should be highlighted that, when disregarding this contribution that these subsidiaries had made, this market in this sector has recorded an increase of 3.853 million euros.

In the other markets in which the Group operates in this sector, good performances were achieved, with exception of the Angolan market which recorded a decrease of 32.3% YoY.

**Concessions and Services Turnover**



(AMOUNTS IN THOUSANDS OF EUROS)

**REAL ESTATE**

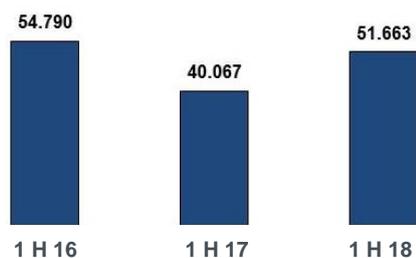
Real Estate increased its Turnover by 28.9% YoY.

In Portugal, an increase of 128.7% YoY was recorded, which is attributed to the fact of this period corresponding to the implementation phase of the sales of properties previously on the market.

Even so, it is important to note that this growth would have been even greater if not for the fact that the companies BONAPARTE, S.A., TDHOSP, S.A. and LAGOAS PARK, S.A., were classified as “Held for Sale” at 31 December 2017 and from this date, therefore, they were no longer consolidated. In 2017 and when they were still part of the Group's scope of consolidation, these three subsidiaries contributed 13.527 million euros to Turnover of the first half of that year.

In Brazil the Group had a decrease of 25.4% YoY, as its market was hurt by the devaluation of the Real, since without this effect the reduction would only have been 11.2%.

#### Real Estate Turnover



(AMOUNTS IN THOUSANDS OF EUROS)

#### HOSPITALITY

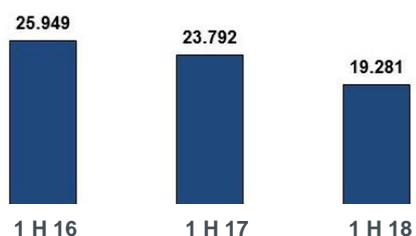
Hospitality Turnover decreased overall by 19% YoY.

In Portugal, activity grew by 11% YoY.

In Angola activity had an increase of 3.7%, but due to the devaluation of the Kwanza this indicator in this country ultimately recorded a reduction of 25.8% YoY.

In Mozambique, during the first six months of 2018, activity recorded a decrease of 29.8% YoY, essentially due to the reduction in turnover achieved through Hotel Avenida, in which the Group is implementing renovation works.

#### Hospitality Turnover

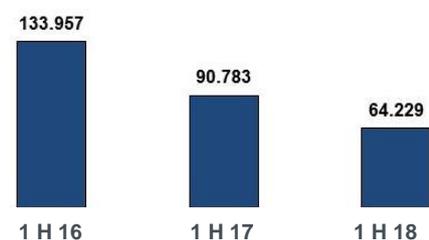


(AMOUNTS IN THOUSANDS OF EUROS)

### DISTRIBUTION

Turnover of Distribution decreased by 29.2% YoY, as it was hurt by the exchange rate devaluation of the Kwanza, whereby, when disregarding this effect, this indicator would only have declined by 1.2%.

#### Distribution Turnover

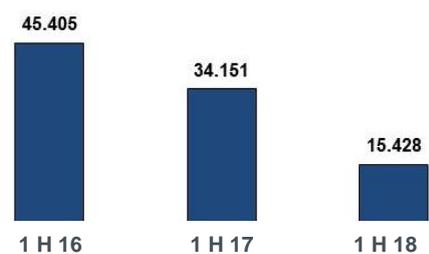


(AMOUNTS IN THOUSANDS OF EUROS)

### AUTOMOTIVE

In the Automotive sector the Group had a decrease in Turnover of 54.8% YoY, essentially due to the difficulties in importing vehicles and parts to Angola.

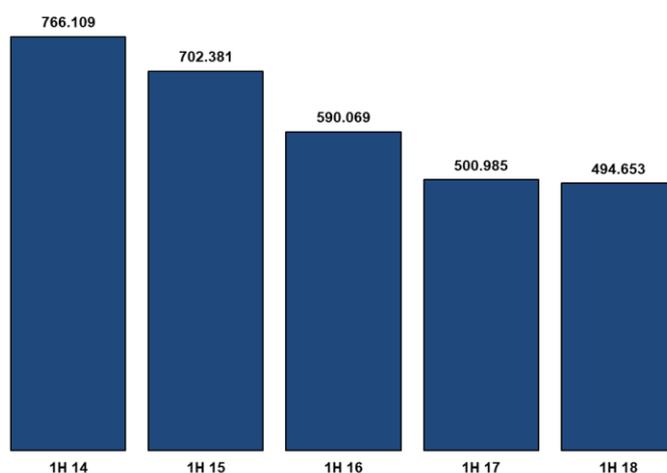
#### Automotive Turnover



(AMOUNTS IN THOUSANDS OF EUROS)

Operating income declined 1.3% YoY through achieving the amount of 494.653 million euros.

#### Change in Operating Income



(AMOUNTS IN THOUSANDS OF EUROS)

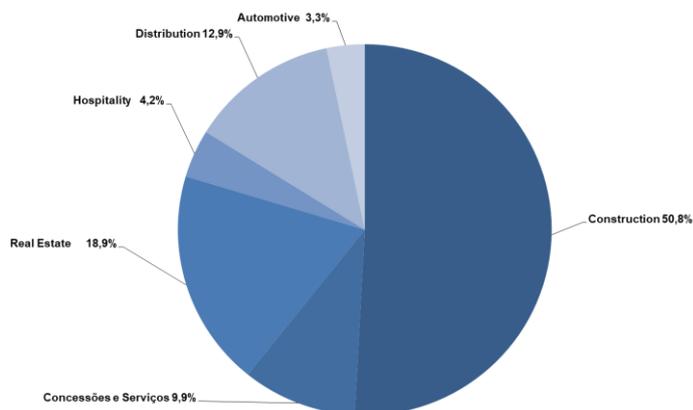
In the table below, the performances can be seen of the various sectors in which the Group operates.

Sector	Domestic Market			Foreign Markets			Total		
	1H 18	1H 17	Change(%)	1H 18	1H 17	Change(%)	1H 18	1H 17	Change(%)
Construction (*)	63.508	46.546	36,4%	188.064	194.094	(3,1%)	251.572	240.640	4,5%
Concessions and Services	16.712	19.789	(15,5%)	32.251	34.365	(6,2%)	48.963	54.154	(9,6%)
Real Estate (*)	58.492	30.361	92,7%	34.932	25.861	35,1%	93.424	56.222	66,2%
Hospitality (*)	5.314	4.707	12,9%	15.405	19.743	(22,0%)	20.719	24.450	(15,3%)
Distribution (*)	149	418	(64,4%)	63.505	90.596	(29,9%)	63.654	91.014	(30,1%)
Automotive	2.631	1.197	119,8%	13.690	33.308	(58,9%)	16.321	34.505	(52,7%)
<b>Total</b>	<b>146.806</b>	<b>103.018</b>	<b>42,5%</b>	<b>347.847</b>	<b>397.967</b>	<b>(12,6%)</b>	<b>494.653</b>	<b>500.985</b>	<b>(1,3%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

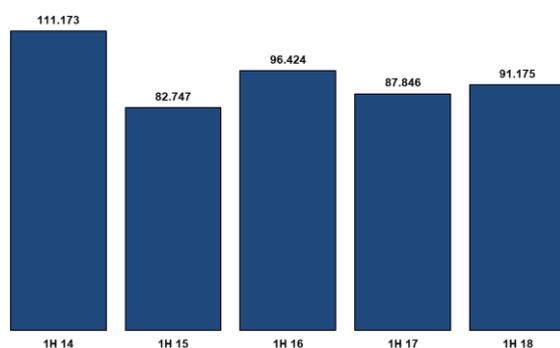
(\*) - 2017 AMOUNTS RESTATED AS EXPLAINED ABOVE IN THE INTRODUCTION.

In light of the changes pointed out above, the contributions of each of the sectors to the overall amount of operating income achieved at 30 June 2018 were the following:



EBITDA recorded an increase of 3.8% YoY and stood at 91.175 million euros.

#### Change in EBITDA



(AMOUNTS IN THOUSANDS OF EUROS)

Upon analysing the chart below, we can see the existence of very different behaviours of the different sectors, according to the characteristics of each and of the respective markets.

Change in EBITDA by Sectors

Sector	1H 18	1H 17	Change (%)	Q2 18	Q2 17	Change (%)
Construction (*)	30.343	27.313	11,1%	9.213	8.007	15,1%
Concessions and Services	6.325	5.880	7,6%	4.250	2.674	58,9%
Real Estate (*)	39.899	29.720	34,2%	16.999	20.360	(16,5%)
Hospitality (*)	6.284	6.884	(8,7%)	2.256	5.340	(57,8%)
Distribution (*)	6.208	8.628	(28,0%)	4.457	3.692	20,7%
Automotive	6.888	12.818	(46,3%)	4.839	7.457	(35,1%)
Not related to segments	(4.781)	(3.397)	(40,7%)	(3.031)	(2.078)	(45,9%)
Eliminations	9	-	-	9	(130)	-
	<b>91.175</b>	<b>87.846</b>	<b>3,8%</b>	<b>38.992</b>	<b>45.322</b>	<b>(14,0%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

(\*) - 2017 AMOUNTS RESTATED AS EXPLAINED ABOVE IN THE INTRODUCTION.

In the first six months of 2018, this indicator was influenced by four aspects that should be highlighted:

- Disposal of the wholly-owned subsidiary “LAGOAS PARK, S.A.”, with earnings of 24.898 million euros;
- Operational foreign exchange gains/losses, which in 2018 saw gains of 17.219 million euros and that at June 2017 saw losses of 5.476 million euros;
- The fair value valuation of the investment properties in 2018 in the amount of 12.681 million euros, when at June 2017 such valuation stood at 9.916 million euros;
- Non-recurring operating costs of 14 million euros, namely resulting from impairments of assets receivable;

Also with regard to this indicator, it should be noted that the fair value gains at June 2018 are essentially due to the investment properties based in Angola.

There were **financial losses** of 37.633 million euros in the period ended at 30 June 2018, whilst at the end of the first six months of 2017 there were financial losses of 43.267 million euros.

	1H 18	1H 17	Change (%)	Q2 18	Q2 17	Change (%)
<b>financial costs and losses:</b>	<b>(86.636)</b>	<b>(164.280)</b>	<b>47,3%</b>	<b>(20.794)</b>	<b>(98.950)</b>	<b>79,0%</b>
Interest paid	(13.779)	(36.443)	62,2%	(7.082)	(17.635)	59,8%
Foreign exchange losses	(63.579)	(114.795)	44,6%	(10.755)	(75.585)	85,8%
Other financial costs and losses	(9.278)	(13.042)	28,9%	(2.957)	(5.730)	48,4%
<b>financial income and gains:</b>	<b>47.656</b>	<b>119.042</b>	<b>(60,0%)</b>	<b>17.117</b>	<b>81.706</b>	<b>(79,1%)</b>
Interest obtained	2.578	6.245	(58,7%)	1.144	3.153	(63,7%)
Foreign exchange gains	25.002	111.706	(77,6%)	7.205	78.014	(90,8%)
Discounts received for prompt payment	5	5	-	5	4	25,0%
Net monetary position	19.742	-	-	8.596	-	-
Other financial income and gains	329	1.086	(69,7%)	167	535	(68,8%)
<b>profits/losses relating to investment activities:</b>	<b>1.347</b>	<b>1.971</b>	<b>(31,7%)</b>	<b>538</b>	<b>1.384</b>	<b>(61,1%)</b>
Profits/losses relating to associated companies and joint ventures	486	1.752	(72,3%)	(286)	1.076	-
Dividends	824	698	18,1%	824	-	-
Other investments	37	3	1133,3%	-	-	-
Gains/losses in assets available for sale	-	(482)	-	-	308	-
<b>financial profits/losses</b>	<b>(37.633)</b>	<b>(43.267)</b>	<b>13,0%</b>	<b>(3.139)</b>	<b>(15.860)</b>	<b>80,2%</b>

(AMOUNTS IN THOUSANDS OF EUROS)

This indicator recorded a positive variation of 5.634 million euros YoY, with the contribution of the following variations standing out:

- A positive variation of 19.742 million euros, resulting from the impact of the net monetary position, arising from the application of IAS 29;
- A positive variation of 22.664 million euros, resulting from the impact of the interest expenses;
- A positive variation of 0.482 million euros, resulting from the impact of the impairment losses and disposal of rights in the subsidiary “Banco Comercial Português, S.A.”;
- A negative variation of 35.488 million euros, resulting from the impact of the foreign exchange losses.

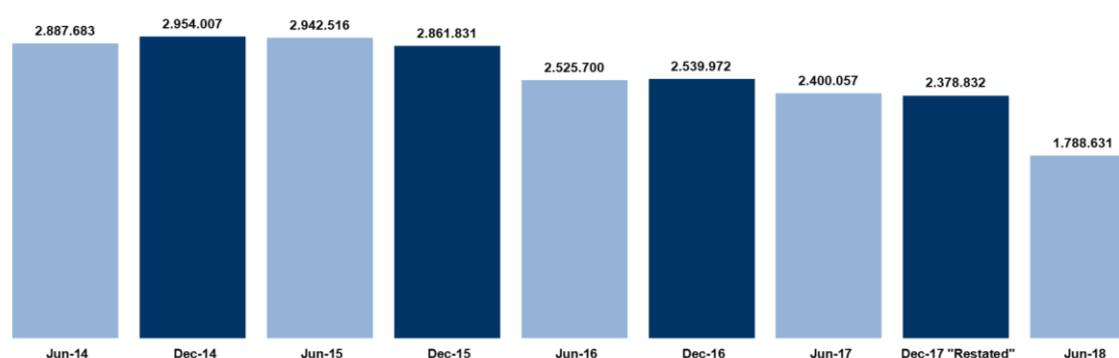
**Income Tax** at 30 June 2018 totalled the amount of minus 13.940 million euros, whilst at 30 June 2017 it stood at minus 21.883 million euros.

	1H 18	1H 17	Change (%)	Q2 18	Q2 17	Change (%)
Current tax	(18.304)	(29.650)	38,3%	(10.078)	(18.371)	45,1%
Deferred tax	4.364	7.767	(43,8%)	3.388	3.907	(13,3%)
	<b>(13.940)</b>	<b>(21.883)</b>	<b>36,3%</b>	<b>(6.690)</b>	<b>(14.464)</b>	<b>53,7%</b>

(AMOUNTS IN THOUSANDS OF EUROS)

The **Net Assets Total** fell by 24.8% in relation to 31 December 2017 “Restated”, having stood at 1,788.631 million euros.

#### Change in the Net Assets



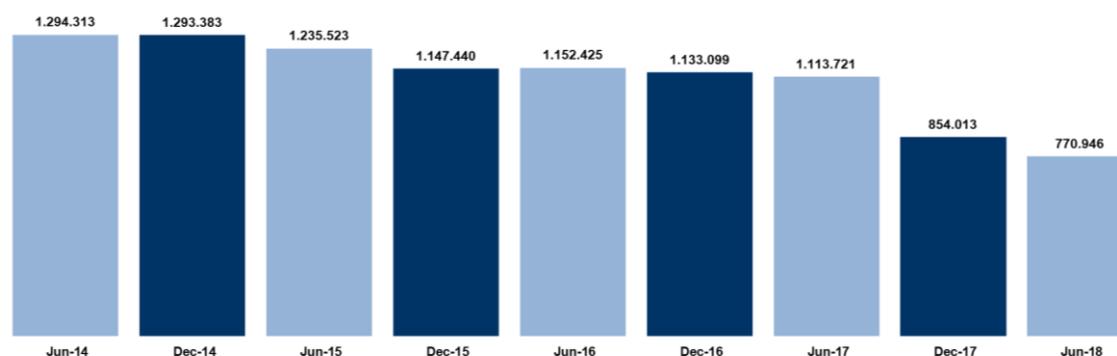
(AMOUNTS IN THOUSANDS OF EUROS)

It should be noted that the reduction in the assets, in the amount of 590.201 million euros, is essentially due to the disposal of the company “Lagoas Park, S.A.” – which involved a reduction of 356.961 million euros –, as well as the impact of the devaluation against the Euro of the currencies of various geographies in which the Group operates, especially the Kwanza.

However and although the operating assets in question are recorded in the accounts at the amortised cost in Kwanzas, these same assets are “dollarised” by the market, for which it is considered that such devaluation does not reflect an actual reduction in the value of these assets.

**Net Debt** recorded a decline of 9.7% in relation to the end of last year, having stood at 770.946 million euros at 30 June 2018.

#### Change in Net Debt



(AMOUNTS IN THOUSANDS OF EUROS)

**Equity Attributable to Shareholders** fell by 185.182 million euros from 449.095 million euros to 263.913 million euros, corresponding to a 41.2% decrease in relation to 31 December 2017 “Restated”.

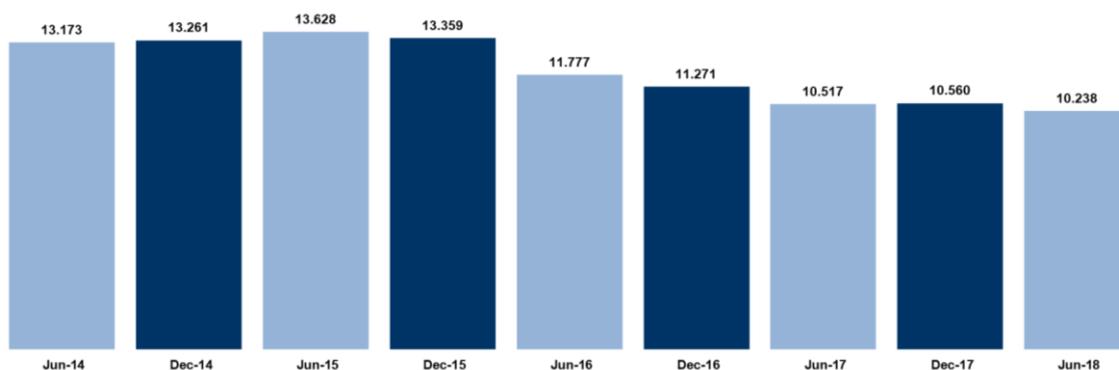
**Equity Total** fell by 38.8%, having stood at 301.051 million euros, after essentially being influenced by the following factors:

- Net profit of 14.910 million euros;
- Negative impact of 200.948 million euros, resulting from the foreign currency conversion recorded according to the devaluation against the Euro of the currencies in which the Group operates;

**Financial Autonomy** went from 20.7% at 31 December 2017 “Restated” to 16.8% at 30 June 2018.

**Average Number of Employees** at 30 June 2018 was 10,238, a decrease of 3% from 31 December 2017.

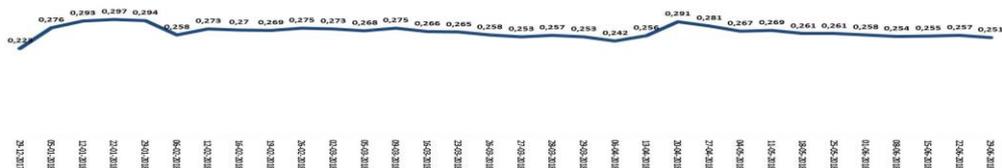
**Change in the Average Number of Employees**



The “**Teixeira Duarte, S.A.**” stock price changed from 0.223 euros at 31 December 2017 to 0.251 euros at 30 June 2018.

In the graph below we can see the change in the share price during the first six months of this year, having varied in this period between a minimum of 0.22 euros and a maximum of 0.32 euros.

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



In this period, 35,715,578 shares, with turnover in the overall amount of 9,836,043 euros, were traded on the stock exchange.

### III. EVENTS OCCURRING AFTER THE END OF THE 1ST HALF OF 2018

After the promissory contract that its wholly-owned subsidiary, "Teixeira Duarte - Engenharia e Construções, S.A.", entered into on 21 June 2018 to dispose of the 375,000 shares that the latter holds in "LUSOPONTE – Concessionária para a Travessia do Tejo, S.A." (LUSOPONTE), corresponding to 7.5% of its share capital, to "Companhia de Investimento China-Portugal Global, Limitada", the pre-emptive right was exercised by the shareholders of LUSOPONTE "Vinci Highways, SAS" and "Lineas – Concessões de Transportes, SGPS, S.A.".

Consequently, on 23 August 2018 "Teixeira Duarte - Engenharia e Construções, S.A." entered into two contracts with a view to the disposal of the same 375,000 shares that it holds in LUSOPONTE, for the overall price of €23,300,000.00:

1. A contract for the sale of 185,625 shares to "Vinci Highways, SAS", for the price of €11,533,500.00; and
2. Another for the sale of 189,375 shares to "Lineas – Concessões de Transportes, SGPS, S.A." for the price of €11,766,500.00.

These disposals are also subject to other procedures being implemented, namely by LUSOPONTE, particularly together with the financing entities. In this case, should the contracts be implemented, it is estimated that they shall have an impact of around 18 million euros on the accounting profits/losses.

### IV. FORECASTS FOR 2018

Although overall the Order Book of the Teixeira Duarte Group for the construction sector has had a decline of 4.1% from the end of 2017, the Order Book reached the overall amount of 1,887.412 million euros at 30 June 2018, of which 461.693 million euros are for 2021 and thereafter.

For a more detailed analysis in relation to the nearer periods, i.e., for the remaining 1,425.719 million euros already contracted and expected to be executed in the next six months of 2018 and in the years of 2019 and 2020, a chart is presented below with additional elements regarding their distribution by countries:

	Jul to Dec 2018		2019		2020	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Contribution (%)
Portugal	101.020	23,2%	122.662	19,6%	56.203	15,5%
Angola	83.477	19,1%	68.107	10,9%	2.144	0,6%
Algeria	150.649	34,5%	248.387	39,6%	148.554	41,0%
Brazil	77.035	17,7%	148.868	23,7%	49.808	13,8%
Mozambique	8.931	2,1%	3.962	0,6%	396	0,1%
Venezuela	8.479	1,9%	31.165	5,0%	105.113	29,0%
Other Markets	6.673	1,5%	4.087	0,6%	-	-
<b>Total</b>	<b>436.263</b>	<b>100,0%</b>	<b>627.238</b>	<b>100,0%</b>	<b>362.218</b>	<b>100,0%</b>

(AMOUNTS IN THOUSANDS OF EUROS)

Teixeira Duarte expects to achieve a consolidated operating income of around 1,000 million euros.

## V. ANNEXES TO THE INTERIM MANAGEMENT REPORT

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

In fulfilment of the reporting obligations that it is bound to through the various existing regulations, Teixeira Duarte, S.A. presents below the list of securities issued by the Company and by companies who are its subsidiaries or are in its same group, held by members of the governing bodies, as well as all the acquisitions, encumbrances or transfers during the first half of 2018, specifying the amount, the date of the event and the consideration paid or received:

#### I - Number of shares held by Members of the Governing Bodies at 31 December 2017:

Name	Company	Capacity	No. of Shares
Rogério Paulo Castanho Alves	TEIXEIRA DUARTE, S.A.	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	TEIXEIRA DUARTE, S.A.	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiães Cobra Ferreira	TEIXEIRA DUARTE, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	TEIXEIRA DUARTE, S.A.	Chairman of the Board of Directors	42.000
Manuel Maria Calainho de Azevedo Teixeira Duarte	TEIXEIRA DUARTE, S.A.	Director	5.149.575
Joel Vaz Viana de Lemos	TEIXEIRA DUARTE, S.A.	Director	433.862
Carlos Gomes Baptista	TEIXEIRA DUARTE, S.A.	Director	62.671
Diogo Bebiano Branco de Sá Viana Rebelo	TEIXEIRA DUARTE, S.A.	Director	31.160
Jorge Ricardo de Figueiredo Catarino *	TEIXEIRA DUARTE, S.A.	Director	180.000
Óscar Manuel Machado de Figueiredo	TEIXEIRA DUARTE, S.A.	Chairman of the Audit Committee	-
Mateus Moreira	TEIXEIRA DUARTE, S.A.	Member of the Audit Committee	-
Miguel Carmo Pereira Coutinho	TEIXEIRA DUARTE, S.A.	Member of the Audit Committee	(a) 10,000
Rui Pedro Ferreira de Almeida	TEIXEIRA DUARTE, S.A.	Alternate of the Audit Committee	-
Moore Stephens & Associados, SROC, S.A.	TEIXEIRA DUARTE, S.A.	Statutory Auditor	-

(a) – Held under a co-ownership scheme with their wives

#### II. Operations with shares held directly and indirectly by Members of the Governing Bodies during the period comprised between 1 January and 30 June 2018:

It can be reported that, for all due purposes, there were no operations with shares held directly and indirectly by Members of the Board of Directors during the period comprised between 1 January and 30 June 2018.

#### III - Number of shares held by Members of the Governing Bodies at 30 June 2018:

Name	Company	Capacity	No. of Shares
Rogério Paulo Castanho Alves	TEIXEIRA DUARTE, S.A.	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	TEIXEIRA DUARTE, S.A.	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiães Cobra Ferreira	TEIXEIRA DUARTE, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	TEIXEIRA DUARTE, S.A.	Chairman of the Board of Directors	42.000
Manuel Maria Calainho de Azevedo Teixeira Duarte	TEIXEIRA DUARTE, S.A.	Director	5.149.575
Joel Vaz Viana de Lemos	TEIXEIRA DUARTE, S.A.	Director	433.862
Carlos Gomes Baptista	TEIXEIRA DUARTE, S.A.	Director	62.671
Diogo Bebiano Branco de Sá Viana Rebelo	TEIXEIRA DUARTE, S.A.	Director	31.160
Óscar Manuel Machado de Figueiredo	TEIXEIRA DUARTE, S.A.	Chairman of the Audit Committee	-
Mateus Moreira	TEIXEIRA DUARTE, S.A.	Member of the Audit Committee	-
Miguel Carmo Pereira Coutinho	TEIXEIRA DUARTE, S.A.	Member of the Audit Committee	(a) 10,000
Rui Pedro Ferreira de Almeida	TEIXEIRA DUARTE, S.A.	Alternate of the Audit Committee	-
Moore Stephens & Associados, SROC, S.A.	TEIXEIRA DUARTE, S.A.	Statutory Auditor	-

(a) – Held under a co-ownership scheme with their wives

## LIST OF HOLDERS OF QUALIFYING HOLDINGS AT 30 JUNE 2018

In compliance with the applicable legal and regulatory provisions, it is based on the Company's records and on the received information that TEIXEIRA DUARTE, S.A. hereby discloses the list of holders of qualifying holdings in its share capital at 30 June 2018, with indication of the number of shares held and allocated, with the corresponding percentages of voting rights, calculated on the terms of Article 20 of the Securities Code.

TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.	No. of shares at 30/06/2018	% Share capital with voting right
Directly	202.392.526	48,19%
Through the members of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A."	9.159.048	2,18%
<b>TOTAL ATTRIBUTABLE</b>	<b>211.551.574</b>	<b>50,37%</b>

Miguel Calainho de Azevedo Teixeira Duarte	No. of shares at 30/06/2018	% Share capital with voting right
Directly	373.790	0,09%
Through its direct subsidiary "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."	43.510.000	10,36%
<b>TOTAL ATTRIBUTABLE</b>	<b>43.883.790</b>	<b>10,45%</b>

Banco Comercial Português, S.A.	No. of shares at 30/06/2018	% Share capital with voting right
Directly	-	-
Through the Pension Fund of Grupo Banco Comercial Português held by it	38.077.865	9,07%
<b>TOTAL ATTRIBUTABLE</b>	<b>38.077.865</b>	<b>9,07%</b>

João Afonso Calainho de Azevedo Teixeira Duarte	No. of shares at 30/06/2018	% Share capital with voting right
Directly	10.267.325	2,44%
<b>TOTAL ATTRIBUTABLE</b>	<b>10.267.325</b>	<b>2,44%</b>

**STATEMENT OF COMPLIANCE**

(IN ACCORDANCE WITH THE TERMS OF SUB-SECTION C) OF NO. 1 OF ARTICLE 246 OF THE SECURITIES CODE)

To the best of the signatories' knowledge, the information disclosed in this report and the respective financial statements was prepared in conformity with the applicable accounting standards, providing a true and adequate picture of the assets and liabilities, the financial situation and the profits/losses of TEIXEIRA DUARTE, S.A., and of the companies included in its scope of consolidation, whilst the interim management report also faithfully indicates the important events occurring in the first six months of 2018 and the impact on the respective financial statements, as well as a description of the main risks and uncertainties for the next six months.

Lagoas Park, 31 August 2018

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



**Teixeira Duarte**

1st Half of 2018

# Consolidated Financial Statements

## CONSOLIDATED BALANCE SHEETS

AT 30 JUNE 2018 AND 31 DECEMBER 2017 "RESTATED"  
(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	30/06/2018 (Unaudited)	31/12/2017 "Restated" (Unaudited)
<b>Non-current assets:</b>			
Goodwill		12.289	12.371
Intangible assets		68.283	85.094
Tangible fixed assets	13	348.426	478.607
Investment properties	14	192.568	217.647
Investments in associated companies and joint ventures	7 and 15	20.879	20.296
Financial assets available for sale	7 and 16	1.742	1.841
Other investments		20.137	27.413
Deferred tax assets	18	175.338	155.276
Customers		32.510	39.784
Other debtors		10.549	10.985
Other non-current assets		5.626	5.626
<b>Total non-current assets</b>		<b>888.347</b>	<b>1.054.940</b>
<b>Current assets:</b>			
Inventories		210.666	245.616
Customers		227.757	260.407
Other debtors		48.546	42.805
Cash and cash equivalents	20	131.688	154.265
Other investments		17.563	-
Other current assets		166.555	165.819
		<b>802.775</b>	<b>868.912</b>
Assets held for sale	17	97.509	454.980
<b>Current assets total</b>		<b>900.284</b>	<b>1.323.892</b>
<b>ASSETS TOTAL</b>	<b>7</b>	<b>1.788.631</b>	<b>2.378.832</b>
<b>Equity:</b>			
Capital	21	210.000	210.000
Adjustments of equity holdings in associated companies and joint ventures		104	215
Foreign exchange conversion adjustments		(262.087)	(67.455)
Reserves and retained earnings	22	298.526	310.985
Consolidated net profit/loss		17.370	(4.650)
<b>Equity attributable to shareholders</b>		<b>263.913</b>	<b>449.095</b>
Non-controlling interest		37.138	42.919
<b>EQUITY TOTAL</b>		<b>301.051</b>	<b>492.014</b>
<b>Non-current liabilities:</b>			
Loans	23	793.973	708.718
Provisions		34.546	36.718
Financial leases		4.010	4.768
Deferred tax liabilities	18	28.383	35.424
Other non-current liabilities		33.593	32.161
<b>Non-current liabilities total</b>		<b>894.505</b>	<b>817.789</b>
<b>Current liabilities:</b>			
Loans	23	108.661	299.560
Suppliers		125.821	155.625
Financial leases		3.242	3.879
Other creditors		32.084	28.186
Other current liabilities		232.562	231.903
		<b>502.370</b>	<b>719.153</b>
Liabilities held for sale	17	90.705	349.876
<b>Current liabilities total</b>		<b>593.075</b>	<b>1.069.029</b>
<b>LIABILITIES TOTAL</b>	<b>7</b>	<b>1.487.580</b>	<b>1.886.818</b>
<b>LIABILITIES AND EQUITY TOTAL</b>		<b>1.788.631</b>	<b>2.378.832</b>

## CONSOLIDATED PROFIT AND LOSS ACCOUNTS

OF THE PERIODS ENDED AT 30 JUNE 2018 AND 2017

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	1H 18	1H 17	Q2 18	Q2 17
<b>Operating income:</b>					
Sales and provisions of services	7 and 8	428.405	475.090	209.921	248.039
Other operating income	8	66.248	25.895	35.361	18.261
<b>Total operating income</b>	<b>8</b>	<b>494.653</b>	<b>500.985</b>	<b>245.282</b>	<b>266.300</b>
<b>Operating costs:</b>					
Cost of sales		(113.063)	(128.665)	(54.745)	(68.708)
Variation in production		(19.678)	5.782	(1.040)	3.178
External supplies and services		(133.117)	(146.477)	(74.937)	(81.126)
Staff costs		(108.623)	(120.556)	(54.918)	(60.492)
Amortisation and depreciation	7	(21.788)	(28.930)	(10.272)	(14.313)
Provisions and impairment losses in depreciable and amortisable assets and <i>Goodwill</i>	7	(2.904)	221	(998)	106
Other operating costs		(28.997)	(23.223)	(20.650)	(13.830)
<b>Total operating costs</b>		<b>(428.170)</b>	<b>(441.848)</b>	<b>(217.560)</b>	<b>(235.185)</b>
<b>Operating profits/losses</b>	<b>7</b>	<b>66.483</b>	<b>59.137</b>	<b>27.722</b>	<b>31.115</b>
Financial costs and losses	7 and 9	(86.636)	(164.280)	(20.794)	(98.950)
Financial income and gains	7 and 9	47.656	119.042	17.117	81.706
<b>Profits/losses relating to investment activities:</b>					
Profits/losses relating to associated companies and joint ventures	7 and 9	486	1.752	(286)	1.076
Other	7 and 9	861	219	824	308
<b>Financial profits/losses</b>		<b>(37.633)</b>	<b>(43.267)</b>	<b>(3.139)</b>	<b>(15.860)</b>
<b>Profit before tax</b>	<b>7</b>	<b>28.850</b>	<b>15.870</b>	<b>24.583</b>	<b>15.255</b>
Income tax	10	(13.940)	(21.883)	(6.690)	(14.464)
<b>Consolidated net profit/loss of the period</b>		<b>14.910</b>	<b>(6.013)</b>	<b>17.893</b>	<b>791</b>
<b>Net profit/loss attributable to:</b>					
<b>Equity holders</b>	<b>11</b>	<b>17.370</b>	<b>(9.091)</b>	<b>19.462</b>	<b>(429)</b>
Non-controlling interest		(2.460)	3.078	(1.569)	1.220
<b>Earnings per share:</b>					
Basic (euros)	11	0,04	(0,02)	0,05	(0,00)
Diluted (euros)	11	0,04	(0,02)	0,05	(0,00)

The attached notes are an integral part of the consolidated profit and loss account of the period ended at 30 June 2018.

## CONSOLIDATED PROFIT AND LOSS ACCOUNTS AND CONSOLIDATED STATEMENTS OF OTHER COMPREHENSIVE INCOME

OF THE PERIODS ENDED AT 30 JUNE 2018 AND 2017

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	1H 18	1H 17	Q2 18	Q2 17
<b>Consolidated net profit/loss of the period</b>		<b>14.910</b>	<b>(6.013)</b>	<b>17.893</b>	<b>791</b>
<b>Income and expenses that shall not subsequently be re-classified to profits/losses</b>					
Disposal of non-controlling interest		-	(7.207)	-	-
Other variations in equity		(4.814)	1.989	(551)	4.606
		<b>(4.814)</b>	<b>(5.218)</b>	<b>(551)</b>	<b>4.606</b>
<b>Income and expenses that can subsequently be re-classified to profits/losses</b>					
Fair value of financial assets available for sale		-	-	-	-
Foreign exchange conversion adjustments	26	(200.948)	(22.913)	(34.138)	(19.616)
Adjustments of equity holdings in associated companies and joint ventures	15	(111)	(640)	1.597	(270)
Hedging derivative financial instruments		-	1.344	-	724
		<b>(201.059)</b>	<b>(22.209)</b>	<b>(32.541)</b>	<b>(19.162)</b>
<b>Profit/loss recognised directly in the equity</b>		<b>(205.873)</b>	<b>(27.427)</b>	<b>(33.092)</b>	<b>(14.556)</b>
<b>Comprehensive income for the period</b>		<b>(190.963)</b>	<b>(33.440)</b>	<b>(15.199)</b>	<b>(13.765)</b>
<b>Comprehensive income attributable to:</b>					
<b>Equity holders</b>		<b>(185.182)</b>	<b>(31.017)</b>	<b>(14.175)</b>	<b>(15.140)</b>
Non-controlling interest		(5.781)	(2.423)	(1.024)	1.375

The attached notes are an integral part of the consolidated statement of other comprehensive income of the period ended at 30 June 2018.



## CONSOLIDATED CASH FLOW STATEMENTS

OF THE PERIODS ENDED AT 30 JUNE 2017 AND 2018

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF EUROS)

	Notas	1H 18	1H 17	1Q 18	1Q 17
<b>OPERATIONAL ACTIVITIES</b>					
Receipts from customers		460.919	503.385	237.192	239.667
Payment to suppliers		(288.071)	(280.640)	(160.698)	(144.598)
Payment to staff		(107.904)	(114.044)	(53.202)	(58.341)
<b>Cash generated by operations</b>		<b>64.944</b>	<b>108.701</b>	<b>23.292</b>	<b>36.728</b>
Payment/receipt of income tax		(11.078)	(10.961)	(8.538)	(306)
Other receipts/payments		(32.480)	(12.962)	(25.196)	(16.213)
<b>Cash flows of operational activities (1)</b>		<b>21.386</b>	<b>84.778</b>	<b>(10.442)</b>	<b>20.209</b>
<b>INVESTMENT ACTIVITIES</b>					
<b>Receipts related to:</b>					
Financial investments	20	109.722	13.825	109.460	-
Tangible fixed assets and investment properties		1.715	3.550	1.019	2.525
Interests and similar income		3.029	6.425	1.335	3.229
Dividends	20	1.104	698	1.104	-
		<b>115.570</b>	<b>24.498</b>	<b>112.918</b>	<b>5.754</b>
<b>Payments related to:</b>					
Financial investments	20	-	(5)	-	(5)
Tangible fixed assets and investment properties		(15.602)	(14.185)	(8.407)	(6.731)
Intangible assets		(540)	(35.870)	(434)	1.925
		<b>(16.142)</b>	<b>(50.060)</b>	<b>(8.841)</b>	<b>(4.811)</b>
<b>Cash flows of investment activities (2)</b>		<b>99.428</b>	<b>(25.562)</b>	<b>104.077</b>	<b>943</b>
<b>FINANCING ACTIVITIES</b>					
<b>Receipts related to:</b>					
Obtained financing		<b>990.413</b>	<b>1.055.407</b>	<b>566.626</b>	<b>577.963</b>
<b>Payments related to:</b>					
Obtained financing		(1.096.055)	(1.096.485)	(645.260)	(603.908)
Interests and similar expenses		(12.048)	(34.993)	(6.953)	(15.565)
Dividends	12	-	(840)	-	(840)
		<b>(1.108.103)</b>	<b>(1.132.318)</b>	<b>(652.213)</b>	<b>(620.313)</b>
<b>Cash flows of financing activities (3)</b>		<b>(117.690)</b>	<b>(76.911)</b>	<b>(85.587)</b>	<b>(42.350)</b>
<b>Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)</b>		<b>3.124</b>	<b>(17.695)</b>	<b>8.048</b>	<b>(21.198)</b>
<b>Efeito das diferenças de câmbio</b>		<b>(25.701)</b>	<b>(3.894)</b>	<b>(4.600)</b>	<b>(4.278)</b>
<b>Cash and cash-equivalent items at the beginning of the period</b>	<b>20</b>	<b>154.265</b>	<b>180.908</b>	<b>128.240</b>	<b>184.795</b>
<b>Transfer to assets held for sale</b>		<b>-</b>	<b>(111)</b>	<b>-</b>	<b>(111)</b>
<b>Cash and cash-equivalent items at the end of the period</b>	<b>20</b>	<b>131.688</b>	<b>159.208</b>	<b>131.688</b>	<b>159.208</b>

The annex forms are an integral part of the Cash Flow Statement at June 30 2018.

## NOTES ATTACHED TO THE CONSOLIDATED FINANCIAL STATEMENTS

AT 30 JUNE 2018

(UNAUDITED)

### 1 - INTRODUCTORY NOTE

Teixeira Duarte, S.A. ("Company" or "TD, S.A.") is headquartered in Porto Salvo, it was incorporated on 30 November 2009, with the share capital of 210,000,000 euros, represented by 420,000,000 shares with the par value of 0.5 euros (Note 21), and its main activity is the carrying out and management of investments, and the coordination and oversight of other companies that are part of or related to its business Group.

The Teixeira Duarte family of companies ("Group") is comprised of the subsidiaries indicated in Note 4. The main activities of the Group are the following: Construction; Concessions and Services; Real Estate; Hospitality; Distribution and Automotive (Note 7).

Resulting from the application of IAS 29 – Hyperinflationary Economies to Angolan companies in 2018, the Group restated the balance sheet and respective notes to the accounts at 31 December 2017. Accordingly, the profit and loss accounts and respective notes at 30 June 2018 are not directly comparable with the financial statements at 30 June 2017.

The fact should be highlighted that within the Teixeira Duarte Group, two of the wholly-owned companies repositioned themselves, "ANGOPREDIAL - Empreendimentos Imobiliários, Lda." from the Real Estate sector to the Hospitality sector and "Global Net Distributors (Pty) Ltd." from the "Distribution" sector to the "Construction" sector, for which in this document the notes to the 2017 consolidated financial statements were – only in relation to these four sectors – restated to allow the adequate level of comparability.

The indicated amounts shall be stated in thousands of euros, unless when expressly indicated otherwise.

### 2 - BASES FOR PRESENTATION

The consolidated financial statements at 30 June 2018 were prepared using accounting policies that are consistent with the International Financial Reporting Standards ("IFRS"), as adopted in the European Union, effective for the periods started on 1 January 2018 and in accordance with IAS 34 – Interim Financial Reporting.

### 3 - CHANGES IN POLICIES, ESTIMATES AND ERRORS

The adopted accounting policies are consistent with those used in the preparation of the financial statements of the financial year ended at 31 December 2017, and described in the respective attached notes, except with regard to the standards and interpretations whose effective date corresponds to the financial years started on or after 1 January 2018.

#### 4 - COMPANIES INCLUDED IN THE SCOPE OF CONSOLIDATION

At 30 June 2018, TEIXEIRA DUARTE, S.A. and the following subsidiaries were included in the consolidation via the full method:

Company name	Registered Office	% effective holding
<b>DOMESTIC MARKET</b>		
<b>CONSTRUCTION</b>		
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park - Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 2, Lagoas Park - Porto Salvo	67.74%
TEIXEIRA DUARTE – Engenharia e Construções, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>CONCESSIONS AND SERVICES</b>		
DPLG - Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal, Lda.	Rua das Pretas, 4 - Fracção 4 D - Funchal	100.00%
TDAP - Atividades Portuárias, S.A.	Rua das Pretas, 4 - Fracção 4 D - Funchal	100.00%
TDGI AÇORES - Unipessoal, Lda.	Zona Industrial Chã do Rego d'Água, Lote 39 - Cabouco, Ilha de São Miguel - Açores	100.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDGI Manutenção, ACE	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>REAL ESTATE</b>		
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%
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%
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%

Company name	Registered Office	% effective holding
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>HOSPITALITY</b>		
ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
GO CORP TRAVEL SOLUTIONS – Agência de Viagens, S.A.	Rua Encosta das Lagoas, nº 8 - Porto Salvo	100.00%
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>DISTRIBUTION</b>		
BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL – Participações e Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL II – Distribuição e Investimentos, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEIXEIRA DUARTE – Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>AUTOMOTIVE</b>		
SMOTORS, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Investimento e Gestão, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL III – Automóveis e Investimentos, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL IV – Participações e Automóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>OTHER</b>		
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.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
Tedal - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%

Company name	Registered Office	% effective holding
<b>FOREIGN MARKETS</b>		
<b>SOUTH AFRICA</b>		
<b>CONSTRUCTION</b>		
Global Net Distributors (Pty) Ltd.	10 Ninth Avenue - Northmead, Gauteng 1501	100.00%
<b>ANGOLA</b>		
<b>CONCESSIONS AND SERVICES</b>		
EDUCARE - Atividades 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%
<b>REAL ESTATE</b>		
AFRIMO - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	51.00%
IMO 1 - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
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%
<b>HOSPITALITY</b>		
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%
ANGOPREDIAL - Empreendimentos Imobiliários, 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%

Company name	Registered Office	% effective holding
HOTEL BAÍA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
<b>DISTRIBUTION</b>		
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%
<b>AUTOMOTIVE</b>		
AUTO 1 - Comércio Automóvel, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
Auto Competição Angola, Lda.	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%

Company name	Registered Office	% effective holding
<b>OTHER</b>		
Investipart – Participações e Investimentos, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	36.00%
<b>ALGERIA</b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE ALGERIE, SPA	8 Rooute Ben Aknoun, Rés de Chanssée El Biar - Alger	99.94%
<b>BELGIUM</b>		
<b>CONCESSIONS AND SERVICES</b>		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100.00%
<b>BRAZIL</b>		
<b>CONSTRUCTION</b>		
EMPA, S.A. - Serviços de Engenharia	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	Rua Iguatemi, n.º 448, 6.º andar conjuntos 602, 604, 606, 608 e 610 Bairro Itaim Bibi, São Paulo	67.74%
<b>CONCESSIONS AND SERVICES</b>		
GONGOJI Montante Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TABOQUINHA Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TDGI FACILITIES E MANUTENCAO DE INSTALACOES LTDA.	Rua Iguatemi, n.º 448, 6.º andar Conjunto 602, sala 18 Bairro Itaim Bibi, São Paulo	100.00%
<b>REAL ESTATE</b>		
TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Rua Irene Ramos Gomes de Matteo, nº 97 - Casa 097 Pina - 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%

Company name	Registered Office	% effective holding
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 03 Itaim Bibi - São Paulo	92.65%
TDSP – Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 10 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 12 Itaim Bibi - São Paulo	92.65%
TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 05 Itaim Bibi - São Paulo	92.65%
TDSP – Verum Mooça 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%

Company name	Registered Office	% effective holding
TDSP – 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 16 Itaim Bibi - São Paulo	100.00%
TDSP – Carolina Ribeiro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 17 Itaim Bibi - São Paulo	100.00%
<b>DISTRIBUTION</b>		
TDD – Distribuição Brasil, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	100.00%
<b>OTHER</b>		
EMES – Participações, Ltda.	Rua Iguatemi, nº 448, Andar 6 São Paulo	100.00%
<b>COLOMBIA</b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE – Engenharia e Construções (Colombia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201 Centro empresarial Manhattan, Bogotá	100.00%
<b>CYPRUS</b>		
<b>OTHER</b>		
LEVENEL, Limited	Irakli, 2, Egkomi, 2413 Nicosia	100.00%
<b>SPAIN</b>		
<b>CONSTRUCTION</b>		
UTE DE VIANA	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<b>CONCESSIONS AND SERVICES</b>		
RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Av. Alberto Alcocer, 24 - 7º Madrid	100.00%
<b>UNITED ARAB EMIRATES</b>		
<b>AUTOMOTIVE</b>		
GND Trading ME FZE	Office Number FZLOA1503, Jafza One Jebel Ali Free Zone, Dubai	100.00%

Company name	Registered Office	% effective holding
<b><u>UNITED STATES OF AMERICA</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE CONSTRUCTION SERVICES, LLC	1030 Salem Road Union, NJ 07083	100.00%
<b>REAL ESTATE</b>		
TDRE INVESTMENTS, LLC.	4100 Spring Valley Road, Suite 310, Dallas Texas 75244	100.00%
TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suite 310, Dallas Texas 75244	100.00%
TDRE HOOD, LLC.	4100 Spring Valley Road, Suite 300, Dallas Texas 75244	100.00%
<b><u>MACAU</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25 Edifício Montepio Apr. 26 e 28 – 3º andar Macau	100.00%
<b><u>MOZAMBIQUE</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE - Engenharia e Construções (Mozambique), Lda.	Av. Július Nyerere, nº 130 Maputo	74.46%
<b>CONCESSIONS AND SERVICES</b>		
TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	69.55%
<b>REAL ESTATE</b>		
IMOPAR - Centro Comercial de Maputo, S.A.	Av. Július Nyerere, nº 130 Maputo	100.00%
MALANGA - Empreendimentos Imobiliários, S.A.	Av. Július Nyerere, nº 4 - R/C Maputo	74.71%
<b>HOSPITALITY</b>		
AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. Július Nyerere, nº 627 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. Július Nyerere, nº 130 Maputo	100.00%

Company name	Registered Office	% effective holding
<b><u>PERU</u></b>		
<b>CONSTRUCTION</b>		
TEIXEIRA DUARTE PERÚ – Ingeniería y Construcciones, Sociedad Anónima Cerrada	Avenida Arenales, nº 773 Lima	100.00%
<b><u>RUSSIA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
MMK Cement, Limited Liability Company	Tri Rutchia Murmansk	70.00%
<b><u>VENEZUELA</u></b>		
<b>CONSTRUCTION</b>		
Consorcio Boyacá – La Guaira	Av. San Juan Bosco, Edificio 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 SCOPE OF CONSOLIDATION

During the period ended at 30 June 2018, the following withdrawals from the scope of consolidation at 31 December 2017 were seen:

- BONAPARTE – Imóveis Comerciais e Participações, S.A.;
- LAGOAS PARK, S.A.;
- TDHOSP – Gestão de Edifício Hospital, S.A..

It should be noted that these companies were classified as “Held for Sale” at 31 December 2017.

In June 2018, the Group disposed of the wholly-owned subsidiary “LAGOAS PARK, S.A.”.

## 6 - PRICES

The prices used to convert the assets and liabilities stated in foreign currency at 30 June 2018 and 31 December 2017 to euros, as well as the results of the operations carried out in countries with a functional currency different to the Euro, in the periods ended at 30 June 2018 and 2017, were the following:

Currency	Closing exchange rate			Average exchange rate		
	30/06/2018	31/12/2017	Change	30/06/2018	30/06/2017	Change
US Dollar	1,1658	1,1993	(2,8%)	1,2051	1,0878	10,8%
Macanese Pataca	9,4212	9,6532	(2,4%)	9,7256	8,7097	11,7%
Mozambican Metical	69,0900	70,5700	(2,1%)	72,7371	71,8129	1,3%
Venezuelan Bolivar	111.916,8000	4.011,6585	2689,8%	57.221,2350	1.080,9199	5193,8%
Angolan Kwanza	288,8715	185,4000	55,8%	258,1752	184,8703	39,7%
Algerian Dinar	136,9827	137,6194	(0,5%)	138,7170	118,8728	16,7%
Emirati Dirham	4,2822	4,4056	(2,8%)	4,4298	3,9953	10,9%
Moroccan Dirham	11,0584	11,2168	(1,4%)	11,2326	10,8068	3,9%
Brazilian Real	4,4876	3,9729	13,0%	4,1367	3,4750	19,0%
Cape Verdean Escudo	110,2650	110,2650	-	110,2650	110,2650	-
Russian Ruble	73,1582	69,3920	5,4%	71,5155	63,4507	12,7%
Tunisian Dinar	3,0893	2,9464	4,8%	2,9858	2,5505	17,1%
South African Rand	16,0484	14,8054	8,4%	14,8932	14,4400	3,1%
Peruvian Nuevo Sol	3,8185	3,8846	(1,7%)	3,9167	3,5635	9,9%
Colombian Peso	3.410,7800	3.579,3100	(4,7%)	3.462,4229	3.216,2314	7,7%

## 7 – INFORMATION BY SEGMENTS

The Group is organised according to the following business segments:

- Construction;
- Concessions and Services;
- Real Estate;
- Hospitality;
- Distribution;
- Automotive.

The sales and provisions of services and the results of each of the aforementioned operating segments, in the periods ended at 30 June 2018 and 2017, were as follows:

Segment	Sales and provisions of services						Operating profits/losses	
	1H 18			1H 17			1H 18	1H 17
	External customers	Intersegmental	Total	External customers	Intersegmental	Total		
Construction (*)	229.918	9.444	239.362	234.121	12.645	246.766	14.551	11.023
Concessions and services	47.886	7.721	55.607	52.176	11.003	63.179	4.925	3.843
Real Estate (*)	51.663	6.585	58.248	40.067	4.592	44.659	38.530	27.218
Hospitality (*)	19.281	292	19.573	23.792	6.959	30.751	4.258	4.196
Distribution (*)	64.229	727	64.956	90.783	1.141	91.924	3.188	4.403
Automotive	15.428	1.864	17.292	34.151	2.860	37.011	5.914	11.886
Not related to segments	-	-	-	-	-	-	(4.892)	(3.432)
Eliminations	-	(26.633)	(26.633)	-	(39.200)	(39.200)	9	-
	<b>428.405</b>	<b>-</b>	<b>428.405</b>	<b>475.090</b>	<b>-</b>	<b>475.090</b>	<b>66.483</b>	<b>59.137</b>
Financial costs and losses (Note 9)							(86.636)	(164.280)
Financial income and gains (Note 9)							47.656	119.042
Profits/losses relating to investment activities (Note 9)							1.347	1.971
<b>Profit before tax</b>							<b>28.850</b>	<b>15.870</b>

(\*) - 2017 AMOUNTS RESTATED AS EXPLAINED IN THE INTRODUCTORY NOTE.

The intersegmental transactions are carried out under market terms and conditions, which are equivalent to the transactions carried out with third party entities.

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

Other information:

Segment	Fixed capital expenditure		Amortisation and depreciation in profits/losses		Provisions and impairment losses	
	1H 18	1H 17	1H 18	1H 17	1H 18	1H 17
Construction (*)	6.842	3.632	12.805	16.324	2.987	(34)
Concessions and services	957	36.427	1.420	2.032	(20)	5
Real Estate (*)	4.545	2.408	1.369	2.783	-	(281)
Hospitality (*)	3.911	1.206	2.026	2.688	-	-
Distribution (*)	3.339	2.732	3.020	4.225	-	-
Automotive	78	248	1.037	843	(63)	89
Not related to segments	168	-	111	35	-	-
	<b>19.840</b>	<b>46.653</b>	<b>21.788</b>	<b>28.930</b>	<b>2.904</b>	<b>(221)</b>

(\*) - 2017 AMOUNTS RESTATED AS EXPLAINED IN THE INTRODUCTORY NOTE.

The assets and liabilities of the segments and the respective reconciliation with the consolidated total, at 30 June 2018 and 31 December 2017 "Restated", are as follows:

Segment	Assets				Liabilities					
	30/06/2018		31/12/2017 "Restated"		30/06/2018		31/12/2017 "Restated"			
	Investments in associated companies and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total	Investments in associated companies and joint ventures (Note 15)	Financial assets available for sale (Note 16)	Other assets	Total		
Construction (*)	2.607	-	1.911.553	1.914.160	2.608	-	2.113.725	2.116.333	995.747	1.146.119
Concessions and services	3.185	-	128.423	131.608	3.113	-	180.660	183.773	52.418	76.239
Real Estate (*)	753	1.134	1.281.133	1.283.020	603	1.198	1.841.519	1.843.320	569.302	970.718
Hospitality (*)	-	-	123.661	123.661	-	-	174.830	174.830	43.591	69.046
Distribution (*)	-	-	190.058	190.058	-	-	258.149	258.149	121.715	158.868
Automotive	-	-	133.842	133.842	24	-	173.702	173.726	60.277	72.527
Not related to segments	14.334	608	872.328	887.270	13.948	643	901.828	916.419	780.510	759.545
Eliminations	-	-	(2.874.988)	(2.874.988)	-	-	(3.287.718)	(3.287.718)	(1.135.980)	(1.366.244)
	<b>20.879</b>	<b>1.742</b>	<b>1.766.010</b>	<b>1.788.631</b>	<b>20.296</b>	<b>1.841</b>	<b>2.356.695</b>	<b>2.378.832</b>	<b>1.487.580</b>	<b>1.886.818</b>

(\*) - 2017 AMOUNTS RESTATED AS EXPLAINED IN THE INTRODUCTORY NOTE.

The sales and provisions of services and the information regarding non-monetary non-current assets, by geographic segment, present the following composition in the periods ended at 30 June 2018 and 2017 and at 30 June 2018 and 31 December 2017 "Restated", respectively:

Geographic segment	Sales and provisions of services		Non-monetary non-current assets	
	1H 18	1H 17	30/06/2018	31/12/2017 "Restated"
Portugal	114.604	81.730	194.341	215.002
Angola	139.411	192.747	347.794	496.298
Algeria	55.162	45.307	21.458	22.862
Brazil	71.969	94.328	17.082	21.264
Spain	18.062	14.811	16.178	16.372
Mozambique	12.334	37.549	22.116	19.840
Venezuela	10.255	1.720	21	65
Other	6.608	6.898	2.576	2.016
	<b>428.405</b>	<b>475.090</b>	<b>621.566</b>	<b>793.719</b>

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

8 - OPERATING INCOME

In the periods ended at 30 June 2018 and 2017, the operating income was as follows:

	1H 18	1H 17	Q2 18	Q2 17
<b>Sales and provisions of services:</b>				
Sales	245.425	274.592	114.203	140.322
Provisions of services	182.980	200.498	95.718	107.717
	<b>428.405</b>	<b>475.090</b>	<b>209.921</b>	<b>248.039</b>
<b>Other operating income:</b>				
Disposal of assets a)	25.928	2.881	25.663	1.904
Foreign exchange gains/losses	17.219	-	7.053	(99)
Change in fair value of investment properties b)	16.607	12.758	(671)	12.155
Supplementary income	2.879	3.378	988	1.405
Works for the company itself c)	1.235	593	724	529
Reversal of impairment losses in inventories	147	178	(60)	(15)
Reversal of impairment losses in accounts receivable	107	568	79	281
Other operating income	2.126	5.539	1.585	2.101
	<b>66.248</b>	<b>25.895</b>	<b>35.361</b>	<b>18.261</b>
	<b>494.653</b>	<b>500.985</b>	<b>245.282</b>	<b>266.300</b>

a) In the period ended at 30 June 2018, the indicated earnings were obtained with the disposal of tangible fixed assets at 1.030 million euros (2.269 million euros in the period ended at 30 June 2017).

Also in the first half of 2018, the Group disposed of the subsidiary "Lagoas Park, S.A.", having recorded a capital gain of 24.898 million euros, whilst, in the first half of 2017, the Group disposed of the Energy sector for 7.820 million euros (Note 20), having recorded a capital gain of 0.612 million euros.

b) The fair value valuation of the investment properties essentially results from the valuation of the Investment Properties in Angola.

c) The works for the company itself essentially correspond to costs associated with the construction of properties.

## 9 - FINANCIAL PROFITS/LOSSES

The financial profits/losses of the periods ended at 30 June 2018 and 2017 were the following:

	1H 18	1H 17	Q2 18	Q2 17
<b>Financial costs and losses:</b>				
Interest paid	(13.779)	(36.443)	(7.082)	(17.635)
Foreign exchange losses	(63.579)	(114.795)	(10.755)	(75.585)
Other financial costs and losses	(9.278)	(13.042)	(2.957)	(5.730)
	<b>(86.636)</b>	<b>(164.280)</b>	<b>(20.794)</b>	<b>(98.950)</b>
<b>Financial income and gains:</b>				
Interest obtained	2.578	6.245	1.144	3.153
Foreign exchange gains	25.002	111.706	7.205	78.014
Discounts received for prompt payment	5	5	5	4
Net monetary position	19.742	-	8.596	-
Other financial income and gains	329	1.086	167	535
	<b>47.656</b>	<b>119.042</b>	<b>17.117</b>	<b>81.706</b>
<b>Profits/losses relating to investment activities:</b>				
Profits/losses relating to associated companies and joint ventures a)	486	1.752	(286)	1.076
Dividends b)	824	698	824	-
Other investments c)	37	3	-	-
Gains/losses in the measurement of assets available for sale d)	-	(482)	-	308
	<b>1.347</b>	<b>1.971</b>	<b>538</b>	<b>1.384</b>
<b>Financial profits/losses</b>	<b>(37.633)</b>	<b>(43.267)</b>	<b>(3.139)</b>	<b>(15.860)</b>

a) The profits/losses relating to associated companies and joint ventures of the periods ended at 30 June 2018 and 2017 include the effect of the application of the equity method to these investments (Note 15).

b) At 30 June 2018 and 2017, the presented amounts correspond to dividends received from "Other investments".

c) At 30 June 2018 and 2017, gains and losses and capital gains in the disposal of Financial assets available for sale at cost are recorded in the "Other Investments" category.

d) At 30 June 2017, the Group recorded impairment losses in the holding of "Banco Comercial Português, S.A." of 6.487 million euros and disposed of subscription rights of "Banco Comercial Português, S.A." in the amount of 6.005 million euros (Note 20).

The net foreign exchange gains/losses recorded in the periods ended at 30 June 2018 and 2017 are due to payments and receipts, as well as to foreign exchange adjustments in balances, recorded on the basis of currencies different to the Euro.

## 10 - INCOME TAX

"TD, S.A." is the parent company of a group of companies taxed according to the Special Taxation Regime for Company Groups (RETGS), which covers all the companies in which it has a direct or indirect holding in at least 75% of the respective share capital, provided that such holding grants it more than 50% of the voting rights and that they are simultaneously headquartered and have their effective management in Portugal and are taxed through the general Corporation Tax ("IRC") system.

The remaining subsidiaries, not covered by the RETGS, are taxed individually, based on the respective tax bases and at the applicable Corporation Tax, Municipal Surtax and State Surtax rates.

"TD, S.A." and most of its subsidiaries based in Portugal are subject to Corporation Tax, at the rate of 21%, over the tax base. Entities that have taxable profit are also subject to Municipal Surtax, whose rate may vary up to a maximum of 1.5%, as well as the State Surtax, over the part of the taxable profit that exceeds the amount of 1.5, 7.5 and 35 million euros, at the rates of 3%, 5% and 9%, respectively.

The aforementioned entities are also subject to autonomous taxation, at the rates and over the expenses, charges and costs provided for in Article 88 of the IRC Code.

In the process of determining the taxable income, amounts that are not taxed are added to and subtracted from the accounting profits/losses. These differences between the accounting and tax profits/losses may be temporary or permanent.

According to the current legislation in Portugal, tax losses are reportable for period of 5 (five) years for those generated in the taxation period of 2018 onward, and are subject to deduction from the taxable profits determined *a posteriori*, with such deduction being limited to 70% of the taxable profit determined in the taxation period in which it is carried out.

According to the current legislation, tax returns in Portugal are subject to review and adjustment by the tax authorities for a period of four years, except when there has been a deduction of tax losses, or audits, claims or challenges are underway, cases in which, depending on the circumstances, the period may be extended or suspended.

In relation to entities with a presence in other countries, the period for review of their tax returns varies between three and five years.

The Board of Directors deems that possible adjustments resulting from tax reviews/inspections of the returns shall not have a significant effect on the consolidated financial statements reported at 30 June 2018.

The Group records deferred taxes corresponding to the temporary differences between the book value of the assets and liabilities and the corresponding tax base, pursuant to the provisions of IAS 12 - Income tax (Note 18).

The income taxes recognised in the periods ended at 30 June 2018 and 2017 are as follows:

	1H 18	1H 17	Q2 18	Q2 17
<b>Current tax:</b>				
Income tax in Portugal	(8.257)	(14.798)	(4.447)	(13.348)
Income tax in other jurisdictions	(10.047)	(14.852)	(5.631)	(5.023)
<b>Current tax</b>	<b>(18.304)</b>	<b>(29.650)</b>	<b>(10.078)</b>	<b>(18.371)</b>
<b>Deferred tax (Note 18):</b>	<b>4.364</b>	<b>7.767</b>	<b>3.388</b>	<b>3.907</b>
	<b>(13.940)</b>	<b>(21.883)</b>	<b>(6.690)</b>	<b>(14.464)</b>

In addition to the amounts of deferred taxes recorded directly in the profit and loss account, deferred taxes in the amount of 0.002 million euros at 30 June 2018 (0.387) million euros at 30 June 2017) (Note 18) were recorded directly in the equity.

#### 11 - EARNINGS PER SHARE

The earnings per share in the periods ended at 30 June 2018 and 2017 were calculated whilst taking the following amounts into consideration:

	1H 18	1H 17	Q2 18	Q2 17
Earnings for purposes of calculation of the net earnings per basic share (net earnings for the period)	17.370	(9.091)	19.462	(429)
Weighted average number of shares for purposes of calculation of basic net earnings per share (thousands)	420.000	420.000	420.000	420.000
<b>Net earnings per basic share</b>	<b>0,04</b>	<b>(0,02)</b>	<b>0,05</b>	<b>(0,00)</b>

Due to the fact that in the periods ended at 30 June 2018 and 2017 there were no diluting effects of the earnings per share, the diluted earnings per share are equal to the basic earnings per share.

#### 12 - DIVIDENDS

In the General Shareholders' Meeting held on 26 May 2018, the non-distribution of dividends was decided upon, taking into consideration the Company's separate financial statements at 31 December 2017.

In the half year ended at 30 June 2017, 0.840 million euros in dividends were settled, referring to the financial year of 2016.

### 13 - TANGIBLE FIXED ASSETS

During the periods ended at 30 June 2018 and 2017, the changes occurring in the tangible fixed assets, as well as in the respective accumulated depreciations and impairment losses, were the following:

	Land and natural resources	Buildings and other structures	Basic equipment	Transport equipment	Tools and utensils	Administrative equipment	Other tangible fixed assets	Tangible fixed assets underway	Advance payments on account of tangible fixed assets	Total
<b>Gross assets:</b>										
Balance at 1 January 2017	31,328	483,317	388,750	85,600	41,656	36,226	10,794	15,061	-	1,092,732
Foreign exchange conversion adjustments	(183)	2,813	(4,623)	(990)	(604)	63	2	34	-	(3,488)
Additions	-	138	3,188	1,354	940	321	94	4,748	-	10,783
Transfers and write-offs	-	(6,178)	(23)	(48)	(44)	(524)	46	(490)	-	(7,261)
Disposals	-	(23)	(4,010)	(1,015)	(306)	(70)	(1)	-	-	(5,425)
Transfer to assets held for sale	-	(76)	(7,522)	(2,247)	(224)	(231)	(292)	-	-	(10,592)
<b>Balance at 30 June 2017</b>	<b>31,145</b>	<b>479,991</b>	<b>375,760</b>	<b>82,654</b>	<b>41,418</b>	<b>35,785</b>	<b>10,643</b>	<b>19,353</b>	-	<b>1,076,749</b>
Balance at 1 January 2018 "Restated"	33,496	552,844	384,592	87,020	42,115	39,073	12,134	8,320	181	1,138,775
Impact of the application of the IAS 29 - Hyperinflation	562	17,629	5,840	2,078	43	1,153	308	1,573	9	28,195
Foreign exchange conversion adjustments	(4,689)	(166,090)	(30,816)	(10,790)	(947)	(7,250)	(2,013)	(1,747)	(64)	(224,406)
Additions	-	439	5,102	1,215	1,143	478	225	6,816	-	15,418
Transfers and write-offs	(5,377)	(1,163)	(5,251)	(1,040)	(408)	(319)	31	(1,366)	-	(14,883)
Disposals	-	(132)	(1,698)	(610)	(207)	(670)	(29)	-	-	(3,344)
<b>Balance at 30 June 2018</b>	<b>23,992</b>	<b>383,527</b>	<b>357,771</b>	<b>77,873</b>	<b>41,739</b>	<b>32,465</b>	<b>10,656</b>	<b>13,606</b>	<b>126</b>	<b>941,755</b>
<b>Depreciation and impairment losses</b>										
<b>Accumulated impairment:</b>										
Balance at 1 January 2017	164	152,005	305,377	70,009	32,222	30,879	6,289	-	-	596,945
Effect of foreign exchange conversion	-	1,537	(2,885)	(1,086)	(40)	65	1	-	-	(2,408)
Additional funds	-	7,767	13,688	3,212	1,590	946	520	-	-	27,723
Transfers and write-offs	-	72	(507)	(40)	(68)	(413)	-	-	-	(956)
Disposals	-	(11)	(3,226)	(833)	(286)	(65)	(1)	-	-	(4,522)
Transfer to assets held for sale	-	(66)	(7,255)	(1,157)	(221)	(222)	(288)	-	-	(9,209)
<b>Balance at 30 June 2017</b>	<b>164</b>	<b>161,304</b>	<b>305,192</b>	<b>70,005</b>	<b>33,197</b>	<b>31,190</b>	<b>6,521</b>	-	-	<b>607,573</b>
Balance at 1 January 2018 "Restated"	164	189,041	320,370	75,576	34,153	34,272	7,592	-	-	661,168
Impact of the application of the IAS 29 - Hyperinflation	-	4,966	5,136	1,783	31	1,046	216	-	-	13,178
Effect of foreign exchange conversion	-	(49,733)	(23,096)	(9,995)	169	(6,340)	(1,101)	-	-	(90,096)
Additional funds	-	6,025	9,703	1,912	1,481	672	433	-	-	20,226
Transfers and write-offs	-	(914)	(5,557)	(1,000)	(468)	(319)	(37)	-	-	(8,285)
Disposals	-	(40)	(1,528)	(582)	(126)	(548)	(28)	-	-	(2,852)
<b>Balance at 30 June 2018</b>	<b>164</b>	<b>149,345</b>	<b>305,028</b>	<b>67,694</b>	<b>35,240</b>	<b>28,783</b>	<b>7,075</b>	-	-	<b>593,329</b>
<b>Net amount:</b>										
At 30 June 2017	30,981	318,687	70,568	12,649	8,221	4,595	4,122	19,353	-	469,176
At 30 June 2018	23,828	234,182	52,743	10,179	6,499	3,682	3,581	13,606	126	348,426

The additions of tangible fixed assets carried out in the period ended at 30 June 2018 essentially concern investments made in facilities and equipment.

At 30 June 2018 the tangible fixed assets include 10.703 million euros relating to buildings and other constructions underway, of which we highlight the expansion of the store network in Angola for the Distribution sector.

#### 14 - INVESTMENT PROPERTIES

During the periods ended at 30 June 2018 and 2017, the change occurring in the investment properties was the following:

	2018	2017
<b>Balance at 1 January</b>	<b>217.647</b>	<b>547.067</b>
Foreign exchange conversion adjustments	(41.640)	231
Increases/(disposals)	3.699	(319)
Change in the fair value	12.681	9.916
Transfers from/to tangible fixed assets	181	7.006
<b>Balance at 30 June</b>	<b>192.568</b>	<b>563.901</b>

During the periods ended at 30 June 2018 and 2017, the variation in the fair value of the investment properties by geography was the following:

	1H 18	1H 17	Q2 18	Q2 17
Portugal	(3.302)	10.939	(2.457)	10.336
Angola	15.983	(1.023)	(1.042)	1
	<b>12.681</b>	<b>9.916</b>	<b>(3.499)</b>	<b>10.337</b>

It should be noted that the equity was influenced not just by the positive impact of the aforementioned 15.983 million euros, but also by the variation in the fair value of the investment properties in Angola, which had a negative impact of 41.707 million euros on the "Foreign currency conversion profits/losses" category. Net of deferred taxes, the equity of the Group in the period ended at 30 June 2018 worsened by the amount of 20.171 million euros.

The income obtained with investment properties resulting from the existence of operating lease agreements amounted to 2.970 million euros in the period ended at 30 June 2018 (15.620 million euros at 30 June 2017). The direct operating expenses with investment properties in the period ended at 30 June 2018 amounted to 0.531 million euros (1.931 million euros at 30 June 2017).

#### 15 - INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The associated companies and joint ventures which, at 30 June 2018, were recorded through the equity method, are the following:

Company name	Registered Office	% effective holding
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolívariana de Puertos Puerto de La Guaria – Parroquia Maiquetía 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 - Brazil	43.21%
ALSOMA, GEIE.	3 Av André Malraux - Levallois Peret - France	30.48%
AVIAS - Grupo Ferroviário para a Alta Velocidade, ACE	Edifício 1, Lagoas Park - Porto Salvo	15.92%
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, Urbanización Los Laureles Valle de la Pascoa - Venezuela	51.00%
DOURO LITORAL, ACE	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar, sala F - 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%

Company name	Registered Office	% effective holding
FERROVIAL/TEIXEIRA DUARTE – Obras Hidráulicas do Alqueva, ACE	Edifício Central Park Rua Alexandre Herculano, Edifício 1 - 4º Piso, Fração B e C - 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%

Investments in associated companies and joint ventures had the following changes in the periods ended at 30 June 2018 and 2017:

	Equity holdings	Goodwill	Total
<b>Balance at 1 January 2017</b>	<b>17.504</b>	-	<b>17.504</b>
Effects of the application of the equity method:			
- Effect on the profit/loss for the financial year (Note 9)	1.752	-	1.752
- Effect on equity	(640)	-	(640)
Foreign exchange conversion adjustments	915	-	915
Other	669	-	669
<b>Balance at 30 June 2017</b>	<b>20.200</b>	-	<b>20.200</b>
<b>Balance at 1 January 2018</b>	<b>20.296</b>	-	<b>20.296</b>
Effects of the application of the equity method:			
- Effect on the profit/loss for the financial year (Note 9)	486	-	486
- Effect on equity	(111)	-	(111)
Increases (a)	203	-	203
Foreign exchange conversion adjustments	246	-	246
Other	(241)	-	(241)
<b>Balance at 30 June 2018</b>	<b>20.879</b>	-	<b>20.879</b>

(a) – Capital increase of Alvorada Petróleo, S.A..

The detail of the investments in associated companies and joint ventures at 30 June 2018 and 31 December 2017 is as follows:

Associated companies and joint ventures	30/06/2018			31/12/2017		
	Equity holdings	Goodwill	Balance sheet amount	Equity holdings	Goodwill	Balance sheet amount
IMOC - Empreendimentos Imobiliários, S.A.R.L.	14.297	-	14.297	13.948	-	13.948
TDGISERV Services, LLC (a)	2.563	-	2.563	2.563	-	2.563
ALVORADA PETRÓLEO, S.A.	746	-	746	582	-	582
RPK Gulfstream Ltd.	522	-	522	550	-	550
SCP AK-10 Empreendimentos e Participações SPE LTDA.	18	-	18	21	-	21
Other	2.733	-	2.733	2.632	-	2.632
	<b>20.879</b>	-	<b>20.879</b>	<b>20.296</b>	-	<b>20.296</b>

(A) – ADVANCE PAYMENT FOR CAPITAL INCREASE.

The aforementioned holdings are recognised through the equity method which, in the periods ended at 30 June 2018 and 2017, had the following impacts:

1H 18				
Associated Companies	Gains and losses in associated companies and joint ventures (Note 9)	Adjustments in equity holdings	Dividends	Total
ALVORADA PETRÓLEO, S.A.	(26)	54	-	28
IMOC - Empreendimentos Imobiliários, S.A.R.L.	148	(98)	-	50
TDGISERV Services, LLC	276	(67)	-	209
Other	88	-	-	88
	486	(111)	-	375

1H 17				
Associated Companies	Gains and losses in associated companies and joint ventures (Note 9)	Adjustments in equity holdings	Dividends	Total
ALVORADA PETRÓLEO, S.A.	(8)	(96)	-	(104)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	2.211	(844)	-	1.367
SCP AK-10 Empreendimentos e Participações SPE LTDA.	10	-	-	10
TDGISERV Services, LLC	(649)	300	-	(349)
Other	188	-	-	188
	1.752	(640)	-	1.112

#### 16 - FINANCIAL ASSETS AVAILABLE FOR SALE

In the periods ended at 30 June 2018 and 2017, the changes occurring in the valuation of the financial assets available for sale, valued at their respective fair value, were as follows:

	2018	2017
<b>Fair value at 1 January</b>	<b>1.841</b>	<b>8.318</b>
Decrease in the fair value	(99)	(6.487)
<b>Fair value at 30 June</b>	<b>1.742</b>	<b>1.831</b>

At 30 June 2018 and 31 December 2017, the Group held 6,766,394 Banco Comercial Português, S.A. shares, corresponding to 0.04% of the respective share capital and voting rights, classified as financial assets available for sale.

At 30 June 2018 and 31 December 2017, the financial assets available for sale and the respective cost and market values are as follows:

	30/06/2018		31/12/2017	
	Cost V.	Market V.	Cost V.	Market V.
Banco Comercial Português, S.A.	586.331	1.742	586.331	1.841
	<b>586.331</b>	<b>1.742</b>	<b>586.331</b>	<b>1.841</b>

## 17 – ASSETS HELD FOR SALE

At 30 June 2018 and 31 December 2017, the assets and liabilities held for sale are as follows:

	30/06/2018	31/12/2017
<b>Assets held for sale:</b>		
Goodwill	1.979	1.979
Tangible fixed assets	537	28.062
Investment properties	30.548	354.874
Other investments	6.615	7.125
Deferred tax assets	2.569	2.572
Inventories	199	199
Current customers	2.045	6.560
Non-current customers	40.250	40.250
Other debtors	5	5
Cash and cash equivalents	12.319	12.496
Other assets	443	858
<b>Total assets held for sale</b>	<b>97.509</b>	<b>454.980</b>
<b>Liabilities held for sale:</b>		
Loans	71.556	164.886
Deferred tax liabilities	1.131	1.701
Financial leases	2.417	161.808
Suppliers	223	448
Other creditors	634	1.900
Other liabilities	14.744	19.133
<b>Total liabilities held for sale</b>	<b>90.705</b>	<b>349.876</b>
<b>Net total</b>	<b>6.804</b>	<b>105.104</b>

At 30 June 2018 the following companies are classified as “Assets and Liabilities Held for Sale”:

- BONAPARTE – Imóveis Comerciais e Participações, S.A.;
- TDHOSP – Gestão de Edifício Hospital, S.A.;
- LUSOPONTE – Concessionária para a Travessia do Tejo, S.A.;
- AEBT – Vias do Baixo Tejo, S.A..

On 30 June 2018, the Group disposed of the wholly-owned subsidiary “LAGOAS PARK, S.A.” which was classified as “Assets and liabilities held for sale” and which operates in the Real Estate sector in Portugal as follows:

	30/06/2018	31/12/2017
<b>Assets held for sale:</b>		
Goodwill	1.979	1.979
Tangible fixed assets	537	28.062
Investment properties	30.548	354.874
Other investments	6.615	7.125
Deferred tax assets	2.569	2.572
Inventories	199	199
Current customers	2.045	6.560
Non-current customers	40.250	40.250
Other debtors	5	5
Cash and cash equivalents	12.319	12.496
Other assets	443	858
<b>Total assets held for sale</b>	<b>97.509</b>	<b>454.980</b>
<b>Liabilities held for sale:</b>		
Loans	71.556	164.886
Deferred tax liabilities	1.131	1.701
Financial leases	2.417	161.808
Suppliers	223	448
Other creditors	634	1.900
Other liabilities	14.744	19.133
<b>Total liabilities held for sale</b>	<b>90.705</b>	<b>349.876</b>
<b>Net total</b>	<b>6.804</b>	<b>105.104</b>

#### 18 - DEFERRED TAXES

All situations which may come to significantly affect future taxes are recognised through the application of the deferred tax legislation.

The change occurring in the deferred tax assets and liabilities in the periods ended at 30 June 2018 and 2017 was as follows:

	Deferred tax assets		Deferred tax liabilities	
	2018	2017	2018	2017
<b>Balance at 1 January "Restated"</b>	<b>155.276</b>	<b>198.187</b>	<b>35.424</b>	<b>73.340</b>
<b>Accrual / Reversal</b>				
Net profit (Note 10)	9.055	7.066	4.691	(701)
Equity	2	(390)	-	(3)
<b>Effect of foreign exchange conversion and adjustments</b>	<b>11.005</b>	<b>(5.389)</b>	<b>(11.732)</b>	<b>28</b>
<b>Transfer to assets held for sale</b>	<b>-</b>	<b>(57)</b>	<b>-</b>	<b>-</b>
<b>Balance at 30 June</b>	<b>175.338</b>	<b>199.417</b>	<b>28.383</b>	<b>72.664</b>

In relation to the deferred tax assets, they are only recorded insofar as it is considered probable that there will be taxable profits in future taxation periods which can be used to recover tax losses or deductible tax differences. This assessment was based on the periodically reviewed and updated business plans of the Group's companies, and on the forecasts of taxable income generation.

#### 19 - RELATED PARTIES

The transactions and balances between "TD, S.A." and the Group's companies included in the scope of consolidation, which are related parties, were eliminated in the consolidation process, and are not subject to disclosure in this note. The balances and transactions between the Group and the associated companies, joint ventures, related parties and individuals with a significant voting power with own companies, are detailed below.

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

The main balances with related entities, at 30 June 2018 and 31 December 2017, may be detailed as follows:

Entities	Receivables		Payables		Granted loans		Other debts	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017	30/06/2018	31/12/2017
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	-	2	-	-	-	-	-	-
AEBT - Auto Estradas do Baixo Tejo, S.A.	7	9	-	-	1.155	1.515	-	-
AVIA PORTUGAL, S.A.	7	15	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	50	-	-	4	4	-	-
CONBATE, ACE	33	15	1	1	-	-	-	-
Consórcio Mineiro Luso Vargas - CONLUVAR	1	17	-	7	-	-	-	-
Consórcio OPSUT 2010	1	7	-	1	-	-	-	-
DOURO LITORAL, ACE	8	9	46	55	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	2	2	-	-	-	-
EIA - Ensino de Investigação e Administração, S.A.	9	9	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	54	5.454	1	5	-	-	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	43	-	-	-	150	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	32	33	-	-	-	-	-	-
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, ACE	1.017	1.023	81	88	13	13	-	-
Promociones Imobiliárias 3003, C.A.	405	-	-	-	-	-	(33)	(43)
RPK Gulfstream, Ltd.	-	-	-	-	1.364	1.437	-	-
SOMAFEL/FERROVIAS, ACE	4	3	535	646	-	-	-	-
TDGISERV Services, LLC	-	-	-	-	447	220	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	7	7	55	58	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	35	35	-	-	-	-
	1.631	6.696	756	898	3.723	4.079	(33)	(43)

The main transactions carried out with related entities, in the periods ended at 30 June 2018 and 2017, were as follows:

Entities	Sales and provisions of services		Purchases and obtained services		Debited interest	
	1H 18	1H 17	1H 18	1H 17	1H 18	1H 17
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	12	-	-	-	-
ADOQUINVAR	-	109	-	-	-	-
CONBATE, ACE	36	43	-	-	-	-
Consórcio Mineiro Luso Vargas - CONLUVAR	-	4	-	-	-	-
DOURO LITORAL, ACE	27	35	9	26	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	80	1.291	77	32	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	442	-	-	-	-
Moreira e Cunha, Lda.	-	18	-	-	-	-
SOMAFEL/FERROVIAS, ACE	1	2	-	-	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	-	-	3	13	-	-
TDGISERV Services, LLC	-	294	-	-	-	-
	144	2.250	89	71	-	-

The remuneration of the members of the governing bodies of TD, S.A., in the periods ended at 30 June 2018 and 2017, was the following:

	1H 18	1H 17	Q2 18	Q2 17
<b>Executive directors:</b>				
Short-term profits	521	392	386	203
<b>Audit committee:</b>				
Short-term profits	33	33	16	16
<b>Statutory auditor:</b>				
Short-term profits	30	30	15	15
	584	455	417	234

The remuneration of the members of the senior management of TD, S.A., in the periods ended at 30 June 2018 and 2017, was the following:

	1H 18	1H 17	Q2 18	Q2 17
<b>Senior management:</b>				
Short-term profits	3.337	2.509	1.775	1.417
	3.337	2.509	1.775	1.417

20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

CASH AND CASH EQUIVALENTS

At 30 June 2018 and 31 December 2017, this category has the following composition:

	30/06/2018	31/12/2017
Sight deposits	84.183	87.219
Term deposits	25.449	34.667
Other cash investments	19.902	29.599
Cash	2.154	2.780
	<b>131.688</b>	<b>154.265</b>

The category of cash and cash equivalents comprises the cash amounts, immediately available deposits, term deposits and cash investments with maturities of less than three months, and that may be immediately available with an insignificant risk of change in value.

## FLOWS OF INVESTMENT ACTIVITIES

The receipts from financial investments in the periods ended at 30 June 2018 and 2017 concern the disposal of equity holdings in the following entities:

	1H 18	1H 17	Q2 18	Q2 17
Lagoas Park, S.A.	109.460	-	109.460	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	150	-	-	-
Avia Internacional	112	-	-	-
TDARCOL - Sociedade Gestora de Participações Sociais, S.A.	-	7.820	-	-
Banco Comercial Português, S.A. (a)	-	6.005	-	-
	<b>109.722</b>	<b>13.825</b>	<b>109.460</b>	-

(A) DISPOSAL OF SUBSCRIPTION RIGHTS.

The payments from financial investments in the periods ended at 30 June 2018 and 2017 concern the acquisition of equity holdings in the following entities:

	1H 18	1H 17	Q2 18	Q2 17
Others	-	5	-	5
	-	<b>5</b>	-	<b>5</b>

The dividends received in the periods ended at 30 June 2018 and 2017 were as follows:

	1H 18	1H 17	Q2 18	Q2 17
Macau CPM Holdings	823	698	823	-
Others	281	-	281	-
	<b>1.104</b>	<b>698</b>	<b>1.104</b>	-

## 21 - CAPITAL

At 30 June 2018 and 2017, the subscribed and paid-in capital was represented by 420,000,000 shares, each with the par value of 0.50 euros.

At 30 June 2018 TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 202,392,526 shares representing the capital of Teixeira Duarte, S.A., corresponding to 48.19% of the respective share capital (203,340,000 shares representing the capital of Teixeira Duarte, S.A., corresponding to 48.41% of the respective share capital).

## 22 - RESERVES AND RETAINED EARNINGS

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

**Fair value reserve:** The fair value reserve results from the difference between the cost value and the market value of the financial assets available for sale, not yet recognised in the profit and loss account.

**Free reserves:** The free reserves are available for distribution, on the terms and with the limits stated in the Companies Code.

**Hedging operations reserve:** The hedging operations reserve reflects the effective component (net of the tax effect) of the variations in the fair value of the derivative financial instruments named as *cash-flow* hedging.

23 - LOANS

At 30 June 2018 and 31 December 2017, the obtained loans were as follows:

	30/06/2018	31/12/2017
<b>Non-current liabilities:</b>		
Bank loans a)	380.789	369.191
Commercial paper b)	403.300	324.600
Bondholder loan c)	9.884	14.927
	<b>793.973</b>	<b>708.718</b>
<b>Current liabilities:</b>		
Bank loans a)	103.561	188.700
Commercial paper b)	-	110.860
Bondholder loan c)	5.100	-
	<b>108.661</b>	<b>299.560</b>
	<b>902.634</b>	<b>1.008.278</b>

a) Bank loans

At 30 June 2018, domestic bank loans, bank overdrafts and pledged current accounts accrued interest at the weighted annual average rate of 2.58% (3.96% at 30 June 2017).

At 30 June 2018, the most significant bank loans contracted by the Group essentially correspond to:

Geography	Bank	Financing Type	Contract Date	Expiration Date	Currency	Currency Amount	Amount (€)
Portugal	Novo Banco	Factoring W/Recourse	02/05/2004	31/12/2033	EUR	100	100
Spain	Bankinter (Spain)	Factoring W/Recourse	12/09/2011	31/12/2018	EUR	9	9
Portugal	Banco Santander Totta	Loan	31/10/2012	30/12/2021	EUR	14.421	14.421
Portugal	Banco Santander Totta	Loan	13/12/2012	13/12/2019	EUR	832	832
Portugal	Banco Atlântico Europa	Invoice Factoring Line	08/04/2013	08/01/2019	EUR	3.981	3.981
Venezuela	Banco Mercantil (Venezuela)	Loan	26/11/2013	06/01/2019	VEF	45.475.000	406
Portugal	Caixa Geral de Depósitos	Invoice Factoring Line	27/01/2014	15/12/2020	AOA	4.321	4.321
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	30/04/2014	31/12/2021	AOA	944.444	3.269
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	83.000	83.000
Portugal	Caixa Geral de Depósitos	Invoice Factoring Line	07/11/2014	31/12/2018	EUR	3.936	3.936
Portugal	Novo Banco	Loan	26/01/2015	15/12/2021	EUR	32.144	32.144
Portugal	Caixa Geral de Depósitos	Loan	04/04/2015	15/12/2019	USD	369	316
Venezuela	Banco Bicentenario (Venezuela)	Loan	15/05/2015	04/09/2018	VEF	30.361	0
Spain	Banco Caixa Geral (Spain)	Factoring W/Recourse	17/06/2015	31/12/2018	EUR	1.140	1.140
Brazil	Banco Bradesco (Brazil)	Loan	26/06/2015	20/08/2018	BRL	21.075	4.696
Portugal	Banco do Brasil	Loan	22/01/2016	10/01/2019	EUR	1.167	1.167
Spain	Banco Sabadell (Spain)	Loan	21/04/2016	20/05/2019	EUR	252	252
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	EUR	650	650
Portugal	Banco BPI	Loan	05/07/2016	05/11/2021	EUR	12.319	12.319
Portugal	Caterpillar	Loan	11/07/2016	07/07/2020	EUR	301	301
Portugal	Caterpillar	Loan	19/07/2016	07/08/2020	EUR	82	82
Spain	Bankinter (Spain)	Loan	22/07/2016	22/07/2020	EUR	531	531
Spain	Banco Santander Central Hispano (Spain)	Factoring W/Recourse	26/07/2016	31/12/2018	EUR	122	122
Portugal	Banco Santander Totta	Loan	01/08/2016	01/08/2018	EUR	243	243
Portugal	Banco Comercial Português	Loan	12/08/2016	31/12/2033	EUR	11.000	11.000
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	EUR	7.832	7.832
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	EUR	10.455	10.455
Portugal	Banco BAI Europa	Loan	22/09/2016	30/09/2019	USD	2.324	1.994
Portugal	Caterpillar	Loan	12/12/2016	22/12/2020	EUR	157	157
Portugal	Caixa Económica Montepio Geral	Factoring W/Recourse	17/01/2017	31/12/2018	EUR	98	98
Spain	Banco Popular (Spain)	Loan	16/06/2017	20/07/2021	EUR	1.569	1.569
Spain	España Duero (Spain)	Loan	16/06/2017	16/12/2018	EUR	220	220
Portugal	Banco BAI Europa	Pre-Financing for Exportation	04/09/2017	02/02/2019	EUR	386	386
Spain	Banco Santander Central Hispano (Spain)	Loan	16/10/2017	31/12/2018	EUR	150	150
Spain	Banco Caixa Geral (Spain)	Loan	26/10/2017	30/01/2019	EUR	560	560
Spain	Banco Santander Central Hispano (Spain)	Loan	22/11/2017	22/11/2022	EUR	601	601
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	38.000	38.000
Spain	RCI Banque (Spain)	Loan	20/12/2017	20/06/2021	EUR	11	11
Spain	RCI Banque (Spain)	Loan	20/12/2017	20/06/2021	EUR	11	11
Spain	Abanca (Spain)	Factoring W/Recourse	21/12/2017	30/11/2018	EUR	98	98
Portugal	Caixa Geral de Depósitos	Invoice Factoring Line	12/01/2018	31/12/2033	EUR	2.435	2.435
Portugal	Novo Banco	Invoice Factoring Line	12/01/2018	31/12/2033	EUR	6.839	6.839
Portugal	Banco Comercial Português	Invoice Factoring Line	15/01/2018	31/12/2033	EUR	3.491	3.491
Spain	RCI Banque (Spain)	Loan	30/01/2018	25/07/2021	EUR	18	18
Portugal	Banco Comercial Português	Loan	30/01/2018	31/12/2033	EUR	13.650	13.650
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	15/06/2021	EUR	2.600	2.600
Portugal	Banco Comercial Português	Loan	10/05/2018	09/05/2021	EUR	5.638	5.638

At 30 June 2018 and 31 December 2017, bank loans also include the pledged accounts in the amount of 207.186 and 350.679 million euros, respectively.

## b) Commercial paper

At 30 June 2018, the Group has negotiated the following commercial paper programmes:

Geography	Bank	Financing Type	Contract Date	Expiration Date	Spread	Currency	Amount (€)
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	1,60%	EUR	42.500
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	2,50%	EUR	28.500
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	2,00%	EUR	191.250
Portugal	Banco Finantia	Commercial Paper	02/05/2014	02/05/2020	4,75%	EUR	2.550
Portugal	Banco BIC Português	Commercial Paper	18/11/2014	02/01/2020	3,25%	EUR	5.000
Portugal	Novo Banco	Commercial Paper	28/12/2015	15/06/2027	1,95%	EUR	95.000
Portugal	Novo Banco	Commercial Paper	14/01/2016	31/12/2033	1,55%	EUR	34.000
Portugal	Banco BPI	Commercial Paper	30/01/2018	30/01/2021	2,90%	EUR	4.500
							<b>403.300</b>

## c) Bond Loan

TEIXEIRA DUARTE – Engenharia e Construções S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. signed with Banco Comercial Português, S.A. a Contract for the Provision of Assistance and Placement Services for the Private Issuance Offering of Bonds, as well as a Paying Agent Contract relating to the Grouped Issuance for the Private Subscription of Bonds in the amount of 15.3 million euros (1.5 million euros from TEIXEIRA DUARTE – Engenharia e Construções S.A. and 13.8 million euros from TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.) called "TEIXEIRA DUARTE - Engenharia e Construções, S.A. / TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. – 2014/2021". The interest is settled quarterly at the rate of 4.57% and the repayment shall be carried out at par in three instalments of an equal amount to take place on 2 April 2019, 2 April 2020 and 2 April 2021.

At 30 June 2018 and 31 December 2017, non-current bank loans have the following defined repayment plan:

	30-06-2018	31-12-2017
2019	45.337	19.151
2020	48.250	47.529
2021	46.841	42.832
2022	39.616	41.354
2023 e seguintes	613.929	557.852
	<b>793.973</b>	<b>708.718</b>

At 30 June 2018 and 31 December 2017, financing in foreign currency was stated in the following currencies:

Divisa	30-06-2018		31-12-2017	
	Divisa	Euros	Divisa	Euros
Bolivar Venezuelano	45.505.361	406	15.403.809	3.840
Dólar Americano	6.562	5.629	5.935	4.949
Kwanza Angolano	2.215.333	7.669	1.197.014	6.456
Peso Colombiano	20.707	6	6.402	2
Real Brasileiro	21.115	4.705	111.171	27.982

Loans denominated in foreign currency accrue interest at the market rate and were converted to euros on the basis of the exchange rate existing at the balance sheet date.

## 24 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Following various inspections of the financial years 2007 to 2013, carried out by the Tax and Customs Authority (AT) of the accounting records of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., a company with its share capital directly and wholly held by "TD, S.A.", the following adjustments to the tax losses initially determined by this subsidiary were made:

Financial Year	Calculated tax loss	Adjustment of the AT
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	2.299
2013	26.221	5.000

The nature of the made adjustments is presented below:

### 1. Unaccepted financial charges

With exception of the situations listed in the following points, the adjustments result from the disregarding, as a tax cost, of the financial charges borne with the investment made in subsidiaries in the form of additional payments subject to the supplementary payments regime.

Given that TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. is taxed for Corporation Tax according to the Special Taxation Regime for Company Groups (Article 69 et seq. of the IRC Code), the adjustments to the tax losses of the financial years 2007 to 2011 were subject to Corporation Tax Settlement Statements and compensatory interest issued to the parent company in those financial years – TEIXEIRA DUARTE – Engenharia e Construções, S.A.. This company challenged, on the terms of the law, the adjustments made by the AT for the financial years 2007 to 2011.

After the close of the financial year 2017, TEIXEIRA DUARTE – Engenharia e Construções, S.A., as parent company for the financial year 2007, was notified of a Judgment delivered by the Supreme Administrative Court (SAC), determining the annulment of the additional settlement issued by the AT, which was subject to an appeal by the AT, deemed groundless by the SAC during the second quarter of 2018.

The adjustment relating to the financial year 2012 was subject to an additional settlement to the parent company of that financial year, "TD, S.A.", after having delivered a challenge within the legal deadlines.

### 2. Application of Article 51 of the IRC Code

The adjustment to the tax loss determined in the financial year 2013 comprises the amount of 5 million euros, relating to the incorrect application, according to the AT, of Article 51 of the IRC Code. This adjustment was subject to a judicial challenge by "TD, S.A.", as the parent company.

### 3. Elimination of the economic double taxation – of income distributed by the TDF Fund

In the adjustment to the tax loss of 2008, the amount of 0.611 million euros is included, which concerns, according to the AT, the misapplication of no. 10 of Article 22 of the EBF (Tax Incentives Statute) to the distribution of income on the part of the Fundo de Investimento Imobiliário TDF (TDF Real Estate Investment Fund).

TEIXEIRA DUARTE – Engenharia e Construções, S.A., as the parent company, challenged this adjustment, on the terms of the law.

In addition to the adjustments described above relating to the subsidiary TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., we hereby report the following adjustment made by the AT to TEIXEIRA DUARTE – Engenharia e Construções, S.A.:

- Adjustment to the taxable profit determined in the period of 2008, in the amount of 35.467 million euros, of which the Company challenged 32.595 million euros, related to tax credit, the regime for reinvestment of taxable capital gains and misapplication of no. 10 of Article 22 of the EBF.

### 4. Calculation of the State Surtax and Municipal Surtax within the scope of the RETGS

The AT proceeded to two adjustments to the tax payable by "TD, S.A.", as the parent company, with reference to the financial year 2014.

The adjustment, in the amount of 1.209 million euros, is the result of the AT deeming that the State and Municipal Surtaxes calculated under the RETGS are not deductible, for different reasons, credits held through the RETGS, namely tax credit through international juridical double taxation.

"TD, S.A.", as the parent company, shall challenge these adjustments, on the terms of the law.

#### Guarantees:

At 30 June 2018 and 31 December 2017, the group of companies included in the consolidation had provided guarantees to third parties, as follows;

	30/06/2018	31/12/2017
Provided bank guarantee	302.542	325.889
Bond insurance	268.792	230.177

The bank guarantees were mostly provided for purposes of tenders, received advance payments and as performance guarantees 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 Consórcio Boyacá - La Guaira, have bond insurance provided as performance guarantees for works and provision of services.

For purposes of suspension of two different tax enforcement proceedings initiated against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., and relating to Corporation Tax debt in the 2008 period, whose settlements were challenged, bank guarantees which, in total, exceed 27.546 million euros, were issued in favour of the Tax and Customs Authority (AT). Following a favourable ruling relating to Corporate Income Tax (IRC) for 2007, with a direct impact on the losses reportable for the financial year 2008, the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A. requested from the AT the return of a bank guarantee in the amount of 12.794 million euros.

For purposes of suspension of tax enforcement proceedings initiated against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., relating to Corporation Tax debt in the 2010 period, "TD, S.A." presented a surety in the amount of 10.139 million euros, which was accepted by the AT.

For purposes of suspension of tax enforcement proceedings initiated against "TD, S.A.", and relating to Corporation Tax debt in the 2013 period, bank guarantees in the overall amount of 1.125 million euros were issued in favour of the AT. Also related to Corporation Tax for the 2013 taxation period that is to be paid within the scope of an instalment plan, a bank guarantee in the amount of 0.582 million euros was issued.

For purposes of suspension of tax enforcement proceedings initiated against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., and relating to Corporation Tax debt in the 2014 period, which is to be settled within the scope of an instalment plan, bank guarantees in the overall amount of 4.038 million euros were issued in favour of the AT. The amount of these guarantees has been reduced according to the payments made by that subsidiary.

At 30 June 2018, the Group's collateral is as follows:

Geography	Bank	Financing Type	Contract Date	Expiration Date	Collateral
Portugal	Novo Banco	Leasing	21/06/2005	31/12/2018	Respective Property (561 Subdivisions - Car Parks - Shopping Bom Sucesso Trade Center)
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	Pledge of 4,760,000 BCP Shares
Portugal	Caixa Geral de Depósitos	Loan	21/02/2008	31/12/2018	Pledge of 1,540,000 TDHOSP Shares
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	Pledge of 4,675,000 TDF Shares
Portugal	Banco Santander Totta	Loan	13/12/2012	13/12/2019	Mortgage of 65 Subdivisions - Santa Marinha - Vila Nova de Gaia
Venezuela	Banco Mercantil (Venezuela)	Loan	26/11/2013	06/01/2019	Bank Collateral - USD 125,000.00 in Mercantil Bank Panamá
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	Pledge of 12,500,000 EPOS Shares and of 200,000,000 C+PA Shares + Pledge of 1,325,000 TDF Shares + Mortgage of Pólo Operacional TD Montijo + Mortgage of 9 Mafamude Plots + Mortgage of 10 Empreendimento Santa Marinha Design District Plots - Santa Marinha
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	30/04/2014	31/12/2021	Mortgage of Hotel Trópico (Prédio nº 1826) - Ingombotas
Portugal	Novo Banco	Loan	26/01/2015	15/12/2021	Pledge of 2,006,396 BCP Shares
Brazil	Banco Bradesco (Brazil)	Loan	26/06/2015	20/08/2018	Empreendimento Imobiliário Brasil
Portugal	Banco BIC Português	Pledged Account	06/08/2015	05/08/2019	GB do BIC AO (€23M) to BIC PT / Pledge of Property no. 2254 Commercial Complex and Workshops Automotive Centre - Talatona
Portugal	Novo Banco	Commercial Paper	28/12/2015	15/06/2027	Mortgage of Pedregueiras Land - (14+10) Agricultural Properties + Pledge of 1,045,610 Recolte Espanha Shares
Portugal	Novo Banco	Commercial Paper	14/01/2016	31/12/2033	Pledge of 1,000,000 TDGI Shares
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	Respective Equipment
Portugal	Banco Comercial Português	Loan	17/06/2016	31/12/2018	Pledge of 375,000 Lusoponte Shares
Portugal	Caixa Geral de Depósitos	Loan	17/06/2016	31/12/2018	Pledge of 375,000 Lusoponte Shares
Portugal	Novo Banco	Loan	17/06/2016	31/12/2018	Pledge of 375,000 Lusoponte Shares
Portugal	Caterpillar	Loan	11/07/2016	07/07/2020	Respective Equipment
Portugal	Caterpillar	Loan	19/07/2016	07/08/2020	Respective Equipment
Portugal	Banco Comercial Português	Loan	12/08/2016	31/12/2033	Mortgage of Empreendimento Magnólia e Coina + Vale Figueira + Lezíria Park 2, Villa Rio, Jardins da Póvoa and Parque Logístico da Póvoa
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	Mortgage of Empreendimento Magnólia e Coina + Vale Figueira + Lezíria Park 2, Villa Rio, Jardins da Póvoa and Parque Logístico da Póvoa
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	Mortgage of Empreendimento Magnólia e Coina + Vale Figueira + Lezíria Park 2, Villa Rio, Jardins da Póvoa and Parque Logístico da Póvoa
Portugal	Caterpillar	Loan	12/12/2016	22/12/2020	Respective Equipment
Portugal	Banco Comercial Português	Pledged Account	18/08/2017	08/08/2018	Bank Guarantee of Banco BIM to BCP / Pledge of Term Deposit in EUR and MZN (130% Degree of Coverage) in Mozambique
Spain	RCI Banque (Spain)	Loan	20/12/2017	20/06/2021	Respective Equipment
Spain	RCI Banque (Spain)	Loan	20/12/2017	20/06/2021	Respective Equipment
Spain	RCI Banque (Spain)	Loan	30/01/2018	25/07/2021	Respective Equipment
Portugal	Banco Comercial Português	Loan	10/05/2018	09/05/2021	Mortgage of 4 plots (Land for construction) - Bairro Rosário (Cascais)

**Financial commitments:**

At 30 June 2018 and 31 December 2017, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries amounted to 347.898 and 372.200 million euros, respectively

At 30 June 2018 and 31 December 2017, *factoring* contracts without right of recourse were in effect, and they were recorded as a reduction in accounts receivable, in the amount of 2.315 and 6.037 million euros, respectively. According to the contractual conditions, the Group's responsibility is essentially restricted to the guarantee of acceptance by the clients of the invoices subject to *factoring*.

**25 - FAIR VALUE MEASUREMENTS**

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

The following table shows the Group's assets and liabilities measured at fair value at 30 June 2018, according to the following fair value hierarchy levels:

- Level 1: the fair value of financial instruments is based on active liquid market prices at the reference date of the balance sheet;
- Level 2: the fair value of financial instruments is not determined based on active market prices, but with recourse to valuation models;
- Level 3: the fair value of financial instruments is not determined based on active market prices, but with recourse to valuations models, whose main *inputs* are not observable on the market.

Category	Item	Level 1	Level 2	Level 3
<b>Assets:</b>				
Financial assets available for sale	Shares	1.742	-	-
Investment properties	Buildings and land	-	192.568	-

Except with regard to the non-current loans, most of the financial assets and liabilities have short-term maturities, for which it is considered that their fair values are identical to their book values.

Most loans are contracted at variable interest rates. In this way, it is deemed that the corresponding book value (amortised cost) does not significantly differ from the corresponding market value.

## 26 – FOREIGN CURRENCY CONVERSION ADJUSTMENTS

In the periods ended at 30 June 2018 and 2017, the foreign currency conversion adjustments determined in the conversion of the financial statements of companies stated in foreign currency, by geographies, were the following:

	1H 18	1H 17	Q2 18	Q2 17
Angola	(164.745)	(3.089)	(16.265)	3.650
Algeria	(4.684)	106	(4.172)	906
Brazil	(21.139)	(20.106)	(15.521)	(23.602)
Mozambique	545	5.259	5.573	5.220
Venezuela	(11.525)	(670)	(4.756)	(171)
Other Markets	600	(4.413)	1.003	(5.619)
<b>Total</b>	<b>(200.948)</b>	<b>(22.913)</b>	<b>(34.138)</b>	<b>(19.616)</b>

## 27 – IMPACT OF HYPERINFLATION IN ANGOLA

During 2018, the Group considered the Angolan economy as being a hyperinflationary economy. Therefore, the companies of the Group whose functional currency is the Kwanza proceeded to the restatement of their financial statements into the current measurement unit.

At 30 June 2018, the impact on the attached consolidated financial statements, taking into account the application of IAS 29 to the Angolan companies, can be summarised as follows:

### Profit and loss account

	1H 18 (Before the application of the IAS 29)	Impact of the IAS 29	1H 18 (After the application of the IAS 29)
<b>Operating income:</b>			
Sales and provisions of services	438.598	(10.193)	428.405
Other operating income	66.297	(49)	66.248
<b>Total operating income</b>	<b>504.895</b>	<b>(10.242)</b>	<b>494.653</b>
<b>Operating costs:</b>			
Cost of sales	(117.116)	4.053	(113.063)
Variation in production	(19.678)	-	(19.678)
External supplies and services	(135.119)	2.002	(133.117)
Staff costs	(110.080)	1.457	(108.623)
Amortisation and depreciation	(21.747)	(41)	(21.788)
Provisions and impairment losses in depreciable and amortisable assets and <i>Goodwill</i>	(2.915)	11	(2.904)
Other operating costs	(29.165)	168	(28.997)
<b>Total operating costs</b>	<b>(435.820)</b>	<b>7.650</b>	<b>(428.170)</b>
<b>Operating profits/losses</b>	<b>69.075</b>	<b>(2.592)</b>	<b>66.483</b>
Financial costs and losses	(89.813)	3.177	(86.636)
Financial income and gains	28.443	19.213	47.656
<b>Profits/losses relating to investment activities:</b>			
Profits/losses relating to associated companies and joint ventures	486	-	486
Other	861	-	861
<b>Financial profits/losses</b>	<b>(60.023)</b>	<b>22.390</b>	<b>(37.633)</b>
<b>Profit before tax</b>	<b>9.052</b>	<b>19.798</b>	<b>28.850</b>
Income tax	(14.176)	236	(13.940)
<b>Consolidated net profit/loss of the period</b>	<b>(5.124)</b>	<b>20.034</b>	<b>14.910</b>
<b>Net profit/loss attributable to:</b>			
Equity holders	(2.261)	19.631	17.370
Non-controlling interest	(2.863)	403	(2.460)

Balance Sheet

	30/06/2018 (Before the application of IAS 29)	Impact IAS 29	30/06/2018 (After the application of IAS 29)
<b>Non-current assets:</b>			
Goodwill	12.241	48	12.289
Intangible assets	61.728	6.555	68.283
Tangible fixed assets	286.685	61.741	348.426
Investment properties	192.568	-	192.568
Investments in associated companies and joint ventures	20.879	-	20.879
Financial assets available for sale	1.742	-	1.742
Other investments	20.137	-	20.137
Deferred tax assets	174.425	913	175.338
Customers	32.510	-	32.510
Other debtors	10.549	-	10.549
Other non-current assets	5.626	-	5.626
<b>Total non-current assets</b>	<b>819.090</b>	<b>69.257</b>	<b>888.347</b>
<b>Current assets:</b>			
Inventories	206.303	4.363	210.666
Customers	227.757	-	227.757
Other debtors	48.546	-	48.546
Cash and cash equivalents	131.688	-	131.688
Other investments	17.563	-	17.563
Other current assets	166.555	-	166.555
	<b>798.412</b>	<b>4.363</b>	<b>802.775</b>
Assets held for sale	97.509	-	97.509
<b>Current assets total</b>	<b>895.921</b>	<b>4.363</b>	<b>900.284</b>
<b>ASSETS TOTAL</b>	<b>1.715.011</b>	<b>73.620</b>	<b>1.788.631</b>
<b>Equity:</b>			
Capital	210.000	-	210.000
Adjustments of equity holdings in associated companies and joint ventures	104	-	104
Foreign exchange conversion adjustments	(232.033)	(30.054)	(262.087)
Reserves and retained earnings	216.997	81.529	298.526
Consolidated net profit/loss	(2.261)	19.631	17.370
<b>Equity attributable to shareholders</b>	<b>192.807</b>	<b>71.106</b>	<b>263.913</b>
Non-controlling interest	35.682	1.456	37.138
<b>EQUITY TOTAL</b>	<b>228.489</b>	<b>72.562</b>	<b>301.051</b>
<b>Non-current liabilities:</b>			
Loans	793.973	-	793.973
Provisions	33.812	734	34.546
Financial leases	4.010	-	4.010
Deferred tax liabilities	28.059	324	28.383
Other non-current liabilities	33.593	-	33.593
<b>Non-current liabilities total</b>	<b>893.447</b>	<b>1.058</b>	<b>894.505</b>
<b>Current liabilities:</b>			
Loans	108.661	-	108.661
Suppliers	125.821	-	125.821
Financial leases	3.242	-	3.242
Other creditors	32.084	-	32.084
Other current liabilities	232.562	-	232.562
	<b>502.370</b>	<b>-</b>	<b>502.370</b>
Liabilities held for sale	90.705	-	90.705
<b>Current liabilities total</b>	<b>593.075</b>	<b>-</b>	<b>593.075</b>
<b>LIABILITIES TOTAL</b>	<b>1.486.522</b>	<b>1.058</b>	<b>1.487.580</b>
<b>LIABILITIES AND EQUITY TOTAL</b>	<b>1.715.011</b>	<b>73.620</b>	<b>1.788.631</b>

The Group adopted IAS 29 for the Angolan companies in 2018, having restated the financial statements of 31 December 2017, with the following impact on the attached consolidated financial statements:

### Balance Sheet

	31/12/2017 "Restated" (Unaudited)	Impact of IAS 29	31/12/2017 (Audited)
<b>Non-current assets:</b>			
Goodwill	12.371	55	12.316
Intangible assets	85.094	7.585	77.509
Tangible fixed assets	478.607	72.030	406.577
Investment properties	217.647	-	217.647
Investments in associated companies and joint ventures	20.296	-	20.296
Financial assets available for sale	1.841	-	1.841
Other investments	27.413	-	27.413
Deferred tax assets	155.276	244	155.032
Customers	39.784	-	39.784
Other debtors	10.985	-	10.985
Other non-current assets	5.626	-	5.626
<b>Total non-current assets</b>	<b>1.054.940</b>	<b>79.914</b>	<b>975.026</b>
<b>Current assets:</b>			
Inventories	245.616	4.559	241.057
Customers	260.407	-	260.407
Other debtors	42.805	-	42.805
Cash and cash equivalents	154.265	-	154.265
Other current assets	165.819	-	165.819
	<b>868.912</b>	<b>4.559</b>	<b>864.353</b>
Assets held for sale	454.980	-	454.980
<b>Current assets total</b>	<b>1.323.892</b>	<b>4.559</b>	<b>1.319.333</b>
<b>ASSETS TOTAL</b>	<b>2.378.832</b>	<b>84.473</b>	<b>2.294.359</b>
<b>Equity:</b>			
Capital	210.000	-	210.000
Adjustments of equity holdings in associated companies and joint ventures	215	-	215
Foreign exchange conversion adjustments	(67.455)	-	(67.455)
Reserves and retained earnings	310.985	81.529	229.456
Consolidated net profit/loss	(4.650)	-	(4.650)
<b>Equity attributable to shareholders</b>	<b>449.095</b>	<b>81.529</b>	<b>367.566</b>
Non-controlling interest	42.919	1.642	41.277
<b>EQUITY TOTAL</b>	<b>492.014</b>	<b>83.171</b>	<b>408.843</b>
<b>Non-current liabilities:</b>			
Loans	708.718	-	708.718
Provisions	36.718	921	35.797
Financial leases	4.768	-	4.768
Deferred tax liabilities	35.424	381	35.043
Other non-current liabilities	32.161	-	32.161
<b>Non-current liabilities total</b>	<b>817.789</b>	<b>1.302</b>	<b>816.487</b>
<b>Current liabilities:</b>			
Loans	299.560	-	299.560
Suppliers	155.625	-	155.625
Financial leases	3.879	-	3.879
Other creditors	28.186	-	28.186
Other current liabilities	231.903	-	231.903
	<b>719.153</b>	<b>-</b>	<b>719.153</b>
Liabilities held for sale	349.876	-	349.876
<b>Current liabilities total</b>	<b>1.069.029</b>	<b>-</b>	<b>1.069.029</b>
<b>LIABILITIES TOTAL</b>	<b>1.886.818</b>	<b>1.302</b>	<b>1.885.516</b>
<b>LIABILITIES AND EQUITY TOTAL</b>	<b>2.378.832</b>	<b>84.473</b>	<b>2.294.359</b>

## 28 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements of the period ended at 30 June 2018 were approved by the Board of Directors on 31 August 2018.

## 29 – SUBSEQUENT EVENTS

After the promissory contract that its wholly-owned subsidiary, "Teixeira Duarte - Engenharia e Construções, S.A.", entered into on 21 June 2018 to dispose of the 375,000 shares that the latter holds in "LUSOPONTE – Concessionária para a Travessia do Tejo, S.A." (LUSOPONTE), corresponding to 7.5% of its share capital, to "Companhia de Investimento China-Portugal Global, Limitada", the pre-emptive right was exercised by the shareholders of LUSOPONTE "Vinci Highways, SAS" and "Lineas – Concessões de Transportes, SGPS, S.A.".

Consequently, on 23 August 2018 "Teixeira Duarte - Engenharia e Construções, S.A." entered into two contracts with a view to the disposal of the same 375,000 shares that it holds in LUSOPONTE, for the overall price of €23,300,000.00:

1. A contract for the sale of 185,625 shares to "Vinci Highways, SAS", for the price of €11,533,500.00; and
2. Another for the sale of 189,375 shares to "Lineas – Concessões de Transportes, SGPS, S.A." for the price of €11,766,500.00.

These disposals are also subject to other procedures being implemented, namely by LUSOPONTE, particularly together with the financing entities. In this case, should the contracts be implemented, it is estimated that they shall have an impact of around 18 million euros on the accounting profits/losses.

