

**Teixeira Duarte**

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# Report and Accounts

## 3rd Quarter of 2018



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## IDENTIFICATION OF THE COMPANY

TEIXEIRA DUARTE, S.A.

### LISTED COMPANY

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

Share Capital: €210,000,000

Single Legal Person and

Registration Number at Cascais-Oeiras Commercial Registration Office: 509.234.526

## SUMMARY OF INDICATORS

	Q3 2014	Q3 2015	Q3 2016	Q3 2017	Q3 2018	Variation 2018/2017%
Average no. of workers	13,165	13,691	11,534	10,618	10,383	(2.2%)
Turnover	1,175	1,005	828	739	636	(14.0%)
Operating Income	1,188	1,038	863	771	707	(8.2%)
EBITDA	165	125	150	123	110	(10.4%)
EBITDA Margin/Turnover	14.0%	12.5%	18.1%	16.6%	17.3%	+ 0.7 p.p.
EBIT	133	67	99	84	75	(10.9%)
Net Income Attributable to Equity Holders	71	17	(26)	(11)	7	-
Net Debt	1,293	1,253	1,166	1,085	753	(30.6%)
Total Equity Attributable to Equity Holders	424	459	345	364	220	(39.7%)
Total Equity	461	480	390	412	256	(37.8%)
Total Net Assets	2,987	2,819	2,477	2,427	1,722	(29.0%)

### Notes:

The accounting amounts are expressed in millions of euros.

The values of the column "Variation 2018/2017%" were calculated based on the amounts without rounding them up.

Total Equity includes non-controlling interests.









**Teixeira Duarte**

3rd Quarter of 2018

# Interim Management Report



## I – INTRODUCTION

Pursuant to the applicable legal and regulatory provisions, TEIXEIRA DUARTE, S.A. ("TD, S.A.") discloses its Interim Report for the first nine months of 2018, as part of which the consolidated financial statements are attached.

In compliance with and under the regulations on the provision of periodic information, the Group confirms that the elements disclosed herein relate only to the consolidated scope and that the consolidated financial statements dated 30 September 2018 were prepared using accounting policies consistent with the International Financial Reporting Standards ("IFRS"), as adopted by the European Union, effective for the periods beginning 1 January 2018 and in accordance with International Accounting Standards ("IAS") norm 34 – Interim Financial Reporting.

Due to the application of IAS 29 – Financial Reporting in Hyperinflationary Economies from 2018 onwards to the Group's companies based in Angola and Venezuela, the income statements for 30 September 2018 and their respective notes are not directly comparable with the financial statements for 30 September 2017. As regards the financial position and the respective notes on the accounts dated 31 December 2017, in compliance with the application of the abovementioned regulation, the Group subsequently restated it.

In view of the 85% devaluation of the Angolan Kwanza in this period, it should be noted that the tangible fixed assets in Angola are recorded at the amortized cost in Kwanzas. This led to a strong devaluation of these assets in the accounts, with a consequent impact on the reduction in Assets and Equity, which manifested itself in the accounting process.

Considering that these assets are dollarised by the market, it should be understood that such devaluations in the Group's accounts do not reflect the preservation of value resulting from said dollarisation.

It should also be noted that within the Teixeira Duarte Group, two of the wholly-owned companies were repositioned. "ANGOPREDIAL – Empreendimentos Imobiliários, Lda." moved from the Real Estate sector to the Hospitality sector and "Global Net Distributors (Pty) Ltd." moved from the Distribution sector to the Construction sector. In this document—only in relation to these four sectors—the notes attached to the 2017 consolidated financial statements were restated to facilitate comparability.

On 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, as such, have not been consolidated since that date. This has an impact on the comparability of the various indicators presented below, since these companies were part of the scope of consolidation in September 2017 and contributed to these indicators as they were determined at the end of that period last year.

It should be noted that, following the aforementioned events, on May 25, 2018, the Group concluded a contract for the sale 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 related to the sale of 90% of "TDHOSP – Gestão de Edifício Hospitalar, S.A." and 7.5% of "LUSOPONTE – Concessionária da Travessia do Tejo, S.A." has meant that, up until the third quarter of this year, the Teixeira Duarte Group has contracted an overall amount of about 450 million euros out of the 500 million euros that had been announced as assets expected to be sold.

This is another important step in the implementation of the Teixeira Duarte Group's strategy of reducing liabilities, namely bank indebtedness and investment in relevant sectors and markets.

Under the relevant provisions and without prejudice to the regular monitoring of the activity of the Teixeira Duarte Group by its supervisory bodies, as well as the reporting of information provided to them for the purposes of the creation of this document, the elements published herein were not audited.

In addition to the consolidated financial statements and their accompanying annexes, this document will also be presented with a brief overview of the evolution of the Group's activity during the period under review, in relation to the following topics highlighted in advance:

- **Net Income Attributable to Equity Holders** was positive: 7.1 million euros;
- **Turnover** amounted to 635.5 million euros;
- **The Non-domestic Market** represents 74.6% of Turnover;
- **EBITDA** was 110.1 million euros;
- **EBITDA margin/turnover** was 17.3%;
- **Net Debt** reduced to 753 million euros;
- **The Group's Net Assets** amounted to 1,722 million euros;
- **Financial Autonomy** was set at 14.9%;
- **The Teixeira Duarte Group Order Book** for the Construction sector listed 1,906 million euros.

## II – OVERVIEW OF THE GROUP'S ACTIVITY

Income Statement  
for the periods ending 30 September 2018 and 2017

	Q3 18	Q3 17	Var. (%)	Jul-Sep 18	Jul-Sep 17	Var. (%)
Operating income	707.278	770.846	(8,2%)	212.625	269.861	(21,2%)
Operating costs	(597.153)	(647.962)	7,8%	(193.675)	(234.823)	17,5%
<b>EBITDA</b>	<b>110.125</b>	<b>122.884</b>	<b>(10,4%)</b>	<b>18.950</b>	<b>35.038</b>	<b>(45,9%)</b>
Amortisations and depreciations	(31.861)	(42.840)	25,6%	(10.073)	(13.910)	27,6%
Provisions and impairment losses	(3.649)	3.678	-	(745)	3.457	-
<b>EBIT</b>	<b>74.615</b>	<b>83.722</b>	<b>(10,9%)</b>	<b>8.132</b>	<b>24.585</b>	<b>(66,9%)</b>
<b>Financial results</b>	<b>(57.000)</b>	<b>(56.768)</b>	<b>(0,4%)</b>	<b>(19.367)</b>	<b>(13.501)</b>	<b>(43,4%)</b>
<b>Income before taxes</b>	<b>17.615</b>	<b>26.954</b>	<b>(34,6%)</b>	<b>(11.235)</b>	<b>11.084</b>	-
Income tax	(11.874)	(31.334)	62,1%	2.066	(9.451)	-
<b>Net income</b>	<b>5.741</b>	<b>(4.380)</b>	-	<b>(9.169)</b>	<b>1.633</b>	-
<b>Attributable to:</b>						
Equity holders	7.094	(11.066)	-	(10.276)	(1.975)	(420,3%)
Non-controlling interests	(1.353)	6.686	-	1.107	3.608	(69,3%)

(AMOUNTS IN THOUSANDS OF EUROS)

**Net Income Attributable to Equity Holders** was positive: 7,094,000 euros compared with the 11,066,000 euro negative income recorded in September 2017.

In addition to the normal impact of the development of the Teixeira Duarte Group entities' activities in their different markets, this indicator was also influenced by unfavourable exchange rate differences, which in September 2018 were negative—a value of 60,291,000 euros—while in the same period in 2017 they had been negative 878,000 euros. The indicator was also influenced by the positive impact—32,373,000 euros—from the net monetary position resulting from the application of IAS 29 to the companies based in Angola and Venezuela.

Net Income Attributable to Equity Holders generated in the third quarter of 2018 alone was influenced by unfavourable exchange rate differences of 21,714,000 euros and positively by the net monetary position resulting from the application of IAS 29: 12,631,000 euros.

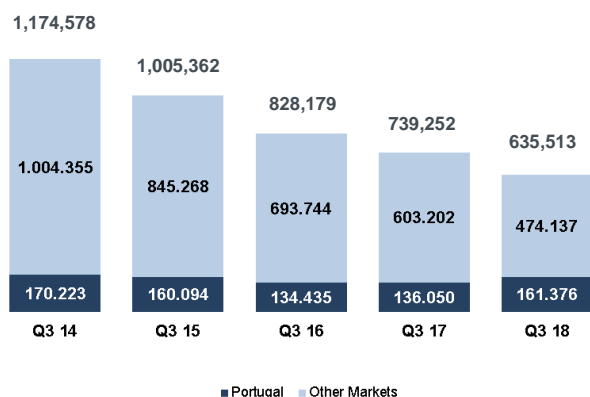
**Turnover** amounted to 635,513,000 euros, which reflects a 14% decrease compared to September 2017, i.e. a decrease of 103,739,000 euros.

In Portugal, there was an increase of 25,326,000 euros compared to September 2017, which is considered positive when paying particular attention to the fact that at the end of that period last year, the companies RECOLTE, S.A. and RECOLTE (Porto), S.A.—sold in July 2017—were still part of the Group's scope of consolidation and had contributed 6,157,000 euros to the turnover for that period.

The other markets fell overall by 21.4%, partly resulting from the lower value in euros of the activity in some non-domestic markets, especially in Angola.

In this context, the non-domestic markets, which accounted for 81.6% of this indicator in June of last year, subsequently represented 74.6% of the Teixeira Duarte Group's total turnover.

### Evolution of Turnover by Market



(AMOUNTS IN THOUSANDS OF EUROS)

In the charts below are the Turnovers broken down by countries and sectors of activity, with the Group's exposure to more adverse economic contexts—particularly the effects resulting from the devaluation of Kwanza—standing out.

### Evolution of Turnover by Country

Countries	Q3 18		Q3 17		Variation	Jul-Sep 18		Jul-Sep 17		Variation
	Amount	Contribution	Amount	Contribution		Amount	Contribution	Amount	Contribution	
Portugal	161.376	25,4%	136.050	18,4%	18,6%	46.772	22,6%	54.320	20,6%	(13,9%)
Angola	210.144	33,1%	288.506	39,0%	(27,2%)	70.733	34,2%	95.759	36,3%	(26,1%)
Algeria	92.955	14,6%	64.121	8,7%	45,0%	37.793	18,2%	18.814	7,1%	100,9%
Brazil	99.140	15,6%	158.165	21,4%	(37,3%)	27.171	13,1%	63.837	24,2%	(57,4%)
Spain	26.861	4,2%	22.603	3,1%	18,8%	8.799	4,2%	7.792	2,9%	12,9%
Mozambique	23.072	3,6%	55.761	7,5%	(58,6%)	10.738	5,2%	18.212	6,9%	(41,0%)
Venezuela	11.218	1,8%	4.633	0,6%	142,1%	963	0,5%	2.913	1,1%	(66,9%)
Others	10.747	1,7%	9.413	1,3%	14,2%	4.139	2,0%	2.515	1,0%	64,6%
	<b>635.513</b>	<b>100,0%</b>	<b>739.252</b>	<b>100,0%</b>	<b>(14,0%)</b>	<b>207.108</b>	<b>100,0%</b>	<b>264.162</b>	<b>100,0%</b>	<b>(21,6%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

The rise in Turnover for Venezuela is essentially the result of work taking place at the La Guaira port, an operation that began in the second half of 2017 and that in the first nine months of 2018 amounted to 11,195,000 euros.

It should be noted that in August 2018 the Venezuelan government changed the country's exchange rate, which had a negative impact on the value in euros of the activity recorded by the Group over the first nine months of the year.

### Evolution of Turnover by Sector of Activity

Sector of Activity	Q3 18		Q3 17		Variation	Jul-Sep 18		Jul-Sep 17		Variation
	Amount	Contribution	Amount	Contribution		Amount	Contribution	Amount	Contribution	
Construction (*)	370,317	58.3%	373,835	50.6%	(0.9%)	140,399	67.8%	139,714	52.9%	0.5%
Concessions and Services	69,801	11.0%	71,362	9.7%	(2.2%)	21,915	10.6%	19,186	7.3%	14.2%
Real Estate (*)	53,424	8.4%	60,861	8.2%	(12.2%)	1,761	0.9%	20,794	7.9%	(91.5%)
Hospitality (*)	28,633	4.5%	36,253	4.9%	(21.0%)	9,352	4.5%	12,461	4.7%	(24.9%)
Distribution (*)	90,767	14.3%	146,197	19.8%	(37.9%)	26,538	12.8%	55,414	21.0%	(52.1%)
Automotive	22,571	3.6%	50,744	6.9%	(55.5%)	7,143	3.4%	16,593	6.3%	(57.0%)
	<b>635,513</b>	<b>100.0%</b>	<b>739,252</b>	<b>100.0%</b>	<b>(14.0%)</b>	<b>207,108</b>	<b>100.0%</b>	<b>264,162</b>	<b>100.0%</b>	<b>(21.6%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

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

For a more in-depth explanation of the data in the chart above, please find below some notes regarding the activity in the first nine months of the year for each of the Group's operating sectors:

### CONSTRUCTION

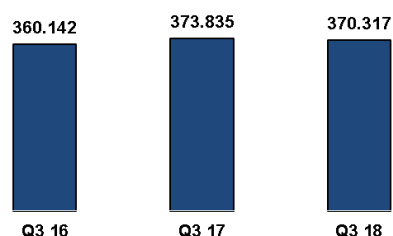
Construction turnover remained the same as the turnover for the same period in 2017, with the domestic market compensating for the reduction in turnover of non-domestic markets.

Portugal recorded a 15% increase over the last year, essentially due to the good performance achieved in the private Construction market.

The Turnover achieved in the non-domestic markets decreased, in total, 5.2% compared to the first nine months of 2017, with a greater impact in Brazil and Mozambique (in the case of the former, also due to the devaluation of the Real). It should also be noted that activity in Angola and Algeria increased (41% and 45%, respectively), but that the value in euros of the turnover achieved at the end of this period in these countries was penalised by the devaluation of the currencies of these markets.

Thus, on 30 September 2018, the non-domestic market accounted for 75.4% of the turnover of the Construction business segment, instead of the 78.8% that it represented in September 2017.

### Construction Turnover



(AMOUNTS IN THOUSANDS OF EUROS)

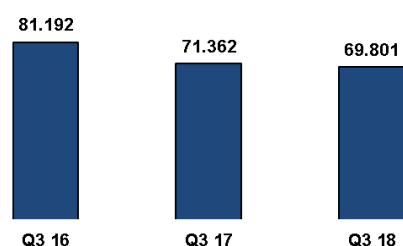
### CONCESSIONS AND SERVICES

In the Concessions and Services, Turnover decreased 2.2% compared to September 2017, which equates to a reduction of 1,561,000 euros. This largely resulted from the fact that in September 2018 the Group could no longer count on the contribution of its subsidiaries in the area of the Environment in Portugal (Recolte, S.A. and Recolte (Porto), S.A.), which were sold in July 2017 and which had contributed 6,157,000 euros to this indicator as determined on 30 September 2017.

In Portugal, it is notable that—disregarding the contribution that those subsidiaries made—this market in this sector has recorded an increase of 7,432,000 euros.

In the remaining markets in which the Group operates in this sector, good performances were achieved, with the exception of the Angolan market, which, penalised by the devaluation of Kwanza, recorded a decrease of 28.6% compared to September 2017.

### Concessions and Services Turnover



(AMOUNTS IN THOUSANDS OF EUROS)



## REAL ESTATE

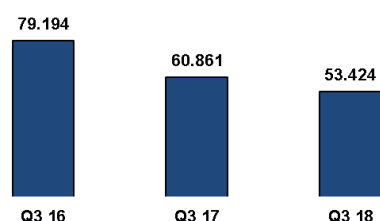
Real Estate Turnover fell by 12.2% compared to the same period last year.

In Portugal, there was an increase of 56.9% compared to September 2017, which is attributed to the fact that this period saw the sale of real estate that was previously on the market.

Nonetheless, it should be noted that this growth in Portugal would have been even greater, had it not been for the fact that the companies BONAPARTE, S.A., TDHOSP, S.A. and LAGOAS PARK, S.A. were classified as "Held for Sale" on 31 December 2017, and as such, since that date, the respective turnovers achieved have not been consolidated. It should also be noted that in 2017—and while those subsidiaries were still part of the Group's scope of consolidation—their contribution to the Turnover of the third quarter of that year amounted to 20,360,000 euros.

In Brazil, the Group experienced a fall of 54.6% compared to the same period last year, to which the devaluation of the Real and the change in the framework of the applicable accounting regulations also contributed.

### Real Estate Turnover



(AMOUNTS IN THOUSANDS OF EUROS)

## HOSPITALITY

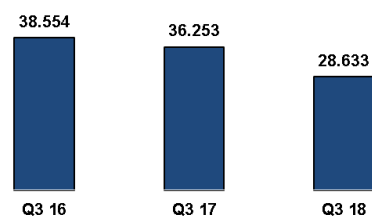
Hospitality Turnover experienced a 21% overall decrease compared to the same period of 2017.

In Portugal, activity in this sector decreased by 3.2% when compared to the first nine months of 2017.

In Angola, activity increased by 35.6%. However, due to the devaluation of the Kwanza, this particular indicator for this country ended up recording a reduction of 27.1% compared to September 2017.

In Mozambique, during the first nine months of 2018, this activity experienced a fall of 20.9% compared to the same period last year, mainly due to the reduction of turnover from the Hotel Avenida, upon which the group carried out remodeling works.

### Hospitality Turnover

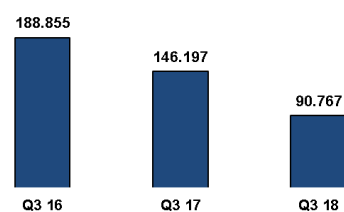


(AMOUNTS IN THOUSANDS OF EUROS)

## DISTRIBUTION

The Distribution sector experienced a 37.9% decrease in its turnover compared to the same period last year, penalised by the devaluation of the Kwanza. Disregarding this effect, this reduction would have been 6.9%.

### Distribution Turnover

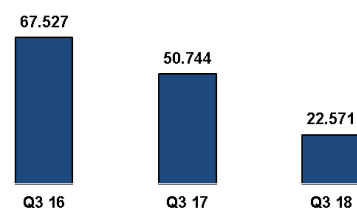


(AMOUNTS IN THOUSANDS OF EUROS)

## AUTOMOTIVE

In the Automotive sector, the Group experienced a reduction in turnover of 55.5% compared to September 2017, essentially due to the devaluation of the Kwanza and the difficulties in importing vehicles and parts to Angola.

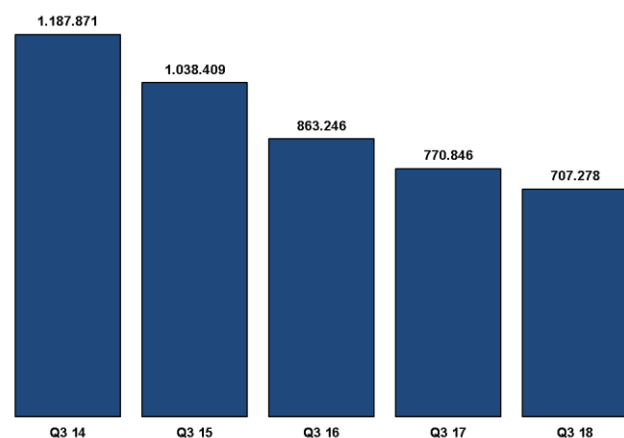
### Automotive Turnover



(AMOUNTS IN THOUSANDS OF EUROS)

**Operating income** fell by 8.2% compared to the same period last year, reaching 707,278,000 euros.

### Evolution of Operating Income



(AMOUNTS IN THOUSANDS OF EUROS)

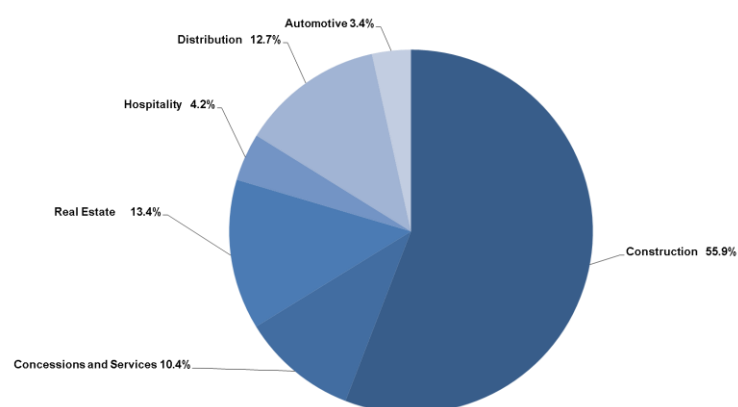
In the table below, you can check the performances of the various sectors of activity in which the Group operates.

Sector of Activity	Domestic Market			Non-domestic Market			Total		
	Q3 18	Q3 17	Var (%)	Q3 18	Q3 17	Var (%)	Q3 18	Q3 17	Var (%)
Construction (*)	98,427	84,838	16.0%	296,721	298,034	(0.4%)	395,148	382,872	3.2%
Concessions and Services	26,970	25,120	7.4%	46,270	48,862	(5.3%)	73,240	73,982	(1.0%)
Real Estate (*)	59,844	40,051	49.4%	34,705	39,163	(11.4%)	94,549	79,214	19.4%
Hospitality (*)	8,125	8,160	(0.4%)	21,954	28,966	(24.2%)	30,079	37,126	(19.0%)
Distribution (*)	325	611	(46.8%)	89,528	145,864	(38.6%)	89,853	146,475	(38.7%)
Automotive	3,300	2,033	62.3%	21,109	49,144	(57.0%)	24,409	51,177	(52.3%)
<b>Total</b>	<b>196,991</b>	<b>160,813</b>	<b>22.5%</b>	<b>510,287</b>	<b>610,033</b>	<b>(16.4%)</b>	<b>707,278</b>	<b>770,846</b>	<b>(8.2%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

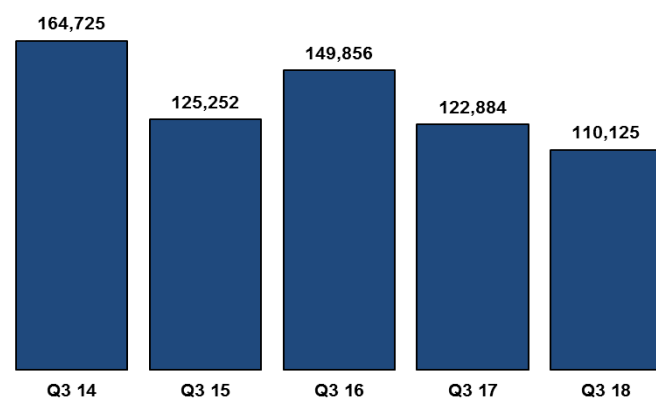
(\*) - AMOUNTS FOR 2017 RESTATED AS EXPLAINED ABOVE IN THE INTRODUCTION.

In view of the above developments, the contributions of each of the sectors of activity to the total amount of operating income achieved on 30 September 2018 were as follows:



**EBITDA** experienced a 10.4% decrease when compared to September 2017, amounting to 110,125,000 euros.

#### Evolution of EBITDA



(AMOUNTS IN THOUSANDS OF EUROS)

Analysing the following chart will confirm the existence of very disparate behaviours in the different sectors of activity, depending on the characteristics of each one and the respective markets in which they operate.

### Evolution of EBITDA by Sector of Activity

Sector of Activity	Q3 18	Q3 17	Var. (%)	Jul-Sep 18	Jul-Sep 17	Var. (%)
Construction (*)	48,181	35,042	37.5%	17,838	7,729	130.8%
Concessions and Services	7,189	7,050	2.0%	864	1,170	(26.2%)
Real Estate (*)	38,745	40,614	(4.6%)	(1,154)	10,894	(110.6%)
Hospitality (*)	8,531	10,107	(15.6%)	2,247	3,223	(30.3%)
Distribution (*)	5,539	16,508	(66.4%)	(669)	7,880	(108.5%)
Automotive	9,253	18,601	(50.3%)	2,365	5,783	(59.1%)
Not included in the segments	(7,311)	(5,272)	(38.7%)	(2,530)	(1,875)	(34.9%)
Eliminations	(2)	234	-	(11)	234	-
	<b>110,125</b>	<b>122,884</b>	<b>(10.4%)</b>	<b>18,950</b>	<b>35,038</b>	<b>(45.9%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

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

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

- The sale of the wholly-owned subsidiary "LAGOAS PARK, S.A.", with gains of 24,898,000 euros;
- Exchange rate differences that, in 2018, had a positive impact amounting to 14,721,000 euros. In September 2017, those differences had a negative impact of 8,055,000 euros;
- Non-recurring operating costs of 15,000,000 euros, in particular due to the impairments of receivable assets.

**Financial results** were negative and settled at 57,000,000 euros.

	Q3 18	Q3 17	Var. (%)	Jul-Sep 18	Jul-Sep 17	Var. (%)
<b>Financial costs and losses:</b>	<b>(131,537)</b>	<b>(175,940)</b>	<b>25.2%</b>	<b>(44,901)</b>	<b>(11,660)</b>	<b>(285.1%)</b>
Interest paid	(20,945)	(50,622)	58.6%	(7,166)	(14,179)	49.5%
Unfavourable exchange rate differences	(95,798)	(104,358)	8.2%	(32,219)	10,437	-
Other financial costs and losses	(14,794)	(20,960)	29.4%	(5,516)	(7,918)	30.3%
<b>Financial income and gains:</b>	<b>73,166</b>	<b>114,145</b>	<b>(35.9%)</b>	<b>25,510</b>	<b>(4,897)</b>	<b>-</b>
Interest earned	4,776	8,770	(45.5%)	2,198	2,525	(13.0%)
Favourable exchange rate differences	35,507	103,480	(65.7%)	10,505	(8,226)	-
Prompt payment discounts obtained	5	3	66.7%	-	(2)	-
Net monetary position	32,373	-	-	12,631	-	-
Other financial income and gains	505	1,892	(73.3%)	176	806	(78.2%)
<b>Income related to investment activities:</b>	<b>1,371</b>	<b>5,027</b>	<b>(72.7%)</b>	<b>24</b>	<b>3,056</b>	<b>(99.2%)</b>
Income related to associated companies and joint ventures	746	2,684	(72.2%)	260	932	(72.1%)
Dividends	824	2,728	(69.8%)	-	2,030	-
Other investments	(199)	23	-	(236)	20	-
Gains/losses on assets available for sale	-	(408)	-	-	74	-
<b>Financial results</b>	<b>(57,000)</b>	<b>(56,768)</b>	<b>(0.4%)</b>	<b>(19,367)</b>	<b>(13,501)</b>	<b>(43.4%)</b>

(AMOUNTS IN THOUSANDS OF EUROS)

Despite recording overall results similar to the same period in 2017, this indicator reflects important variations, of which we highlight the positive variation of 29,677,000 euros resulting from the reduction in interest paid;

The **Income Tax** as determined on 30 September 2018 was a negative amount of 11,874,000 euros, whereas it had stood at negative 31,334,000 euros in the same period the previous year.

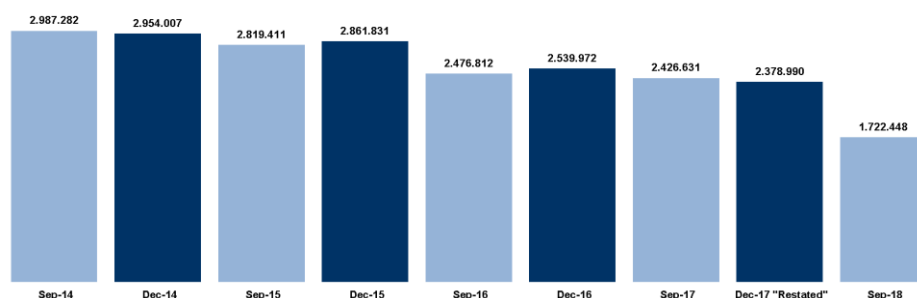
	Q3 18	Q3 17	Var. (%)	Jul-Sep 18	Jul-Sep 17	Var. (%)
Current tax	(17,570)	(37,233)	52.8%	734	(7,583)	-
Deferred tax	5,696	5,899	(3.4%)	1,332	(1,868)	-
	<b>(11,874)</b>	<b>(31,334)</b>	<b>62.1%</b>	<b>2,066</b>	<b>(9,451)</b>	<b>-</b>

(AMOUNTS IN THOUSANDS OF EUROS)



**Total Net Assets** decreased 27.6% in relation to 31 December 2017 "Restated", and were set at 1,722,448,000 euros.

#### Evolution of Net Assets



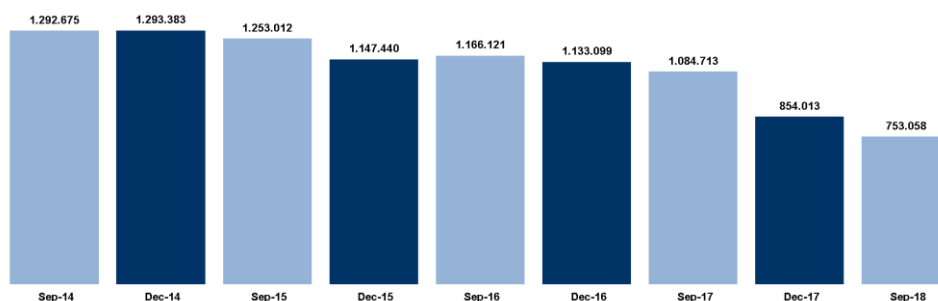
(AMOUNTS IN THOUSANDS OF EUROS)

It should be noted that the reduction of assets—with a value of 656,542,000 euros—is essentially due to the sale of the company "Lagoas Park, S.A.," which entailed a reduction of 356,961,000, as well as to the impact of the devaluation of currencies of the various geographical areas in which the Group operates—especially the Angolan Kwanza—against the euro, which has resulted in a reduction of 342,980,000 euros.

However, with the tangible fixed assets concerned being recorded via amortized cost in Kwanzas, these assets are dollarized by the market, so it should be understood that such devaluation does not reflect the value of those assets.

**Net debt** recorded a decrease of 11.8% in relation to the end of last year, and on 30 September 2018 was set at 753,058,000 euros.

#### Evolution of Net Debt



(AMOUNTS IN THOUSANDS OF EUROS)

**Equity Attributable to Shareholders** reduced by 229,628,000 euros, from 449,169,000 euros to 219,541,000 euros, equating to a decrease of 51.1% in relation to 31 December 2017 "Restated".

**Total Equity** decreased 47.9%, and was set at 256,182,000 euros, essentially influenced by the following factors:

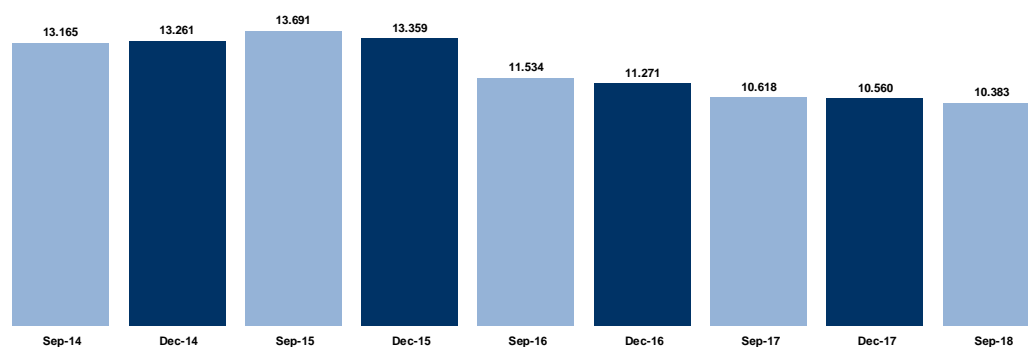
- Net income of 5,741,000 euros;
- A negative impact of 239,941,000 euros, resulting from the conversion rate recorded due to the devaluation of the currencies of the areas in which the Group operates against the Euro;

In this respect, it is important to highlight the impact of the reduction of the value of tangible fixed assets in Angola, due to the devaluation of the aforementioned Kwanza, resulting in a strong decline in Equity visible in the accounts.

**Financial Autonomy** decreased from 20.7% on 31 December 2017 "Restated" to 14.9% on 30 September 2018, to which the significant devaluation of the assets that the Group holds in Angola resulting from the currently applied accounting criteria strongly contributed.

The **Average Number of Workers** on 30 September 2018 was 10,383, a fall of 1.7% compared to 31 December 2017.

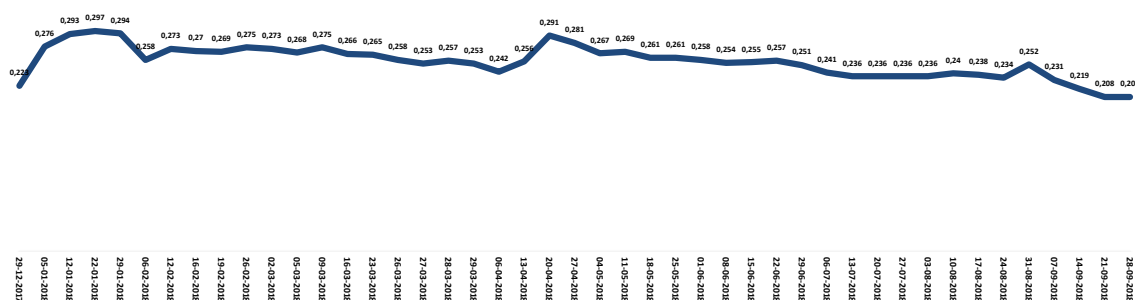
#### Evolution of the Average Number of Workers



**"Teixeira Duarte, S.A." share prices** decreased from 0.223 euros on 31 December 2017 to 0.208 euros on 30 September 2018, a price that corresponds to a market capitalisation of 40% of the capital attributable to equity holders.

The chart below shows the evolution of the share prices during the first nine months of this year, varying in this period between a minimum of 0.186 euros and a maximum of 0.32 euros.

#### Teixeira Duarte, S.A. share prices



In this period, 46,593,921 shares were traded, with a global Turnover of 12,349,292 euros.

### III. EVENTS TAKING PLACE AFTER THE CONCLUSION OF THE THIRD QUARTER OF 2018

TEIXEIRA DUARTE continued its activity in the various markets in which it operates. No relevant events took place beyond 30 September 2018 and the date of issuance of this document.

### IV. OUTLOOK

While overall, the Teixeira Duarte Group Order Book for the construction sector had a decrease of 3.2% compared to the end of 2017, on 30 September 2018 the Order Book reached the overall value of 1,905,756,000 euros, of which 529,850,000 euros are for 2021 and beyond.

For a more detailed analysis of the most recent periods, i.e. for the remaining 1,375,906,000 euros already contracted and planned for execution in the next three months of 2018 and in 2019 and 2020, please consult the chart presented below, with additional elements regarding its distribution by the markets in which it operates:

	Oct to Dec 2018		2019		2020	
	Amount	Contribution (%)	Amount	Contribution (%)	Amount	Contribution (%)
Portugal	54,435	27.6%	147,260	21.3%	58,664	12.1%
Other Markets	142,539	72.4%	545,597	78.7%	427,411	87.9%
<b>Total</b>	<b>196,974</b>	<b>100.0%</b>	<b>692,857</b>	<b>100.0%</b>	<b>486,075</b>	<b>100.0%</b>

(AMOUNTS IN THOUSANDS OF EUROS)

It is the Teixeira Duarte Group's view that it should not change the forecast to reach a consolidated operating income of around 1 billion euros in 2018.

Lagoas Park, 30 November 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**

3rd Quarter of 2018

# Consolidated Financial Statements

## CONSOLIDATED FINANCIAL POSITION STATEMENTS

FOR 30 SEPTEMBER 2018 AND 31 DECEMBER 2017 "RESTATED"  
(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	30-09-2018 (Unaudited)	31-12-2017 "Restated" (Unaudited)
<b>Non-current assets:</b>			
Goodwill		12,269	12,371
Intangible assets		65,157	85,094
Tangible fixed assets	13	320,328	478,758
Investment properties	14	177,526	217,647
Investments in associated companies and joint ventures	7 and 15	19,925	20,296
Financial assets available for sale	7 and 16	1,726	1,841
Other investments		17,937	27,413
Deferred tax assets	18	178,076	155,283
Customers		30,614	39,784
Other debtors		10,231	10,985
Other non-current assets		626	5,626
<b>Total non-current assets</b>		<b>834,416</b>	<b>1,055,098</b>
<b>Current assets:</b>			
Inventories		210,386	245,616
Customers		208,805	260,407
Other debtors		32,389	42,805
Cash and cash equivalents	20	155,238	154,265
Other investments		15,346	-
Other current assets		168,359	165,819
		<b>790,523</b>	<b>868,912</b>
Assets held for sale	17	97,509	454,980
<b>Total current assets</b>		<b>888,032</b>	<b>1,323,892</b>
<b>TOTAL ASSETS</b>	<b>7</b>	<b>1,722,448</b>	<b>2,378,990</b>
<b>Equity:</b>			
Equity	21	210,000	210,000
Adjustments to shareholdings in associated companies and joint ventures		(126)	215
Foreign currency translation adjustments		(301,432)	(67,455)
Reserves and retained earnings	22	304,005	311,059
Consolidated net income		7,094	(4,650)
<b>Equity attributable to shareholders</b>		<b>219,541</b>	<b>449,169</b>
Non-controlling interests		36,641	42,980
<b>TOTAL EQUITY</b>		<b>256,182</b>	<b>492,149</b>
<b>Non-current liabilities:</b>			
Loans	23	813,858	708,718
Provisions		34,064	36,743
Financial leases		4,348	4,768
Deferred tax liabilities	18	24,918	35,422
Other non-current liabilities		52,520	32,161
<b>Total non-current assets</b>		<b>929,708</b>	<b>817,812</b>
<b>Current liabilities:</b>			
Loans	23	94,438	299,560
Suppliers		117,798	155,625
Financial leases		3,078	3,879
Other creditors		22,150	28,186
Other current liabilities		208,389	231,903
		<b>445,853</b>	<b>719,153</b>
Liabilities held for sale	17	90,705	349,876
<b>Total current liabilities</b>		<b>536,558</b>	<b>1,069,029</b>
<b>TOTAL LIABILITIES</b>	<b>7</b>	<b>1,466,266</b>	<b>1,886,841</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,722,448</b>	<b>2,378,990</b>

The attached notes form an integral part of the consolidated financial position statement for 30 September 2018.

## CONSOLIDATED INCOME STATEMENTS

FOR THE PERIODS ENDING 30 SEPTEMBER 2018 AND 2017

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>Operating income:</b>					
Sales and services rendered	7 and 8	635,513	739,252	207,108	264,162
Other operating income	8	71,765	31,594	5,517	5,699
<b>Total operating income</b>	<b>8</b>	<b>707,278</b>	<b>770,846</b>	<b>212,625</b>	<b>269,861</b>
<b>Operating costs:</b>					
Cost of sales		(175,601)	(211,050)	(62,538)	(82,385)
Variation in production		(18,611)	7,156	1,067	1,374
External supplies and services		(204,707)	(228,367)	(71,590)	(81,890)
Staff costs		(161,361)	(178,751)	(52,738)	(58,195)
Amortisations and depreciations	7	(31,861)	(42,840)	(10,073)	(13,910)
Provisions and impairment losses on depreciable and amortisable assets and goodwill	7	(3,649)	3,678	(745)	3,457
Other operating costs		(36,873)	(36,950)	(7,876)	(13,727)
<b>Total operating costs</b>		<b>(632,663)</b>	<b>(687,124)</b>	<b>(204,493)</b>	<b>(245,276)</b>
<b>Operating income</b>	<b>7</b>	<b>74,615</b>	<b>83,722</b>	<b>8,132</b>	<b>24,585</b>
Financial costs and losses	7 and 9	(131,537)	(175,940)	(44,901)	(11,660)
Financial income and gains	7 and 9	73,166	114,145	25,510	(4,897)
<b>Income related to investment activities:</b>					
Income related to associated companies and joint ventures	7 and 9	746	2,684	260	932
Others	7 and 9	625	2,343	(236)	2,124
<b>Financial results</b>		<b>(57,000)</b>	<b>(56,768)</b>	<b>(19,367)</b>	<b>(13,501)</b>
<b>Income before taxes</b>	<b>7</b>	<b>17,615</b>	<b>26,954</b>	<b>(11,235)</b>	<b>11,084</b>
Income tax	10	(11,874)	(31,334)	2,066	(9,451)
<b>Consolidated net income for the period</b>		<b>5,741</b>	<b>(4,380)</b>	<b>(9,169)</b>	<b>1,633</b>
<b>Net income attributable to:</b>					
<b>Equity holders</b>	<b>11</b>	<b>7,094</b>	<b>(11,066)</b>	<b>(10,276)</b>	<b>(1,975)</b>
Non-controlling interests		(1,353)	6,686	1,107	3,608
<b>Income per share:</b>					
Basic (euros)	11	0.02	(0.03)	(0.02)	(0.00)
Diluted (euros)	11	0.02	(0.03)	(0.02)	(0.00)

The attached notes form an integral part of the consolidated income statement for the period ending 30 September 2018.

## CONSOLIDATED INCOME AND OTHER INTEGRAL INCOME STATEMENT

FOR THE PERIODS ENDING 30 SEPTEMBER 2018 AND 2017

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>Consolidated net income for the period</b>		<b>5,741</b>	<b>(4,380)</b>	<b>(9,169)</b>	<b>1,633</b>
<b>Income and expenses that will not subsequently be restated for earnings</b>					
Divestment of non-controlling interests		-	(7,207)	-	-
Other equity changes		(1,426)	2,214	3,388	225
		<b>(1,426)</b>	<b>(4,993)</b>	<b>3,388</b>	<b>225</b>
<b>Income and expenses that can subsequently be restated for earnings</b>					
Foreign currency translation adjustments	26	(239,941)	(23,320)	(38,993)	(407)
Adjustments to shareholdings in associated companies and joint ventures	15	(341)	(1,154)	(230)	(514)
Hedge instruments		-	1,576	-	232
		<b>(240,282)</b>	<b>(22,898)</b>	<b>(39,223)</b>	<b>(689)</b>
<b>Income directly known in equity</b>		<b>(241,708)</b>	<b>(27,891)</b>	<b>(35,835)</b>	<b>(464)</b>
<b>Comprehensive income for the period</b>		<b>(235,967)</b>	<b>(32,271)</b>	<b>(45,004)</b>	<b>1,169</b>
<b>Comprehensive income attributable to:</b>					
<b>Equity holders</b>		<b>(229,628)</b>	<b>(30,798)</b>	<b>(44,446)</b>	<b>219</b>
Non-controlling interests		(6,339)	(1,473)	(558)	950

The attached notes form an integral part of the consolidated other income statement for the period ending 30 September 2018.



## CONSOLIDATED CHANGES IN EQUITY STATEMENTS

FOR THE PERIODS ENDING 30 SEPTEMBER 2018 AND 2017

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	Equity	Adjustments to shareholdings in associated companies and joint ventures	Foreign currency translation adjustments	Reserve and retained earnings				Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	Total
					Unrestricted reserves	Hedging transaction reserves	Retained earnings	Statutory reserve				
<b>Balance on 1 January 2017</b>		<b>210.000</b>	<b>849</b>	<b>(34.826)</b>	<b>194.461</b>	<b>(11.985)</b>	<b>(19.377)</b>	<b>36.500</b>	<b>20.147</b>	<b>395.768</b>	<b>49.041</b>	<b>444.810</b>
<b>Comprehensive income for the period:</b>												
Consolidated net income for the period		-	-	-	-	-	-	-	(11.006)	(11.006)	6.686	(4.389)
Variation in foreign currency translation adjustments	26	-	-	(22.293)	-	-	-	-	(22.293)	(22.293)	(1.027)	(23.320)
Effect of hedging transactions		-	-	-	-	1.576	-	-	-	1.576	-	1.576
Effect of the application of the equity method	15	-	(1.154)	-	-	-	-	-	-	(1.154)	-	(1.154)
Divestment of non-controlling interests		-	-	-	-	-	-	-	-	-	(7.207)	(7.207)
Others		-	-	-	-	-	2.139	-	-	2.139	75	2.214
<b>Transactions with equity holders in the period:</b>												
Application of consolidated income for 2016		-	-	-	752	-	13.055	5.500	(19.307)	-	-	-
Transfer to statutory reserve, unrestricted and retained earnings		-	-	-	-	-	-	-	(840)	-	-	(840)
Distributed dividends		-	-	-	-	-	-	-	-	-	-	-
<b>Balance on 30 September 2017</b>		<b>210.000</b>	<b>(305)</b>	<b>(57.119)</b>	<b>195.213</b>	<b>(10.490)</b>	<b>(4.183)</b>	<b>42.000</b>	<b>(11.860)</b>	<b>384.131</b>	<b>47.568</b>	<b>431.699</b>
	Notes	Equity	Adjustments to shareholdings in associated companies and joint ventures	Foreign currency translation adjustments	Reserve and retained earnings				Consolidated net income	Total equity attributable to shareholders	Non-controlling interests	Total
					Unrestricted reserves	Hedging transaction reserves	Retained earnings	Statutory reserve				
<b>Balance on 1 January 2018 "restated"</b>		<b>210.000</b>	<b>215</b>	<b>(67.455)</b>	<b>195.213</b>	<b>(6.490)</b>	<b>82.336</b>	<b>42.000</b>	<b>(4.650)</b>	<b>449.169</b>	<b>42.880</b>	<b>492.149</b>
<b>Comprehensive income for the period:</b>												
Consolidated net income for the period		-	-	-	-	-	-	-	7.094	7.094	(1.353)	5.741
Variation in foreign currency translation adjustments	26	-	-	(233.977)	-	-	-	-	-	(233.977)	(5.864)	(239.841)
Effect of the application of the equity method	15	-	(341)	-	-	-	-	-	-	(341)	-	(341)
Others		-	-	-	-	-	(2.404)	-	-	(2.404)	978	(1.426)
<b>Transactions with equity holders in the period:</b>												
Application of consolidated income for 2017		-	-	-	-	-	(4.650)	-	4.650	-	-	-
Transfer to retained earnings		-	-	-	-	-	-	-	-	-	-	-
<b>Balance on 30 September 2018</b>		<b>210.000</b>	<b>(126)</b>	<b>(341.432)</b>	<b>195.213</b>	<b>(6.490)</b>	<b>73.282</b>	<b>42.000</b>	<b>7.094</b>	<b>219.541</b>	<b>36.441</b>	<b>256.182</b>

# CONSOLIDATED CASH FLOW STATEMENTS

FOR THE PERIODS ENDING 30 SEPTEMBER 2018 AND 2017

(UNAUDITED)

(AMOUNTS IN THOUSANDS OF EUROS)

	Notes	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>OPERATING ACTIVITIES:</b>					
Receipts from customers		670,466	718,037	209,547	250,322
Payments to suppliers		(425,459)	(429,613)	(137,388)	(148,973)
Payments to staff		(164,401)	(168,856)	(56,497)	(54,812)
<b>Cash flow generated by operations</b>		<b>80,606</b>	<b>119,568</b>	<b>15,662</b>	<b>46,537</b>
Payment/receipt of income tax		(12,894)	(15,430)	(1,816)	(4,469)
Other receipts/payments related to operating activities		(27,085)	(10,135)	5,395	2,827
<b>Cash flow from operating activities (1)</b>		<b>40,627</b>	<b>94,003</b>	<b>19,241</b>	<b>44,895</b>
<b>INVESTMENT ACTIVITIES:</b>					
<b>Receipts from:</b>					
Financial investments	20	126,102	15,075	16,380	1,250
Tangible fixed assets and investment properties		4,859	4,222	3,144	672
Intangible assets		-	1	-	1
Interest and similar gains		5,247	9,028	2,218	2,603
Dividends	20	1,104	2,728	-	2,030
		<b>137,312</b>	<b>31,054</b>	<b>21,742</b>	<b>6,556</b>
<b>Payments regarding:</b>					
Financial investments	20	-	(215)	-	(210)
Tangible fixed assets and investment properties		(24,553)	(18,876)	(8,951)	(4,691)
Intangible assets		(511)	(465)	29	(265)
		<b>(25,064)</b>	<b>(19,556)</b>	<b>(8,922)</b>	<b>(5,166)</b>
<b>Cash flow from investment activities (2)</b>		<b>112,248</b>	<b>11,498</b>	<b>12,820</b>	<b>1,390</b>
<b>INVESTMENT ACTIVITIES:</b>					
<b>Receipts from:</b>					
Obtained loans		<b>1,377,204</b>	<b>1,096,308</b>	<b>386,791</b>	<b>40,901</b>
<b>Payments regarding:</b>					
Obtained loans		(1,477,186)	(1,139,164)	(381,131)	(42,679)
Interest and similar costs		(19,290)	(49,942)	(7,242)	(14,949)
Dividends	12	-	(840)	-	-
		<b>(1,496,476)</b>	<b>(1,189,946)</b>	<b>(388,373)</b>	<b>(57,628)</b>
<b>Cash flow from investment activities (3)</b>		<b>(119,272)</b>	<b>(93,638)</b>	<b>(1,582)</b>	<b>(16,727)</b>
<b>Cash variations and their equivalents (4) = (1) + (2) + (3)</b>		<b>33,603</b>	<b>11,863</b>	<b>30,479</b>	<b>29,558</b>
<b>Effect of exchange rate differences</b>		<b>(32,630)</b>	<b>(6,222)</b>	<b>(6,929)</b>	<b>(2,328)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	20	<b>154,265</b>	<b>180,908</b>	<b>131,688</b>	<b>159,208</b>
<b>Transfer of assets held for sale</b>		<b>-</b>	<b>(111)</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	20	<b>155,238</b>	<b>186,438</b>	<b>155,238</b>	<b>186,438</b>

The attached notes form an integral part of the cash flow statement for the period ending 30 September 2018.

## NOTES ATTACHED TO THE CONSOLIDATED FINANCIAL STATEMENTS.

FOR 30 SEPTEMBER 2018

(UNAUDITED)

### 1 - INTRODUCTORY NOTE

Teixeira Duarte, S.A. ("The Company" or "TD, SA") has its head office in Porto Salvo and was created on 30 November 2009, with a share capital of 210,000,000 euros, represented by 420,000,000 shares with the nominal value of 0.5 euros (Note 21). Its main activities are implementing and managing investments and coordinating and overseeing other integral companies or companies related to its business Group.

Teixeira Duarte ("The Group") is comprised of the invested companies indicated in Note 4. The Group's main areas of activity are as follows: Construction; Concessions and services; Real Estate; Hospitality; Distribution and Automotive (Note 7).

Due to the application of IAS 29 – Financial Reporting in Hyperinflationary Economies to the companies based in Angola and Venezuela in 2018, the Group subsequently restated its financial position and the respective notes on its accounts for 31 December 2017. As such, the income statements for 30 September 2018 and their respective notes are not directly comparable with the financial statements for 30 September 2017.

It should also be noted that within the Teixeira Duarte Group, two of the wholly-owned companies were repositioned. "ANGOPREDIAL - Empreendimentos Imobiliários, Lda." moved from the Real Estate sector to the Hospitality sector and "Global Net Distributors (Pty) Ltd." moved from the Distribution sector to the Construction sector. In this document—only in relation to these four sectors—the notes attached to the 2017 consolidated financial statements were restated to facilitate comparability.

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

### 2 - PRESENTATION BASES

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

### 3 - POLICY CHANGES, ESTIMATES AND ERRORS

The accounting policies adopted are consistent with those used in the preparation of the financial statements for the year ending 31 December 2017 and described in the attached notes, except for the rules and interpretations the effective dates of which correspond to the financial years beginning or after 1 January 2018.

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

On 30 September 2018, using the integral method, TEIXEIRA DUARTE, S.A. and the following controlled companies were included in the scope of consolidation:

Corporate name	Head office	% effective share
<b>DOMESTIC MARKET</b>		
<b>CONSTRUCTION</b>		
CONSTRUSALAMONDE, A.C.E	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, São Miguel Island, The Azores	100.00%
TDGI – Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDGI Manutenção, A.C.E	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>REAL ESTATE</b>		
BONAPARTE - Imóveis Comerciais e Participações, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park - Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
IMOTD – Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
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%
TDHOSP - Gestão de Edifício Hospitalar, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
V8 - Gestão Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%

#### Hospitality

ESTA - Gestão de Hotéis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
GO CORP TRAVEL SOLUTIONS – Agência de Viagens, S.A.	Rua Encosta das Lagoas, Nº 8 - Porto Salvo	100.00%
LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
LAGOAS HOTEL, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SINERAMA - Organizações Turísticas e Hoteleiras, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDH - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDHC - Instalações para Desporto e Saúde, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%

#### DISTRIBUTION

BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL – Participações e Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEDAL II – Distribuição e Investimentos, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TEIXEIRA DUARTE – Distribuição, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%

#### AUTOMOTIVE

SMOTORS, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Investment 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%

## OTHER

C + P.A. - Cimento e Produtos Associados, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
Tedal - Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%

## NON-DOMESTIC MARKET

### SOUTH AFRICA

## CONSTRUCTION

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

## CONCESSIONS AND SERVICES

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

## REAL ESTATE

AFRIMO - Empreendimentos Imobiliários, Lda.	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%



## Hospitality

ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	100.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	100.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	
HOTEL TRÓPICO, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy	80.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	
HOTEL BAÍA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	100.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	

## DISTRIBUTION

CND – Companhia Nacional de Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	100.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	
COM 1 - Comercio e Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	100.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	
DCG – Distribuição e Comércio Geral, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	100.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	
OCC – Operador Central de Comércio, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	80.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	

## AUTOMOTIVE

AUTO 1 - Comércio Automóvel, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy	100.00%
	Bairro Morro Bento (Maxipark)	
	Edifício Teixeira Duarte, Nº 387	
	Luanda	

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 - Comercio 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%

#### OTHER

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%
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#### ALGERIA

#### CONSTRUCTION

TEIXEIRA DUARTE ALGERIE, SPA	8 Roeute Ben Aknoun, Rés de Chanssée El Biar - Algiers	99.94%
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#### BELGIUM

#### CONCESSIONS AND SERVICES

TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100.00%
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**BRAZIL**
**CONSTRUCTION**

EMPA, S.A. - Serviços de Engenharia	Rua Paraíba, 1000, 12º andar - Parte	100.00%
	Bairro Savassi - Belo Horizonte	
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	Rua Iguatemi, No. 448, 6.º andar	67.74%
	conjuntos 602, 604, 606, 608 and 610	
	Bairro Itaim Bibi, Sao Paulo	

**CONCESSIONS AND SERVICES**

GONGOJI Montante Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte	100.00%
	Bairro Savassi - Belo Horizonte	
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte	100.00%
	Bairro Savassi - Belo Horizonte	
TABOQUINHA Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte	100.00%
	Bairro Savassi - Belo Horizonte	
TDGI FACILITIES E MANUTENCAO DE INSTALACOES LTDA.	Rua Iguatemi, No. 448, 6.º andar	100.00%
	Conjunto 602, sala 18	
	Bairro Itaim Bibi, Sao Paulo	

**REAL ESTATE**

TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Rua Irene Ramos Gomes de Matteo, Nº 97 - Casa 097	100.00%
	Pina - Recife	
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 6º andar	100.00%
	Conjunto 602, sala 01	
	Itaim Bibi - Sao Paulo	
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar	90.00%
	Conjunto 602, sala 02	
	Itaim Bibi - Sao Paulo	
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar	92.65%
	Conjunto 602, sala 15	
	Itaim Bibi - Sao Paulo	
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar	92.65%
	Conjunto 602, sala 03	
	Itaim Bibi - Sao Paulo	
TDSP – Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar	92.65%
	Conjunto 602, sala 10	
	Itaim Bibi - Sao Paulo	
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar	92.65%
	Conjunto 602, sala 12	
	Itaim Bibi - Sao Paulo	

TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 05 Itaim Bibi - Sao Paulo	92.65%
TDSP – Verum Mooca Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 06 Itaim Bibi - Sao Paulo	100.00%
TDSP – Gilberto Sabino Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 07 Itaim Bibi - Sao Paulo	100.00%
TDSP – Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 08 Itaim Bibi - Sao Paulo	92.65%
TDSP – Gualaxos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 09 Itaim Bibi - Sao Paulo	100.00%
TDSP – Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - Sao Paulo	92.65%
TDSP – Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 18 Itaim Bibi - Sao Paulo	92.50%
TDSP – Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - Sao Paulo	92.50%
TDSP – Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - Sao Paulo	100.00%
TDSP – Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 04 Itaim Bibi - Sao Paulo	95.00%
TDSP – Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 13 Itaim Bibi - Sao Paulo	95.00%
TDSP – Nilo Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 14º andar Conjunto 1401, sala 14 Itaim Bibi - Sao Paulo	100.00%
TDSP – Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 15 Itaim Bibi - Sao Paulo	92.65%
TDSP – 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602, sala 16 Itaim Bibi - Sao Paulo	100.00%

TDSP – Carolina Ribeiro - Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar	95.00%
	Conjunto 602, sala 17	
	Itaim Bibi - Sao Paulo	

#### DISTRIBUTION

TDD – Distribuição Brasil, Ltda.	Rua Iguatemi, nº 448, 6º andar	100.00%
	Conjunto 602	
	Itaim Bibi - Sao Paulo	

#### OTHER

EMES – Participações, Ltda.	Rua Iguatemi, nº 448, 6º andar	100.00%
	Conjunto 602, sala 21	
	Itaim Bibi - Sao Paulo	

#### COLOMBIA

#### CONSTRUCTION

TEIXEIRA DUARTE – Engenharia e Construções (Colômbia) S.A.S.	Carrera 11 nº 94 – 02 oficina 201	100.00%
	Centro empresarial Manhattan, Bogotá	

#### CYPRUS

#### OTHER

LEVENEL, Limited	Irakli, 2, Egkomi, 2413	100.00%
	Nicosia	

#### SPAIN

#### CONSTRUCTION

UTE DE VIANA	Av. Alberto Alcocer, 24-7 º	100.00%
	Madrid	

#### CONCESSIONS AND SERVICES

RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Av. Alberto Alcocer, 24-7 º	100.00%
	Madrid	

TDGI - Mantenimiento y Servicios Integrales, S.L.	Av. Alberto Alcocer, 24-7 º	100.00%
	Madrid	

**ECUADOR**

**CONSTRUCTION**

CONSORCIO PUENTE DAULE - GUAYAQUIL II	Av. Francisco de Orellana, Kilometro uno e medio (1.5) y Juan Tanca Marengo, Edificio Cofin, Piso seis (6) Guayaquil, Ecuador	100.00%
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**UNITED STATES OF AMERICA**

**CONSTRUCTION**

TEIXEIRA DUARTE CONSTRUCTION SERVICES, LLC	1030 Salem Road Union, NJ 07083	100.00%
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**REAL ESTATE**

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%

**MACAU**

**CONSTRUCTION**

TEIXEIRA DUARTE - Engenharia e Construções (Macau), Lda.	Av. Dr. Mário Soares, nº 25 Edifício Montepio Apr. 26 e 28 – 3º andar Macau	100.00%
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**MOZAMBIQUE**

**CONSTRUCTION**

TEIXEIRA DUARTE – Engenharia e Construções (Moçambique), Lda.	Av. Július Nyerere, nº 130 Maputo	74.46%
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**CONCESSIONS AND SERVICES**

TDGI - Tecnologia de Gestão de Imóveis, Lda.	Av. Július Nyerere, nº 130 Maputo	69.55%
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**REAL ESTATE**

IMOPAR - Centro Comercial de Maputo, S.A.	Av. Július Nyerere, nº 130 Maputo	100.00%
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MALANGA - Empreendimentos Imobiliários, S.A.	Av. Július Nyerere, nº 4 - R/C Maputo	74.71%
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#### Hospitality

AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. Július Nyerere, nº 627 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	Av. 25 de Setembro, 1321 Maputo	65.00%
TIVOLI BEIRA - Hotelaria e Serviços, Lda.	Av. Július Nyerere, nº 130 Maputo	100.00%

#### PERU

#### CONSTRUCTION

TEIXEIRA DUARTE PERÚ – Ingeniería y Construcciones, Sociedad Anónima Cerrada	Avenida Arenales, nº 773 Lima	100.00%
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#### RUSSIA

#### CONCESSIONS AND SERVICES

MMK Cement, Limited Liability Company	Tri Rutchia Murmansk	70.00%
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#### VENEZUELA

#### CONSTRUCTION

Consortio 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 TO THE SCOPE OF CONSOLIDATION

During the period ending 30 September 2018, the following exits were looked at against the scope of consolidation for 31 December 2017:

- 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" on 31 December 2017.

In June 2018, the Group sold the wholly-owned subsidiary "LAGOAS PARK, S.A.".

## 6 - SHARE PRICES

The share prices used to convert the assets and liabilities expressed in foreign currency to euros on 30 September 2018 and 31 December 2017, as well as the income from the transactions carried out in countries with a functional currency other than the Euro in the periods ending on 30 September 2018 and 2017, were as follows:

Currency	Closing exchange rate			Average exchange rate		
	30-09-2018	31-12-2017	Var.	30-09-2018	30-09-2017	Var.
US Dollar	1.1576	1.1993	(3.5%)	1.1932	1.1151	7.0%
Macau Pataca	9.3296	9.6532	(3.4%)	9.6316	8.9430	7.7%
Mozambican Metical	70.5300	70.5700	(0.1%)	71.7760	71.9570	(0.3%)
Venezuelan Bolívar (a)	113.5400	0.0401	S.S.	12.2473	0.0187	S.S.
Angolan Kwanza	343.5710	185.4000	85.3%	277.3888	184.7573	50.1%
Algerian Dinar	136.8376	137.6194	(0.6%)	138.3363	122.3941	13.0%
Emirati Dirham	4.2520	4.4056	(3.5%)	4.3851	4.0954	7.1%
Moroccan Dirham	10.9179	11.2168	(2.7%)	11.1602	10.8930	2.5%
Brazilian Real	4.6535	3.9729	17.1%	4.2851	3.5506	20.7%
Cape Verdean Escudo	110.2650	110.2650	-	110.2650	110.2650	-
Russian Ruble	76.1422	69.3920	9.7%	72.9057	65.1995	11.8%
Tunisian Dinar	3.2477	2.9464	10.2%	3.0502	2.6515	15.0%
South African Rand	16.4447	14.8054	11.1%	15.3237	14.7852	3.6%
Peruvian Sol	3.8182	3.8846	(1.7%)	3.8929	3.6431	6.9%
Colombian Peso	3451.5600	3579.3100	(3.6%)	3462.6220	3298.2740	5.0%

(a) – On 20 August 2018, the revaluation of the Venezuelan bolivar occurred, eliminating five zeros at the time of exchange.

## 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 services rendered and the income for each of the business segments mentioned above, for the periods ending 30 September 2018 and 2017, were as follows:

Segment	Sales and services rendered						Operating income	
	Q3 18			Q3 17			Q3 18	Q3 17
	Externa clients	Intersegmental	Total	Externa clients	Intersegmental	Total		
Construction (*)	370,317	13,976	384,293	373,835	14,952	388,787	24,945	14,949
Concessions and Services	69,801	10,667	80,468	71,362	15,866	87,228	5,192	3,890
Real Estate (*)	53,424	9,053	62,477	60,861	6,726	67,587	37,277	36,482
Hospitality (*)	28,633	437	29,070	36,253	10,435	46,688	5,465	6,034
Distribution (*)	90,767	987	91,754	146,197	1,735	147,932	1,347	10,216
Automotive	22,571	2,734	25,305	50,744	4,257	55,001	7,865	17,249
Not included in the segments	-	-	-	-	-	-	(7,474)	(5,332)
Eliminations	-	(37,854)	(37,854)	-	(53,971)	(53,971)	(2)	234
	<b>635,513</b>	<b>-</b>	<b>635,513</b>	<b>739,252</b>	<b>-</b>	<b>739,252</b>	<b>74,615</b>	<b>83,722</b>
Financial costs and losses (Note 9)							(131,537)	(175,940)
Financial income and gains (Note 9)							73,166	114,145
Income related to investment activities (Note 9)							1,371	5,027
<b>Income before taxes</b>							<b>17,615</b>	<b>26,954</b>

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

Intersegmental transactions are carried out under market terms and conditions, comparable to transactions made with third-party entities.

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

Other information:

Segment	Fixed capital expenditure		Amortisations and Depreciations in Income		Provisions and Impairment Losses	
	Q3 18	Q3 17	Q3 18	Q3 17	Q3 18	Q3 17
Construction (*)	10,540	5,197	19,461	24,025	3,775	(3,932)
Concessions and Services	2,569	36,367	2,010	3,153	(13)	7
Real Estate (*)	5,408	5,549	1,519	3,974	(51)	158
Hospitality (*)	4,126	1,687	3,066	4,073	-	-
Distribution (*)	6,774	3,476	4,192	6,292	-	-
Automotive	94	444	1,450	1,263	(62)	89
Not included in the segments	190	248	163	60	-	-
	<b>29,701</b>	<b>52,968</b>	<b>31,861</b>	<b>42,840</b>	<b>3,649</b>	<b>(3,678)</b>

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

The assets and liabilities of the segments and their respective reconciliations with the consolidated total for 30 September 2018 and 31 December 2017 "Restated" are as follows:

Segment	30-09-2018				31-12-2017 "Restated"				Liabilities	
	Investments in Associated Companies Available for Sale (Note 15)	Financial Assets Available for Sale (Note 16)	Other Assets	Total	Investments in Associated Companies Available for Sale (Note 15)	Financial Assets Available for Sale (Note 16)	Other Assets	Total	30-09-2018	31-12-2017 "Restated"
Construction (*)	2,225	-	1,894,676	<b>1,896,901</b>	2,608	-	2,113,883	<b>2,116,491</b>	1,000,928	1,146,142
Concessions and Services	3,064	-	130,140	<b>133,204</b>	3,113	-	180,660	<b>183,773</b>	55,190	76,239
Real Estate (*)	464	1,123	1,238,171	<b>1,239,758</b>	603	1,198	1,841,519	<b>1,843,320</b>	543,693	970,718
Hospitality (*)	-	-	116,429	<b>116,429</b>	-	-	174,830	<b>174,830</b>	37,749	69,046
Distribution (*)	-	-	176,740	<b>176,740</b>	-	-	258,149	<b>258,149</b>	117,547	158,868
Automotive	-	-	137,055	<b>137,055</b>	24	-	173,702	<b>173,726</b>	67,800	72,527
Not included in the segments	14,172	603	850,323	<b>865,098</b>	13,948	643	901,828	<b>916,419</b>	775,423	759,545
Eliminations	-	-	(2,842,737)	<b>(2,842,737)</b>	-	-	(3,287,718)	<b>(3,287,718)</b>	(1,132,064)	(1,366,244)
	<b>19,925</b>	<b>1,726</b>	<b>1,700,797</b>	<b>1,722,448</b>	<b>20,296</b>	<b>1,841</b>	<b>2,356,853</b>	<b>2,378,990</b>	<b>1,466,266</b>	<b>1,886,841</b>

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

The sales and services rendered and the information on non-monetary non-current assets by geographic segment are composed as follows for the periods ending 30 September 2018 and 2017 and 30 September 2018 and 31 December 2017 "Restated", respectively:

Geographic segment	Sales and services rendered		Non-monetary non-current assets	
	Q3 18	Q3 17	30-09-2018	31-12-2017 "Restated"
Portugal	161,376	136,050	191,098	215,002
Angola	210,144	288,506	307,157	496,298
Algeria	92,955	64,121	21,484	22,862
Brazil	99,140	158,165	15,778	21,264
Spain	26,861	22,603	16,116	16,372
Mozambique	23,072	55,761	20,854	19,840
Venezuela	11,218	4,633	234	216
Others	10,747	9,413	2,559	2,016
	<b>635,513</b>	<b>739,252</b>	<b>575,280</b>	<b>793,870</b>

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

## 8 - OPERATING INCOME

In the periods ending 30 September 2018 and 2017, the operating income was as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>Sales and services rendered:</b>				
Sales	355,360	405,145	109,935	130,553
Services rendered	280,153	334,107	97,173	133,609
	<b>635,513</b>	<b>739,252</b>	<b>207,108</b>	<b>264,162</b>
<b>Other operating income:</b>				
Sale of assets a)	27,301	3,817	1,373	936
Changes in fair value of investment properties b)	16,856	14,747	249	1,989
Exchange rate differences	14,721	-	(2,498)	-
Supplementary income	6,092	5,144	3,213	1,766
Own work capitalised c)	1,987	890	752	297
Reversal of impairment losses in accounts receivable	1,725	599	1,618	31
Reversal of impairment losses in inventories	143	243	(4)	65
Other operating income	2,940	6,154	814	615
	<b>71,765</b>	<b>31,594</b>	<b>5,517</b>	<b>5,699</b>
	<b>707,278</b>	<b>770,846</b>	<b>212,625</b>	<b>269,861</b>

(a) In the period ending 30 September 2018, the gains stated were achieved with the sale of tangible fixed assets of 2,403,000 euros (2,922,000 euros in the period ending 30 September 2017).

However, in the 30 September 2018 period, the Group sold the subsidiary "Lagoas Park, S.A.", having recorded an added value of 24,898,000 euros. In the same period in 2017, the Group sold the Energy segment for 7,820,000 euros (Note 20), having recorded an added value of 612,000 euros and having also sold "RECOLTE, Serviços e Meio Ambiente, S.A." and "RECOLTE, Serviços e Meio Ambiente (Porto), S.A." for 1,150,000 euros (Note 20), recording an added value of 283,000 euros.

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

(c) Own work capitalized essentially corresponds to costs associated with the construction of properties.

## 9 - FINANCIAL RESULTS

The financial results for the periods ending 30 September 2018 and 2017 were as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>Financial costs and losses:</b>				
Interest paid	(20,945)	(50,622)	(7,166)	(14,179)
Unfavourable exchange rate differences	(95,798)	(104,358)	(32,219)	10,437
Other financial costs and losses	(14,794)	(20,960)	(5,516)	(7,918)
	<b>(131,537)</b>	<b>(175,940)</b>	<b>(44,901)</b>	<b>(11,660)</b>
<b>Financial income and gains:</b>				
Interest earned	4,776	8,770	2,198	2,525
Favourable exchange rate differences	35,507	103,480	10,505	(8,226)
Prompt payment discounts obtained	5	3	-	(2)
Net monetary position	32,373	-	12,631	-
Other financial income and gains	505	1,892	176	806
	<b>73,166</b>	<b>114,145</b>	<b>25,510</b>	<b>(4,897)</b>
<b>Income related to investment activities:</b>				
Income related to associated companies and joint ventures	746	2,684	260	932
Dividends b)	824	2,728	-	2,030
Other investments c)	(199)	23	(236)	20
Gains/losses in the measurement of assets available for sale d)	-	(408)	-	74
	<b>1,371</b>	<b>5,027</b>	<b>24</b>	<b>3,056</b>
<b>Financial results</b>	<b>(57,000)</b>	<b>(56,768)</b>	<b>(19,367)</b>	<b>(13,501)</b>

a) The income related to associated companies and joint ventures for the periods ending 30 September 2018 and 2017 includes the effect of applying the equity method to these investments (Note 15).

- b) For 30 September 2018 and 2017, the values presented correspond to dividends received from "Other Investments".
- c) For 30 September 2018 and 2017, gains and losses and capital gains from the sale of financial assets available for sale are counted under the item "Other Investments".
- d) In 30 September 2017, the Group reported impairment losses in its 6,413,000 euro investment in the "Banco Commercial Português, S.A." and it divested its subscription rights in the "Banco Commercial Português, S.A." with an amount of 6,005,000 euros (Note 20).

Net exchange rate differences recorded in the periods ending 30 September 2018 and 2017 are due to payments and receipts, as well as to exchange rate updates on balances, which are recorded on the basis of currencies other than the Euro.

## 10 - INCOME TAX

"TD, S.A." is the controlling company of a group of companies taxed in accordance with the Special Taxation Regime for Groups of Companies (RETGS). This covers all the companies in which they are invested, directly or indirectly, with at least 75% of their share capital, provided that such investment provides it with more than 50% of the voting rights, and all companies that, at the same time, have their head office and active management in Portugal and are taxed in accordance with the general Portuguese Standard Corporate Income Tax ("IRC") regime.

The other invested companies, which are not covered by the RETGS, are taxed individually, based on their respective taxable materials and the applicable IRC, Municipal Surtax and State Surtax taxes.

"TD, S.A." and the majority of its subsidiaries based in Portugal are subject to IRC, at a rate of 21% applied to the taxable materials. The entities that determine taxable profit are still subject to Municipal Surtax, the rate of which may vary up to a maximum of 1.5%, as well as the State Surtax, applied to the part of the taxable profit exceeding the amounts of 1,500, 7,500 and 35,000,000 euros, with rates of 3%, 5% and 9% respectively.

These entities are also subject to autonomous taxation and to taxes on the expenses, charges and expenditure provided for in Article 88 of the IRC Code.

In the process of calculating the taxable income, amounts that do not qualify in tax terms are added and subtracted from the accounting income. These differences between accounting and tax income may be temporary or permanent in nature.

According to the legislation in force in Portugal, tax losses are repayable over a period of five (5) years for those generated in the period of taxation of 2018 onwards, being susceptible to a deduction on taxable profits determined *a posteriori*, such deduction being limited to 70% of the taxable profit calculated in the taxation period in which it is carried out.

According to the legislation in force, tax returns in Portugal are subject to revision and correction by the tax authorities over a period of four (4) years, except where there has been a deduction of tax losses, or where inspections, complaints or challenges are ongoing, where, depending on the circumstances, that deadline may be extended or suspended.

For entities with a presence in other countries, the deadline for reviewing their tax returns varies between three (3) and five (5) years.

The Board of Directors believes that any corrections resulting from tax reviews/inspections to those declarations will not have a significant effect on the consolidated financial statements reported on 30 September 2018.

The Group records deferred taxes corresponding to the temporary differences between the accounting value of the assets and liabilities and the corresponding tax base, as provided for in IAS 12 - Income Tax (Note 18).

Income taxes recognised in the periods ending 30 September 2018 and 2017 are as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>Current tax:</b>				
Income tax in Portugal	(6,037)	(16,286)	2,220	(1,488)
Income tax in other jurisdictions	(11,533)	(20,947)	(1,486)	(6,095)
<b>Current tax</b>	<b>(17,570)</b>	<b>(37,233)</b>	<b>734</b>	<b>(7,583)</b>
<b>Deferred tax (Note 18)</b>	<b>5,696</b>	<b>5,899</b>	<b>1,332</b>	<b>(1,868)</b>
	<b>(11,874)</b>	<b>(31,334)</b>	<b>2,066</b>	<b>(9,451)</b>

In addition to the deferred tax amounts recorded directly in the income statement, they were directly recorded in the deferred capital taxes, amounting to 9,000 euros on 30 September 2018 ((455) thousand euros on 30 September 2017) (Note 18).

## 11 - EARNINGS PER SHARE

The earnings per share in the periods ending 30 September 2018 and 2017 was calculated taking into account the following amounts:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
Income for the calculation of basic net earnings per share (net income for the period)	7,094	(11,066)	(10,276)	(1,975)
Weighted average number of shares for the purpose of calculating the basic net earnings per share (thousands)	420,000	420,000	420,000	420,000
<b>Basic net earnings per share</b>	<b>0.02</b>	<b>(0.03)</b>	<b>(0.02)</b>	<b>(0.00)</b>

As there were no dilutive effects on the earnings per share in the periods ending 30 September 2018 and 2017, the diluted earnings per share is equal to the basic earnings per share.

## 12 - DIVIDENDS

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

In the period ending 30 September 2017, dividends of 840 thousand euros were settled, referring to the financial year of 2016.



### 13 - TANGIBLE FIXED ASSETS

During the periods ending 30 September 2018 and 2017, the changes occurring in tangible fixed assets, as well as their depreciations and accumulated impairment losses, were as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transportation equipment	Tools and instruments	Administrative equipment	Other tangible fixed assets	On-going tangible fixed assets	Advances on account of fixed tangible Assets	Total
<b>Gross assets:</b>										
Balance on 1 January 2017	31.328	483.317	388.750	85.600	41.656	36.226	10.794	15.081	-	1.082.732
Change of scope	-	(77)	(7.898)	(2.187)	(265)	(233)	(291)	-	-	(10.951)
Foreign currency translation adjustments	(185)	109	(6.808)	(1.298)	(1.220)	(108)	(1)	(1)	-	(9.513)
Additions	-	718	4.471	1.530	1.382	767	99	5.427	-	14.394
Transfers and write-offs	3	(1.037)	(14.937)	(1.461)	(454)	(1.152)	(396)	(5.792)	-	(25.226)
Divestments	-	(352)	(6.504)	(1.929)	(492)	(74)	(1)	-	-	(9.352)
<b>Balance on 30 September 2017</b>	<b>31.146</b>	<b>482.678</b>	<b>357.074</b>	<b>80.254</b>	<b>40.607</b>	<b>35.426</b>	<b>10.204</b>	<b>14.695</b>	-	<b>1.052.084</b>
"Restated" balance on 1 January 2018	33.501	532.871	384.855	87.054	42.126	39.119	12.134	8.368	181	1.140.209
IAS 29 application effect - Hyperinflation	884	36.881	8.515	2.778	59	1.746	557	3.259	13	54.482
Foreign currency translation adjustments	(5.991)	(210.006)	(45.889)	(15.612)	(1.916)	(9.692)	(2.653)	(2.330)	(83)	(294.172)
Additions	-	736	7.627	3.675	2.107	621	467	10.172	-	25.405
Transfers and write-offs	(5.377)	61	(3.302)	(142)	(797)	(159)	315	(3.218)	-	(12.619)
Divestments	-	(2.187)	(4.584)	(2.575)	(218)	(700)	(293)	-	-	(10.557)
<b>Balance on 30 September 2018</b>	<b>23.017</b>	<b>388.156</b>	<b>347.222</b>	<b>75.178</b>	<b>41.361</b>	<b>30.935</b>	<b>10.527</b>	<b>16.251</b>	<b>111</b>	<b>902.758</b>
<b>Depreciations and accumulated impairment losses:</b>										
Balance on 1 January 2017	164	152.005	305.377	70.009	32.222	30.879	6.289	-	-	596.945
Change of scope	-	(67)	(7.814)	(1.159)	(262)	(223)	(289)	-	-	(9.614)
Currency conversion effect	-	78	(3.703)	(1.265)	(425)	(68)	(1)	-	-	(5.384)
Reinforcements	-	11.713	19.944	4.502	2.463	1.385	777	-	-	40.784
Transfers and reductions	-	(397)	(7.733)	(1.577)	(699)	(1.442)	(45)	-	-	(11.893)
Divestments	-	(41)	(5.782)	(1.816)	(327)	(68)	(1)	-	-	(8.045)
<b>Balance on 30 September 2017</b>	<b>164</b>	<b>163.291</b>	<b>300.479</b>	<b>68.694</b>	<b>32.972</b>	<b>30.463</b>	<b>6.730</b>	-	-	<b>602.793</b>
"Restated" balance on 1 January 2018	164	189.062	320.562	75.606	34.162	34.303	7.592	-	-	661.451
IAS 29 application effect - Hyperinflation	-	15.314	7.484	2.444	49	1.595	330	-	-	27.216
Currency conversion effect	-	(61.520)	(35.342)	(15.336)	122	(8.504)	(1.491)	-	-	(122.071)
Reinforcements	-	8.585	14.458	2.773	2.201	976	593	-	-	29.586
Transfers and reductions	-	(183)	(3.885)	(138)	(967)	(144)	(3)	-	-	(5.320)
Divestments	-	(1.076)	(3.915)	(2.465)	(138)	(583)	(255)	-	-	(8.432)
<b>Balance on 30 September 2018</b>	<b>164</b>	<b>150.182</b>	<b>299.362</b>	<b>62.884</b>	<b>35.429</b>	<b>27.643</b>	<b>6.766</b>	-	-	<b>582.430</b>
<b>Net amount:</b>										
On 30 September 2017	30.382	319.387	56.595	11.560	7.635	4.983	3.474	14.695	-	449.291
On 30 September 2018	22.853	207.974	47.860	12.294	5.932	3.292	3.761	16.251	111	320.328

The additions of tangible fixed assets made in the period ending 30 September 2018 essentially relate to investments made in facilities and equipment.

On 30 September 2018, the current tangible fixed assets include 11,191 thousand euros for buildings and other constructions in progress, of which we highlight the expansion of the network of stores in Angola for the Distribution sector.

#### 14 - INVESTMENT PROPERTIES

During the periods ending 30 September 2018 and 2017, the changes occurring in investment properties were as follows:

	2018	2017
<b>Balance on 1 January</b>	<b>217,647</b>	<b>547,067</b>
Foreign currency translation adjustments	(54,285)	78
Increases/(Sales)	3,555	2,116
Changes in the fair value	10,575	9,722
Transfers to/from tangible fixed assets	34	6,991
<b>Balance on 30 September</b>	<b>177,526</b>	<b>565,974</b>

During the periods ending 30 September 2018 and 2017, the changes in the fair value of the investment properties by geographical area was as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
Portugal	(4,300)	10,745	(998)	(194)
Angola	14,875	(1,023)	(1,108)	-
	<b>10,575</b>	<b>9,722</b>	<b>(2,106)</b>	<b>(194)</b>

It should be noted that the equity was influenced not only by the positive impact of the abovementioned 14,875,000 euros, but also by the change in the fair value of the investment properties in Angola, which had a negative impact of 54,287,000 euros on "Exchange Rate Differences" item. Deferred net taxes and the Group's equity for the period ending 30 September 2018 were compounded by the amount of 37,431,000 euros.

The income obtained with investment properties arising from the existence of operating lease contracts amounted to 4,196 thousand euros in the period ending 30 September 2018 (23,415 thousand euros on 30 September 2017). Direct operating expenses linked to investment properties in the period ending 30 September 2018 amounted to 907 thousand euros (2,690 thousand euros on 30 September 2017).

## 15 - INVESTMENTS IN ASSOCIATED COMPANIES AND JOINT VENTURES

The associated companies and joint ventures which, for 30 September 2018, were recorded using the equity method, are as follows:

Corporate name	Head office	% effective share
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolivariana de Puertos Puerto de La guaria – Parroquia Maiquetia Municipio Vargas del Estado Vargas	49.00%
ALVORADA PETRÓLEO, S.A.	Rua Paraíba, nº 1000, sala 1518 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brazil	43.21%
ALSOMA, GEIE.	3 Av André Malraux - Levallois Peret - France	30.48%
AVIAS - Grupo Ferroviário para a Alta Velocidade, A.C.E	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, Urbanizacion Los Laureles Valle de la Pascoa - Venezuela	51.00%
DOURO LITORAL, A.C.E	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, A.C.E	Edifício 2, Lagoas Park - Porto Salvo	40.00%
FERROVIAL/TEIXEIRA DUARTE – Obras Hidráulicas do Alqueva, A.C.E	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, A.C.E	Rua Abranches Ferrão, nº 10 – 5º F - Lisbon	26.80%
NOVA ESTAÇÃO, A.C.E	Edifício 6 – Piso 1, Lagoas Park - Porto Salvo	25.00%
RPK Gulfstream, Ltd.	Tri Ruchja str. - 183003, Murmansk	42.70%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, A.C.E	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 - Lisbon	50.00%

The investments in associated companies and joint ventures experienced the following changes in the periods ending 30 September 2018 and 2017:

	Shareholdings	Goodwill	Total
<b>Balance on 1 January 2017</b>	<b>17,504</b>	<b>-</b>	<b>17,504</b>
Effect of the application of the equity method:			
- Effect on income for the financial year (Note 9)	2,684	-	2,684
- Effect on equity	(1,154)	-	(1,154)
Increases	210	-	210
Foreign currency translation adjustments	280	-	280
Others	946	-	946
<b>Balance on 30 September 2017</b>	<b>20,470</b>	<b>-</b>	<b>20,470</b>
<b>Balance on 1 January 2018</b>	<b>20,296</b>	<b>-</b>	<b>20,296</b>
Effect of the application of the equity method:			
- Effect on income for the financial year (Note 9)	746	-	746
- Effect on equity	(341)	-	(341)
Increases (a)	204	-	204
Foreign currency translation adjustments	(62)	-	(62)
Others	(918)	-	(918)
<b>Balance on 30 September 2018</b>	<b>19,925</b>	<b>-</b>	<b>19,925</b>

(a) – Alvorada Petróleo, S.A. capital increases

The details of investments in associated companies and joint ventures on 30 September 2018 and 31 December 2017 are as follows:

Associated companies and joint ventures	30-09-2018			31-12-2017		
	Shareholdings	Goodwill	Value of the financial position	Shareholdings	Goodwill	Value of the financial position
IMOC - Empreendimentos Imobiliários, S.A.R.L.	14,172	-	14,172	13,948	-	13,948
TDGISERV Services, LLC (a)	2,563	-	2,563	2,563	-	2,563
RPK Gulfstream Ltd.	501	-	501	550	-	550
Alvorada Petróleo, S.A.	440	-	440	582	-	582
SCP AK-10 Empreendimentos e Participações SPE LTDA.	-	-	-	21	-	21
Others	2,249	-	2,249	2,632	-	2,632
	19,925	-	19,925	20,296	-	20,296

(A) – ADVANCE PAYMENT OF CAPITAL INCREASE.

These interests are covered by the equity method which, in the periods ending 30 September 2018 and 2017, had the following impacts:

Q3 18			
Associated companies	Gains and losses for associated companies and joint ventures (Note 9)	Adjustments of shareholdings	Total
Alvorada Petróleo, S.A.	(109)	(152)	(261)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	327	(111)	216
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(31)	-	(31)
TDGISERV Services, LLC	592	(78)	514
Others	(33)	-	(33)
	746	(341)	405

Q3 17			
Associated companies	Gains and losses for associated companies and joint ventures (Note 9)	Adjustments of shareholdings	Total
Alvorada Petróleo, S.A.	(13)	7	(6)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	3,861	(1,559)	2,302
SCP AK-10 Empreendimentos e Participações SPE LTDA.	10	-	10
TDGISERV Services, LLC	(1,361)	398	(963)
Others	187	-	187
	2,684	(1,154)	1,530

## 16 - FINANCIAL ASSETS AVAILABLE FOR SALE

For the periods ending 30 September 2018 and 2017, the changes that occurred in the valuation of the financial assets available for sale—valued using their respective fair values—were as follows:

	2018	2017
Fair value on 1 January	1,841	8,318
Decrease in fair value	(115)	(6,413)
Fair value on 30 September	1,726	1,905

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

The financial assets available for sale and their respective cost and market values on 30 September 2018 and 31 December 2017 are as follows:

	30-09-2018		31-12-2017	
	V. Cost	V. Market	V. Cost	V. Market
Banco Comercial Português, S.A.	586,331	1,726	586,331	1,841
	586,331	1,726	586,331	1,841

## 17 – ASSETS HELD FOR SALE

For the periods ending 30 September 2018 and 31 December 2017, the assets and liabilities held for sale are as follows:

	30-09-2018	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	71,566	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>

For the period ending 30 September 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..

In the period ending 30 September 2018, the Group sold the wholly-owned subsidiary "LAGOAS PARK, S.A.," which was classified under "Assets and Liabilities Held for Sale". This subsidiary operates in the Real Estate sector in Portugal and is detailed as follows:

<b>Assets held for sale:</b>	
Tangible fixed assets	27,525
Investment properties	324,326
Deferred tax assets	3
Current customers	4,515
Cash and cash equivalents	177
Other assets	415
<b>Total assets held for sale</b>	<b>356,961</b>
<b>Liabilities held for sale:</b>	
Loans	93,330
Deferred tax liabilities	570
Financial leases	159,391
Suppliers	225
Other creditors	1,266
Other liabilities	4,389
<b>Total liabilities held for sale</b>	<b>259,171</b>
<b>Net total</b>	<b>97,790</b>
<b>Realization value</b>	<b>122,688</b>
<b>Capital gains (Note 8)</b>	<b>24,898</b>
<b>Amount received (Note 20)</b>	<b>122,433</b>
<b>Amount receivable</b>	<b>255</b>

## 18 - DEFERRED TAXES

All situations that may significantly affect future taxes are affected by the application of deferred tax regulations.

The changes in the deferred tax assets and liabilities for the periods ending 30 September 2018 and 2017, were as follows:

	Deferred tax assets		Deferred tax liabilities	
	2018	2017	2018	2017
Balance on 1 January "Restated"	155,283	198,187	35,422	73,340
Constitution/Reversal				
Net income (Note 10)	5,850	5,318	154	(581)
Equity	9	(458)	-	(3)
Currency conversion and adjustment effect	16,934	(5,535)	(10,658)	(57)
Change of scope	-	(57)	-	-
Balance on 30 September	178,076	197,455	24,918	72,699

As regards deferred tax assets, they are only recorded insofar as they are deemed likely to be taxable profits in future taxation periods that may be used to recover tax losses or tax-deductible differences. This evaluation was based on the business plans of the Group's companies, which are periodically revised and updated, and also on the prospects of generating taxable income.

## 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, not being the subject of disclosure in this note. The balances and transactions between the Group and the associated companies, joint ventures, related parties and individuals with significant voting power with their own companies are detailed below.

The terms or conditions practiced between them are almost identical to those that would normally be drawn up, accepted and practiced between independent entities in comparable operations.

The main balances with related entities on 30 September 2018 and 31 December 2017 are detailed as follows:

Entities	Balances receivable		Balances payable		Loans		Other debts	
	30-09-2018	31-12-2017	30-09-2018	31-12-2017	30-09-2018	31-12-2017	30-09-2018	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	22	15	1	1	-	-	-	-
Consórcio Mineiro Luso Vargas - CONLUVAR	-	17	-	7	-	-	-	-
Consórcio OPSUT 2010	-	7	-	1	-	-	-	-
DOURO LITORAL, A.C.E	12	9	28	55	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, A.C.E	-	-	2	2	-	-	-	-
EIA - Ensino de Investigação e Administração, S.A.	9	9	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	45	5,454	1	5	-	-	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	215	43	-	-	-	150	-	-
METROLIGEIRO - Construção de Infraestruturas, A.C.E	32	33	-	-	-	-	-	-
MTS - Metro Transportes do Sul, S.A.	-	-	-	-	740	740	-	-
NOVA ESTAÇÃO, A.C.E	1,023	1,023	81	88	13	13	-	-
Promociones Inmobiliárias 3003, C.A.	408	-	-	-	-	-	(34)	(43)
RPK Gulfstream, Ltd.	-	-	-	-	1,310	1,437	-	-
SOMAFEL/FERROVIAS, A.C.E	-	3	-	646	-	-	-	-
TDGISERV Services, LLC	-	-	-	-	447	220	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, A.C.E	7	7	55	58	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	-	-	35	35	-	-	-	-
	1,833	6,698	203	898	3,669	4,079	(34)	(43)



The main transactions carried out in the periods ending 30 September 2018 and 2017 with the related entities were as follows:

Entities	Sales and services rendered		Purchases and services obtained	
	Q3 18	Q3 17	Q3 18	Q3 17
AEBT - Auto Estradas do Baixo Tejo, S.A.	18	12	-	-
ADOQUINVAR	-	63	-	-
CONBATE, ACE	72	56	-	-
Consórcio Mineiro Luso Vargas - CONLUVAR	-	2	1	-
DOURO LITORAL, A.C.E	44	70	9	26
IMOC - Empreendimentos Imobiliários, S.A.R.L.	134	1,633	99	110
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	172	496	-	-
SOMAFEL/FERROVIAS, A.C.E	-	2	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, A.C.E	-	-	3	13
TDGISERV Services, LLC	-	319	-	-
	<b>440</b>	<b>2,653</b>	<b>112</b>	<b>149</b>

The remuneration for the members of the governing bodies of TD, S.A., in the periods ending 30 September 2018 and 2017, was as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>Executive Directors:</b>				
Short-term benefits	955	618	434	226
<b>Audit Committee:</b>				
Short-term benefits	50	50	17	17
<b>Statutory Auditor:</b>				
Short-term benefits	45	45	15	15
	<b>1,050</b>	<b>713</b>	<b>466</b>	<b>258</b>

The remuneration for the members of the TD, S.A senior management, in the periods ending 30 September 2018 and 2017, was as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
<b>Senior management:</b>				
Short-term benefits	5,653	3,736	2,316	1,227
	<b>5,653</b>	<b>3,736</b>	<b>2,316</b>	<b>1,227</b>

## 20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENTS

### CASH AND CASH EQUIVALENTS

On 30 September 2018 and 31 December 2017, this item was composed as follows:

	30-09-2018	31-12-2017
Sight deposits	120,650	87,219
Time deposits	23,055	34,667
Other treasury investments	9,568	29,599
Cash	1,965	2,780
	<b>155,238</b>	<b>154,265</b>

The item Cash and cash equivalents includes cash, sight deposits, time deposits and short-term treasury investments with a maturity of less than three months, and which can be withdrawn on demand with an insignificant risk of changes in value.

## CASH FLOW FROM INVESTMENT ACTIVITIES

Receipts from financial investments in the periods ending 30 September 2018 and 2017 reflect the sale of equity shares in the following entities:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
Lagoas Park, S.A.	122,433	-	12,973	-
Treasury Bonds - Angola	3,407	-	3,407	-
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	-	-
Recolte, Serviços e Meio Ambiente, S.A.	-	1,150	-	1,150
Moreira & Cunha, Lda.	-	100	-	100
	<b>126,102</b>	<b>15,075</b>	<b>16,380</b>	<b>1,250</b>

## (a) DIVESTMENT OF SUBSCRIPTION RIGHTS

The payments from financial investments in the periods ending 30 September 2018 and 2017 reflect the acquisition of equity shares in the following entities:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
TDGISERV Services, LLC	-	210	-	210
Others	-	5	-	-
	<b>-</b>	<b>215</b>	<b>-</b>	<b>210</b>

The dividends received in the periods ending 30 September 2018 and 2017 were as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
Macau CPM Holdings	823	1,351	-	653
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	1,377	-	1,377
Others	281	-	-	-
	<b>1,104</b>	<b>2,728</b>	<b>-</b>	<b>2,030</b>

## 21 - CAPITAL

For the periods ending 30 September 2018 and 2017, the subscribed and paid-up capital was represented by 420,000,000 shares with the nominal value of 0.50 euros each.

On 30 September 2018, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 202,380,000 shares, representing the capital of Teixeira Duarte, S.A., equating to 48.19% of the respective share capital (202,740,000 shares representing the capital of Teixeira Duarte, S.A., equating to 48.27% of the respective share capital on 30 September 2017).

## 22 - RESERVES AND RETAINED EARNINGS

**Statutory Reserve:** According to the legislation in force, the company is obliged to transfer at least 5% of its annual net income to statutory reserve, until it reaches at least 20% of the capital. This reserve is not distributable to shareholders, but can be used to absorb losses, after all other reserves are exhausted, or it can be incorporated in 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 which are not yet recognised in the income statement.

**Unrestricted Reserves:** Unrestricted reserves are available for distribution in accordance with and within the limits of the Portuguese Commercial Companies Code.

**Hedging Transaction Reserves:** The hedging transaction reserves reflect the effective component (net fiscal impact) of changes in the fair value of derivative financial instruments designated as cash-flow hedging.

## 23 - LOANS

For the periods ending 30 September 2018 and 31 December 2017, the loans obtained were as follows:

	30-09-2018	31-12-2017
<b>Non-current liabilities:</b>		
Bank loans a)	404,480	369,191
Commercial paper b)	399,350	324,600
Bond loans c)	10,028	14,927
	<b>813,858</b>	<b>708,718</b>
<b>Current liabilities:</b>		
Bank loans a)	89,453	188,700
Commercial paper b)	-	110,860
Bond loans c)	4,985	-
	<b>94,438</b>	<b>299,560</b>
	<b>908,296</b>	<b>1,008,278</b>

### a) Bank loans

On 30 September 2018, internal bank loans, bank overdrafts and current accounts earned interest at the weighted annual average rate of 2.49% (3.52% on 30 September 2017).

On 30 September 2018, the most significant bank loans contracted by the Group, essentially correspond to:

Geographical area	Bank	Type of Financing	Contract Date	Expiry Date	Currency	Currency Amount	Amount (€)
Portugal	Banco Santander Totta	Loan	13-12-2012	13-12-2019	EUR	697	697
Portugal	Banco Atlântico Europa	Invoice Discount Line	08-04-2013	08-01-2019	EUR	3,129	3,129
Venezuela	BOD - Banco Occidental de Descuento (Venezuela)	Loan	29-07-2013	31-12-2018	VES	3,500	31
Venezuela	Banco Mercantil (Venezuela)	Loan	26-11-2013	31-12-2018	VES	1,017	9
Portugal	Caixa Geral de Depósitos	Invoice Discount Line	27-01-2014	15-12-2020	EUR	4,321	4,321
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	30-04-2014	30-04-2021	AON	861,111	2,506
Portugal	Caixa Geral de Depósitos	Loan	22-09-2014	15-12-2033	EUR	83,000	83,000
Portugal	Novo Banco	Loan	26-01-2015	15-12-2021	EUR	32,144	32,144
Brazil	Banco Bradesco (Brazil)	Loan	20-03-2015	20-02-2019	BRL	15,746	3,384
Portugal	Caixa Geral de Depósitos	Loan	04-04-2015	15-12-2019	USD	369	319
Spain	Banco Caixa Geral (Spain)	Recourse factoring	17-06-2015	31-12-2018	EUR	663	663
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	184	184
Portugal	Caterpillar	Loan	02-06-2016	07-06-2020	EUR	571	571
Portugal	Banco BPI	Loan	05-07-2016	05-11-2021	EUR	11,418	11,418
Portugal	Caterpillar	Loan	11-07-2016	07-07-2020	EUR	265	265
Portugal	Caterpillar	Loan	19-07-2016	07-08-2020	EUR	73	73
Spain	Bankinter (Spain)	Loan	22-07-2016	22-07-2020	EUR	469	469
Spain	Banco Santander Central Hispano (Spain)	Recourse factoring	26-07-2016	31-12-2018	EUR	153	153
Portugal	Banco Comercial Português	Loan	12-08-2016	31-12-2033	EUR	10,628	10,628
Portugal	Caixa Geral de Depósitos	Loan	12-08-2016	31-12-2033	EUR	7,524	7,524
Portugal	Novo Banco	Loan	12-08-2016	31-12-2033	EUR	10,100	10,100
Portugal	Banco BAI Europa	Loan	22-09-2016	30-09-2019	USD	2,124	1,835
Portugal	Caterpillar	Loan	12-12-2016	22-12-2020	EUR	142	142
Portugal	Caixa Económica Montepio Geral	Recourse factoring	17-01-2017	31-12-2018	EUR	1,713	1,713
Spain	Banco Popular (Spain)	Loan	16-06-2017	20-07-2021	EUR	1,449	1,449
Spain	España Duero (Spain)	Loan	16-06-2017	16-12-2018	EUR	110	110
Portugal	Banco BAI Europa	Pre-financing of export refunds	04-09-2017	02-02-2019	EUR	1,550	1,550
Spain	Banco Santander Central Hispano (Spain)	Loan	16-10-2017	12-10-2018	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	567	567
Portugal	Banco Comercial Português	Loan	27-11-2017	31-12-2033	EUR	38,000	38,000
Spain	Abanca (Spain)	Recourse factoring	21-12-2017	30-11-2018	EUR	210	210
Portugal	Caixa Geral de Depósitos	Invoice Discount Line	12-01-2018	31-12-2033	EUR	4,439	4,439
Portugal	Novo Banco	Invoice Discount Line	12-01-2018	31-12-2033	EUR	8,750	8,750
Portugal	Banco Comercial Português	Invoice Discount Line	16-01-2018	31-12-2033	EUR	2,302	2,302
Portugal	Banco Comercial Português	Loan	30-01-2018	15-06-2021	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
Brazil	Banco Renner (Brazil)	Loan	16-07-2018	10-10-2018	BRL	979	210

As of 30 September 2018 and 31 December 2017, the bank loans also included accounts of 236,866 and 350,679 thousand euros, respectively.

## b) Commercial paper

As of 30 September 2018, the Group has negotiated the following commercial paper programs:

Geographical area	Bank	Type of Financing	Contract Date	Expiry 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	2,250
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	30,350
Portugal	Banco BPI	Commercial paper	30-01-2018	30-01-2021	2.90%	EUR	4,500
							<b>399,350</b>

## c) Bond loans

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 Service Agreement Contract for the Assistance and Placing of Private Offering of Issuance of Bonds, as well as a Paying Agent's Contract for the Issuance of Private Subscription Rights for Bonds amounting to 15,300,000 euros (1,500,000 euros in TEIXEIRA DUARTE – Engenharia e Construções S.A. and 13,800,000 euros in TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.) named “TEIXEIRA DUARTE - Engenharia e Construções, S.A. / TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. – 2014/2021”. Interest is settled quarterly at the rate of 4.57% and the reimbursement will be made in three equal instalments on 2 April 2019, 2 April 2020 and 2 April 2021.

As of 30 September 2018 and 31 December 2017, non-current bank loans have the following reimbursement plan defined:

	30-09-2018	31-12-2017
2019	55,135	19,151
2020	57,336	47,529
2021	57,683	42,832
2022	34,587	41,354
2023 and beyond	609,117	557,852
	<b>813,858</b>	<b>708,718</b>

For the periods ending 30 September 2018 and 31 December 2017, foreign currency funds were expressed in the following currencies:

Currency	30-09-2018		31-12-2017	
	Currency	Euros	Currency	Euros
Venezuelan Bolívar	4,418	39	15,403,809	3,840
US Dollar	14,254	12,313	5,935	4,949
Angolan Kwanza	3,573,827	10,402	1,197,014	6,456
Colombian Peso	2,729	1	6,402	2
Brazilian Real	16,725	3,594	111,171	27,982

Loans expressed in foreign currency gain interest at the market rate and were converted to euros based on the exchange rate on the date of the financial position statement.

## 24 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Following several inspections to the financial years extending from 2007 to 2013 carried out by the Tax and Customs Authority (AT) on the accounts of TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A., a company the share capital for which is under the direct and full ownership of "TD, S.A.", the following corrections were made to the tax losses initially determined by this invested company:

Financial Year	Tax loss determined	Tax Customs Authority (AT) Correction and
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

Below is the nature of the corrections made:

### 1. Financial expenses not accepted

With the exception of the situations listed in the following paragraphs, the corrections result from the disregard—as a tax expense—of the financial costs incurred on the investment made in invested companies in the form of additional contributions subject to the supplementary capital contributions regime.

Since TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A. is taxed in accordance with the Corporate Income Tax (IRC) according to the Special Taxation Scheme for Groups of Companies (Article 69 and following of the IRC Code), corrections to the tax losses in the financial years extending from 2007 to 2011 were the subject of IRC Payment Assessments and compensatory interest issued to the controlling company in those financial years – TEIXEIRA DUARTE – Engenharia e Construções, S.A.. In accordance with the law, this company contested the corrections made by the Tax and Customs Authority (AT) to the financial years extending from 2007 to 2011.

After the end of 2017, as the controlling company in the 2007 financial year, TEIXEIRA DUARTE – Engenharia e Construções, S.A., was notified of a judgment delivered by the Supreme Administrative Court (STA), ordering the additional tax assessment issued by the Tax and Customs Authority (AT)—which was the subject of an appeal by the Tax and Customs Authority (AT)—to be eliminated, deemed unfounded by the STA in the course of the second quarter of 2018.

The correction concerning the 2012 financial year was the subject of an additional tax assessment for the controlling company in that financial year—"TD, S.A."—having contested it within the legal deadlines.

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

The correction to the tax loss calculated in the 2013 financial year includes the amount of 5,000,000 euros, accounting for the incorrect application—according to the Tax and Customs Authority (AT)—of Article 51 of the IRC Code. This correction was subject to judicial challenge by "TD, S.A.", as the controlling company.

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

In the tax loss correction for 2008, the amount of 611,000 euros is included, which—according to the Tax and Customs Authority (AT)—accounts for the incorrect application of Article 22 (10) of the Portuguese Tax Incentives Statute (EBF) to the distribution of income by the Real Estate Investment Fund (Fundo de Investimento Imobiliário) TDF.

In accordance with the law, TEIXEIRA DUARTE – Engenharia e Construções, S.A., acting as the controlling company, contested this correction.

In addition to the corrections described above regarding the invested company TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A., the Tax and Customs Authority (AT) made the following correction to TEIXEIRA DUARTE – Engenharia e Construções, S.A.:

- Correction to the taxable profit calculated in the 2008 period, amounting to 35,467,000 euros, of which the company contested 32,595,000 euros, in relation to tax credit, the reinvestment of capital gains and the incorrect application of Article 22 (10) of the Portuguese Tax Incentives Statute (EBF).

### 4. Calculation of State and Municipal Surtaxes under the RETGS

The Tax and Customs Authority (AT) made two corrections to the tax payable by "TD, S.A.", as the controlling company, with reference to the 2014 financial year.

The correction, amounting to 1,209,000 euros, results from the Tax and Customs Authority (AT) considering that—for various reasons—the State and Municipal Surtaxes calculated using the RETGS are not deductible credits held by the RETGS, namely tax credit on international juridical double taxation.

In accordance with the law, TEIXEIRA DUARTE – Engenharia e Construções, S.A., as the controlling company, will be contesting these corrections.

#### Guarantees:

On 30 September 2018 and 31 December 2017, the Group of companies included in the consolidation had provided guarantees to third parties as follows:

	30-09-2018	31-12-2017
Bank guarantees provided	273,909	325,889
Guarantee insurance	286,554	230,177
	<b>560,463</b>	<b>556,066</b>

The bank guarantees were provided primarily for the purposes of contests, advances received and as a guarantee of good execution of the 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 guarantee insurance provided as a performance guarantee for the works and provision of services.

For the purpose of suspending two tax enforcement procedures brought against the invested company TEIXEIRA DUARTE – Engenharia e Construções, S.A., and in relation to the Corporate Income Tax debt of the 2008 financial year—the taxes for which were contested—overall bank guarantees in excess of 27,546,000 euros were issued to the Tax and Customs Authority (AT). Following a favourable decision regarding the Corporate Income Tax in 2007, with a direct impact on the tax losses for the 2008 financial year, the invested company TEIXEIRA DUARTE – Engenharia e Construções, S.A. requested that the Tax and Customs Authority (AT) return a bank guarantee of 12,794,000 euros.

For the purpose of suspending a tax enforcement procedure brought against the invested company TEIXEIRA DUARTE – Engenharia e Construções, S.A. in relation to the Corporate Income Tax debt of the 2010 financial year, "TD, S.A." posted a guarantee amounting to 10,139,000 euros, which was accepted by the Tax and Customs Authority (AT).

For the purpose of suspending a tax enforcement procedure brought against "TD, S.A.", and in relation to the Corporate Income Tax debt of the 2013 financial year, a total of 1,125,000 euros in bank guarantees were issued to the Tax and Customs Authority (AT). Also, in relation to the Corporate Income Tax for the 2013 taxation period—that was to be paid in installments—a bank guarantee was issued amounting to 582,000 euros, the cancellation of which was however required by the Tax and Customs Authority (AT) as the tax was then fully settled.

For the purpose of suspending a tax enforcement procedure brought against the invested company TEIXEIRA DUARTE – Engenharia e Construções, S.A., and in relation to an Corporate Income Tax withholding debt in the 2014 financial year—that is to be paid in installments— a total of 4,038,000 euros in bank guarantees were issued to the Tax and Customs Authority (AT). The amount of these guarantees has been reduced based on the payments made by the abovementioned invested company.

During the third quarter of 2018, a total amount of 1,529,000 euros in bank guarantees were provided to suspend a tax enforcement procedure brought against "TD, S.A.", as the controlling company, in relation to the Corporate Income Tax of the 2014 financial year.

On 30 September 2018, the Group's collateral is detailed as follows:

Geographical area	Bank	Type of Financing	Contract Date	Expiry Date	Collateral
Portugal	Novo Banco	Leasing	21-06-2005	31-12-2018	561 Fractions - Car Parks - Shopping Bom Sucesso Trade Center
Portugal	Novo Banco	Commercial paper	16-12-2005	15-12-2023	Pledge for 4,760,000 BCP Shares
Portugal	Caixa Geral de Depósitos	Loan	21-02-2008	31-12-2018	Pledge for 1,540,000 TDHOSP Shares
Portugal	Caixa Geral de Depósitos	Commercial paper	07-07-2010	31-12-2033	Pledge for 4,675,000 Fundo TDF Share units
Portugal	Banco Santander Totta	Loan	13-12-2012	13-12-2019	65 Mortgage Fractions - Santa Marinha - Vila Nova de Gaia
Venezuela	BOD - Banco Occidental de Descuento Venezuela	Loan	29-07-2013	31-12-2018	Collateral - USD 420,325.66 in Banco Orinoco
Venezuela	Banco Mercantil (Venezuela)	Loan	26-11-2013	31-12-2018	Collateral - USD 125,000.00 in Mercantil Bank Panama
Portugal	Novo Banco	Commercial paper	30-12-2013	31-12-2033	12,500,000 Pledge for EPOS Shares and for 200,000,000 C + PA Shares + Pledge for 1,325,000 Fundo TDF Share units + Mortgage Pólo Operacional TD Montijo + Mortgage for 9 Lots in Mafamude + Mortgage for 10 Lots on the Santa Marinha Design District Development - Santa Marinha
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	30-04-2014	30-04-2021	Mortgage for Hotel Trópico (Building Nº 1826) - Ingombotas
Portugal	Novo Banco	Loan	26-01-2015	15-12-2021	Pledge for 2,006,396 BCP Shares
Brazil	Banco Bradesco (Brazil)	Loan	20-03-2015	20-02-2019	Condomínio Alta Vista Unique Real Estate Development - São Paulo/Brazil (168 Separate Units)
Portugal	Banco BIC Português	Escrow Account	06-08-2015	05-08-2019	BIC AO (23,000,000 euros) Bank Guarantee to BIC PT/Mortgage for Building No. 2254 - Shopping Complex and Polo Automóvel Workshop - Talatona
Portugal	Novo Banco	Commercial paper	28-12-2015	15-06-2027	Mortgage for Land in Pedregueiras - (14 + 10) Rural Property + Pledge for 1,045,610 Recolte Spain Shares
Portugal	Novo Banco	Commercial paper	14-01-2016	31-12-2033	Pledge for 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 for 375,000 Lusoporte Shares
Portugal	Caixa Geral de Depósitos	Loan	17-06-2016	31-12-2018	Pledge for 375,000 Lusoporte Shares
Portugal	Novo Banco	Loan	17-06-2016	31-12-2018	Pledge for 375,000 Lusoporte 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 for the Magnolia and Coina + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Parque Logístico da Póvoa Developments
Portugal	Caixa Geral de Depósitos	Loan	12-08-2016	31-12-2033	Mortgage for the Magnolia and Coina + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Parque Logístico da Póvoa Developments
Portugal	Novo Banco	Loan	12-08-2016	31-12-2033	Mortgage for the Magnolia and Coina + Vale Figueira, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Parque Logístico da Póvoa Developments
Portugal	Caterpillar	Loan	12-12-2016	22-12-2020	Respective equipment
Portugal	Banco Comercial Português	Escrow Account	18-08-2017	31-03-2019	Banco BIM Bank Guarantee to BCP valid until 30.04.2019 / Time Deposit Pledge in EUR and MZN (Degree of Coverage: 130%)
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 for 4 Lots/Plots for Construction - Bairro Rosário (Cascais)

#### Financial commitments:

On 30 September 2018 and 31 December 2017, the comfort letters provided by TEIXEIRA DUARTE, S.A. and its subsidiaries amounted to 350,778,000 and 372,200,000 euros, respectively.

On 30 September 2018 and 31 December 2017, non-recourse factoring agreements were in effect. These were recorded as a reduction on accounts receivable, amounting to 2,704 and 6,037,000 euros, respectively. According to the conditions of the agreements, the Group's liability is essentially restricted to the guarantee on the customers' acceptance of the factoring invoices.



## 25 - FAIR VALUE MEASUREMENTS

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

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

-Level 1: The fair value of the financial instruments is based on the net market prices for the assets on the reference date of the financial position statement;

-Level 2: The fair value of the financial instruments is not determined based on the net market prices for the assets, but rather with the use of assessment models;

-Level 3: The fair value of the financial instruments is not determined based on the net market prices for the assets, but rather with the use of assessment 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	1,726	-	-
Investment properties	Buildings and land	-	177,526	-

Except for non-current loans, the majority of the financial assets and liabilities have short-term maturities, so their fair values are considered identical to their accounting values.

As regards loans, the majority of them are contracted at variable interest rates. As such, it is understood that the corresponding accounting value (amortized cost) does not differ significantly from the corresponding market value.

## 26 - FOREIGN CURRENCY TRANSLATION ADJUSTMENTS

In the periods ending 30 September 2018 and 2017, the exchange rate adjustments calculated in the conversion of the financial statements of companies outlined in foreign currency, by geographical area, were as follows:

	Q3 18	Q3 17	Jul-Sep 18	Jul-Sep 17
Angola	(214,509)	(2,295)	(49,764)	794
Algeria	(6,583)	(762)	(1,899)	(868)
Brazil	(24,946)	(19,470)	(3,807)	636
Mozambique	3,543	8,494	2,998	3,235
Venezuela	1,678	(2,988)	13,203	(2,318)
Other Markets	876	(6,299)	276	(1,886)
<b>Total</b>	<b>(239,941)</b>	<b>(23,320)</b>	<b>(38,993)</b>	<b>(407)</b>

## 27 – THE IMPACT OF HYPERINFLATION IN ANGOLA AND VENEZUELA

During the year 2018, the Group considered the Angolan and Venezuelan economies to be hyperinflationary economies. As such, the companies of the Group whose functional currencies are Kwanza and Bolívar restated their financial statements using the updated measurement units.

On 30 September 2018, the impact on the attached consolidated financial statements—taking into account the application of IAS 29 to the companies of Angola and Venezuela—can be summarised as follows:

### Income Statement

	Q3 18 (Before applying IAS 29)	IAS 29 Impact	Q3 18 (After applying IAS 29)
Operating income:			
Sales and services rendered	663,670	(28,157)	635,513
Other operating income	155,183	(83,418)	71,765
<b>Total operating income</b>	<b>818,853</b>	<b>(111,575)</b>	<b>707,278</b>
Operating costs:			
Cost of sales	(181,475)	5,874	(175,601)
Variation in production	(18,611)	-	(18,611)
External supplies and services	(217,726)	13,019	(204,707)
Staff costs	(163,546)	2,185	(161,361)
Amortisations and Depreciations	(32,087)	226	(31,861)
Provisions and impairment losses on depreciable and amortisable assets and Goodwill	(3,804)	155	(3,649)
Other operating costs	(59,362)	22,489	(36,873)
<b>Total operating costs</b>	<b>(676,611)</b>	<b>43,948</b>	<b>(632,663)</b>
<b>Operating income</b>	<b>142,242</b>	<b>(67,627)</b>	<b>74,615</b>
Financial costs and losses	(143,409)	11,872	(131,537)
Financial income and gains	45,213	27,953	73,166
Income related to investment activities:			
Income related to associated companies and joint ventures	746	-	746
Others	625	-	625
<b>Financial results</b>	<b>(96,825)</b>	<b>39,825</b>	<b>(57,000)</b>
<b>Income before taxes</b>	<b>45,417</b>	<b>(27,802)</b>	<b>17,615</b>
Income tax	(12,429)	555	(11,874)
<b>Consolidated net income for the period</b>	<b>32,988</b>	<b>(27,247)</b>	<b>5,741</b>
<b>Net income attributable to:</b>			
Equity holders	33,754	(26,660)	7,094
Non-controlling interests	(766)	(587)	(1,353)

# Financial Position

	30-09-2018 (Before applying IAS 29)	Impact IAS 29	30-09-2018 (After applying IAS 29)
<b>Non-current assets:</b>			
Goodwill	12,220	49	12,269
Intangible assets	58,633	6,524	65,157
Tangible fixed assets	254,684	65,644	320,328
Investment properties	177,526	-	177,526
Investments in associated companies and joint ventures	19,925	-	19,925
Financial assets available for sale	1,726	-	1,726
Other investments	17,937	-	17,937
Deferred tax assets	177,515	561	178,076
Customers	30,614	-	30,614
Other debtors	10,231	-	10,231
Other non-current assets	626	-	626
<b>Total non-current assets</b>	<b>761,637</b>	<b>72,778</b>	<b>834,416</b>
<b>Current assets:</b>			
Inventories	205,200	5,186	210,386
Customers	208,805	-	208,805
Other debtors	32,389	-	32,389
Cash and cash equivalents	155,238	-	155,238
Other investments	15,346	-	15,346
Other current assets	168,359	-	168,359
	<b>785,337</b>	<b>5,186</b>	<b>790,523</b>
Assets held for sale	97,509	-	97,509
<b>Total current assets</b>	<b>882,846</b>	<b>5,186</b>	<b>888,032</b>
<b>TOTAL ASSETS</b>	<b>1,644,483</b>	<b>77,965</b>	<b>1,722,448</b>
<b>Equity:</b>			
Equity	210,000	-	210,000
Adjustments to shareholdings in associated companies and joint ventures	(126)	-	(126)
Foreign currency translation adjustments	(322,894)	21,462	(301,432)
Reserves and retained earnings	222,402	81,603	304,005
Consolidated net income	33,754	(26,660)	7,094
<b>Equity attributable to shareholders</b>	<b>143,136</b>	<b>76,405</b>	<b>219,541</b>
Non-controlling interests	36,341	300	36,641
<b>TOTAL EQUITY</b>	<b>179,477</b>	<b>76,705</b>	<b>256,182</b>
<b>Non-current liabilities:</b>			
Loans	813,858	-	813,858
Provisions	33,130	934	34,064
Financial leases	4,348	-	4,348
Deferred tax liabilities	24,592	326	24,918
Other non-current liabilities	52,520	-	52,520
<b>Total non-current assets</b>	<b>928,448</b>	<b>1,260</b>	<b>929,708</b>
<b>Current liabilities:</b>			
Loans	94,438	-	94,438
Suppliers	117,798	-	117,798
Financial leases	3,078	-	3,078
Other creditors	22,150	-	22,150
Other current liabilities	208,389	-	208,389
	<b>445,853</b>	<b>-</b>	<b>445,853</b>
Liabilities held for sale	90,705	-	90,705
<b>Total current liabilities</b>	<b>536,558</b>	<b>-</b>	<b>536,558</b>
<b>TOTAL LIABILITIES</b>	<b>1,465,006</b>	<b>1,260</b>	<b>1,466,266</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>1,644,483</b>	<b>77,965</b>	<b>1,722,448</b>

The Group adopted IAS 29 within its companies in Angola and Venezuela in 2018, having restated the financial statements of 31 December 2017, with the following impact on the attached consolidated financial statements:

### Financial Position

	31-12-2017 "Restated" (Unaudited)	Impact 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	478,758	72,181	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	155,283	251	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>1,055,098</b>	<b>80,072</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>Total current assets</b>	<b>1,323,892</b>	<b>4,559</b>	<b>1,319,333</b>
<b>TOTAL ASSETS</b>	<b>2,378,990</b>	<b>84,631</b>	<b>2,294,359</b>
<b>Equity:</b>			
Equity	210,000	-	210,000
Adjustments to shareholdings in associated companies and joint ventures	215	-	215
Foreign currency translation adjustments	(67,455)	-	(67,455)
Reserves and retained earnings	311,059	81,603	229,456
Consolidated net income	(4,650)	-	(4,650)
<b>Equity attributable to shareholders</b>	<b>449,169</b>	<b>81,603</b>	<b>367,566</b>
Non-controlling interests	42,980	1,703	41,277
<b>TOTAL EQUITY</b>	<b>492,149</b>	<b>83,306</b>	<b>408,843</b>
<b>Non-current liabilities:</b>			
Loans	708,718	-	708,718
Provisions	36,743	946	35,797
Financial leases	4,768	-	4,768
Deferred tax liabilities	35,422	379	35,043
Other non-current liabilities	32,161	-	32,161
<b>Total non-current assets</b>	<b>817,812</b>	<b>1,325</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>Total current liabilities</b>	<b>1,069,029</b>	<b>-</b>	<b>1,069,029</b>
<b>TOTAL LIABILITIES</b>	<b>1,886,841</b>	<b>1,325</b>	<b>1,885,516</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>2,378,990</b>	<b>84,631</b>	<b>2,294,359</b>

**28 - APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements for the period ending 30 September 2018 were approved by the Board of directors on November 30, 2018.

**29 – SUBSEQUENT EVENTS**

TEIXEIRA DUARTE continued its activity in the various markets in which it operates. No relevant events took place beyond 30 September 2018 and the date of issuance of this document.

