

**Teixeira Duarte**

[www.teixeiraduarte.com](http://www.teixeiraduarte.com)

# Report and Accounts

## 1st Quarter of 2019



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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 509234526 at Cascais Commercial Register (Oeiras)

## MAIN INDICATORS

**Operational Profits** of 236 million euros;

**Turnover** reached 210 million euros;

**External Market** accounts for 75.3% of turnover;

**EBITDA** of 39 million euros;

**EBITDA margin / Turnover** of 18.5%;

**Net Results Attributable to Holders of Equity** plus 8 million euros;

**Net Group Assets** of 1.922 billion euros;

**Net Financial Debt** of 761 million euros;

**Financial Autonomy** stood at 20.9%;

**Teixeira Duarte Group Orders Portfolio** for the construction sector of 1,558 billion euros.

### Statement of Results during the periods ended on 31 March 2019 and 2018

	1st Q 19	1st Q 18	Var (%)
Operating income	235 908	249 371	(5,4%)
Operating costs	(196 986)	(197 188)	0,1%
<b>EBITDA</b>	<b>38 922</b>	<b>52 183</b>	<b>(25,4%)</b>
Amortizations and depreciations	(14 759)	(11 516)	(28,2%)
Provisions and impairment losses	1 251	(1 906)	-
<b>EBIT</b>	<b>25 414</b>	<b>38 761</b>	<b>(34,4%)</b>
<b>Financial Results</b>	<b>(11 120)</b>	<b>(34 494)</b>	<b>67,8%</b>
<b>Results before taxes</b>	<b>14 294</b>	<b>4 267</b>	<b>235,0%</b>
Income tax	(6 187)	(7 250)	14,7%
<b>Net Income</b>	<b>8 107</b>	<b>(2 983)</b>	<b>-</b>
<b>Attributable to:</b>			
<b>Equity holders</b>	<b>8 021</b>	<b>(2 092)</b>	<b>-</b>
Non-controlling interests	86	(891)	-

(VALUES IN THOUSAND EUROS)



**Teixeira Duarte**

1st Quarter of 2019

# Interim Management Report

## I. INTRODUCTION

Under the terms of, and for the purposes of applicable legal and regulatory provisions TEIXEIRA DUARTE, S.A ("TD, S.A.") hereby discloses the Interim Report referring to the first three months of 2019, of which the attached consolidated financial statements also form a part.

It is clarified that, in compliance with and under the scope of standards on periodic reporting, the elements disclosed herein refer only to the consolidated scope. It is also clarified that the consolidated financial statements as at 31 March 2019 were prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, effective for the periods beginning on 1 January 2019 and in accordance with IAS 34 - Interim Financial Reporting.

Notwithstanding the regular monitoring of Teixeira Duarte Group by its Oversight Bodies, as well as through the information report provided to you for the purpose of drafting this document, the elements published herein have no, under the applicable provisions, been audited.

In addition to the Consolidated Financial Statements and the respective attached notes, this document will also present a brief statement on the evolution of the Group's activity during the analyzed period.

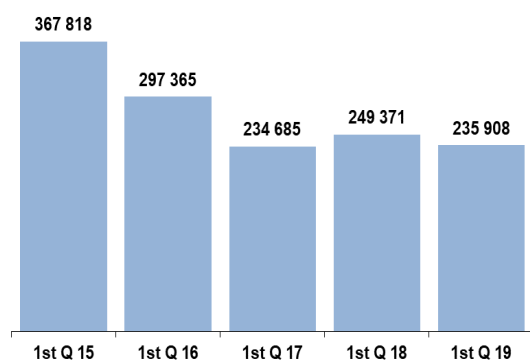
## II. ECONOMIC AND FINANCIAL ANALYSIS

**Operating profits** suffered a decrease of 5.4% when compared to the same period of the previous year, dropping to 235.908 thousand euros.

In this regard, emphasis should be placed on the good performance of companies operating in the Construction, Concessions and Services, Distribution and Automotive sectors, although it did not offset the drop suffered by companies operating in the real estate sector.

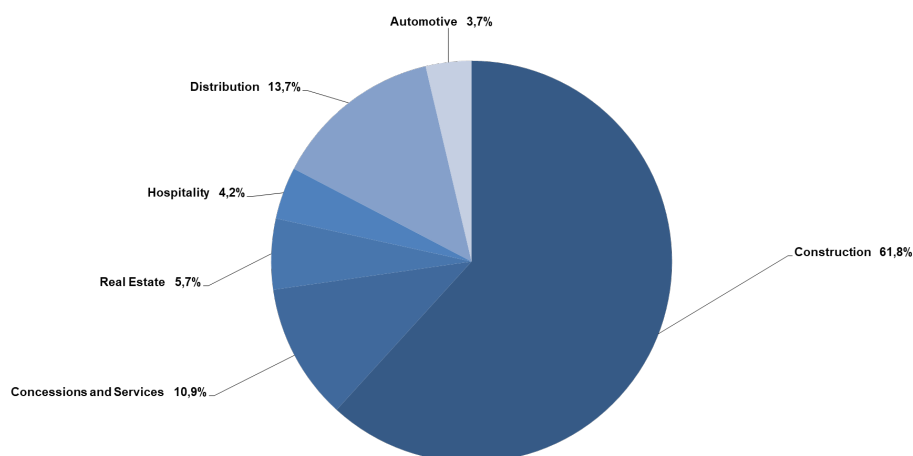
Geographically, the Group experienced a 10% decrease in Portugal, mainly in the real estate sector, while on the overseas markets there was an overall decrease of 3.7% compared to the first quarter of 2018.

### Evolution of Operating Income



(VALUES IN THOUSAND EUROS)

### Operating Income by Sector of Activity

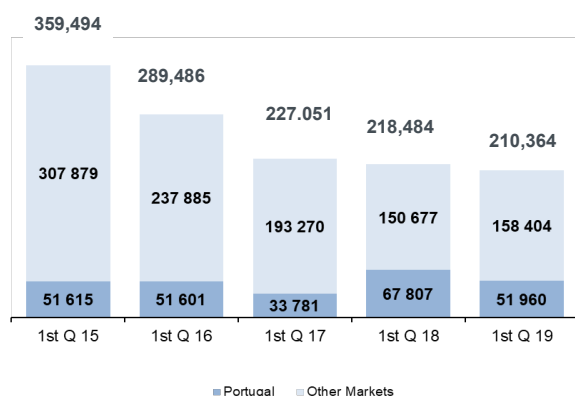


**Turnover** reached 210,364 thousand euros, representing a decrease of 3.7% compared to March 2018, that is, 8,120 thousand euros less.

A decrease of 23.4% was seen in Portugal in comparison to the first three months of 2018, while other markets grew overall by 5.1%.

In this context, overseas markets, which accounted for 69% of this indicator in March of last year, now represent 75.3% of the total turnover of the Teixeira Duarte Group.

### Evolution of Turnover by Markets



(VALUES IN THOUSAND EUROS)

The tables below show Turnover, broken down by countries and sectors of activity, on which the Group's exposure to a range of different economic contexts can be seen.

#### Evolution of Turnover by Country

Country	1st Q 19		1st Q 18		Variation
	Value	Contribution	Value	Contribution	
Portugal	51 960	24,7%	67 807	31,0%	(23,4%)
Angola	63 689	30,3%	67 048	30,7%	(5,0%)
Algeria	30 679	14,6%	24 516	11,2%	25,1%
Brazil	35 620	16,9%	36 607	16,8%	(2,7%)
Spain	9 707	4,6%	8 656	4,0%	12,1%
Mozambique	8 888	4,2%	7 006	3,2%	26,9%
Venezuela	4 190	2,0%	3 861	1,8%	8,5%
Other	5 631	2,7%	2 983	1,4%	88,8%
	<b>210 364</b>	<b>100,0%</b>	<b>218 484</b>	<b>100,0%</b>	<b>(3,7%)</b>

(VALUES IN THOUSAND EUROS)

#### Evolution of Turnover by Sectors of Activity

Activity Sector	1st Q 19		1st Q 18		Variation
	Value	Contribution	Value	Contribution	
Construction	127 575	60,6%	106 739	48,9%	19,5%
Concessions and Services	25 134	11,9%	22 146	10,1%	13,5%
Real estate	7 034	3,3%	39 843	18,2%	(82,3%)
Hospitality	9 870	4,7%	8 812	4,0%	12,0%
Distribution	32 255	15,3%	33 122	15,2%	(2,6%)
Automotive	8 496	4,0%	7 822	3,6%	8,6%
	<b>210 364</b>	<b>100,0%</b>	<b>218 484</b>	<b>100,0%</b>	<b>(3,7%)</b>

(VALUES IN THOUSAND EUROS)

For a more in-depth analysis of the contents of the above table, below can be found some notes on the activity of Group companies in different sectors of activity:

#### CONSTRUCTION

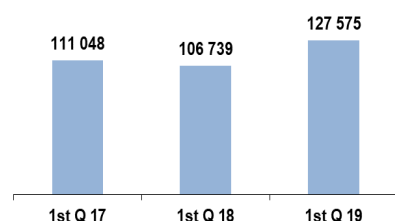
Turnover in the Construction sector grew by 19.5% compared to the same period of 2018.

In Portugal, there was an increase of 31.7% over the previous year, essentially due to the good performance achieved on the private construction market.

The volume achieved on overseas markets reached 92,165 thousand euros, which corresponds, overall, to an increase of 15.4% in relation to the first three months of 2018, with increases in Algeria (25.1%), Brazil (20.7%) and Mozambique (26.2%), which offset the decrease seen in Angola (28.6%).

Therefore, on March 31, 2019, the overseas market came to account for 72.2% of the turnover in Construction, instead of the 74.8% that it represented in March 2018.

#### Turnover of Construction Services



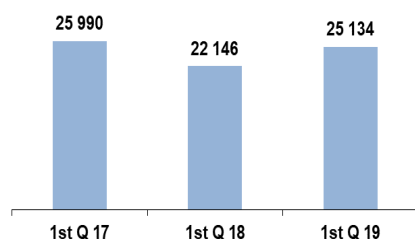
(VALUES IN THOUSAND EUROS)

## CONCESSIONS AND SERVICES

The Group companies operating in the Concessions and Services sector achieved growth in all markets, with total turnover increasing by 13.5% compared to March 2018.

Growth of 15.6% was seen in Portugal, whereas other markets grew by 12.4% overall when compared to the same period of the previous year.

### Turnover of Concessions and Services



(VALUES IN THOUSAND EUROS)

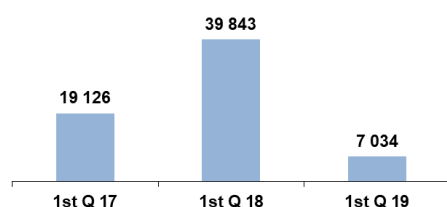
## REAL ESTATE

The Group saw a 82.3% decrease in Turnover in the Real Estate compared to the same period of last year.

In Portugal there was a drop of 85.8% compared to March 2018, which is due to the fact that in the first quarter of the previous year a significant real estate sales volume was achieved. The real estate in question was previously being marketed.

In Brazil, the Group experienced a decrease of 79.4% when compared to the same period of the previous year, which was also due to the fact that the regulations applicable to the projects under development deferred the time at which the profits were recorded.

### Turnover of Real estate Services

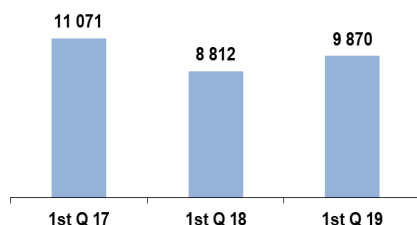


(VALUES IN THOUSAND EUROS)

## HOSPITALITY

The Turnover of Group companies operating in the Hospitality sector increased, overall, by 12% when compared to the same period of 2018, with growth in Portugal of 19.3%, 7.5% in Angola and 23.8% in Mozambique.

### Turnover of Hospitality



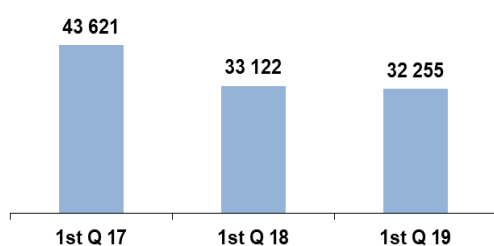
(VALUES IN THOUSAND EUROS)

## DISTRIBUTION

In the Distribution sector, Group companies experienced a 2.6% decrease in their turnover compared to the same period of the last year.

In Angola, activity in Kwanzas saw growth of 30.9% compared to March 2018. When transposing this activity to the Group's currency (Euros), a decrease of 2.7% compared to the same period of 2018 was ascertained, due to the currency devaluation of the Kwanza.

### Turnover of Distribution Services

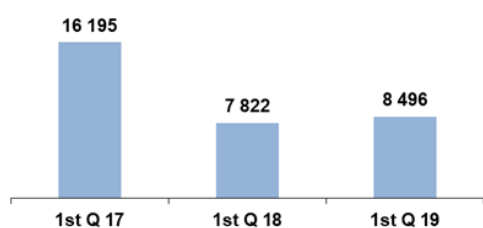


(VALUES IN THOUSAND EUROS)

## AUTOMOTIVE

In the Automotive sector, after the Group companies resumed the import of vehicles and parts to Angola, an overall turnover increase of 8.6% was achieved compared to March 2018.

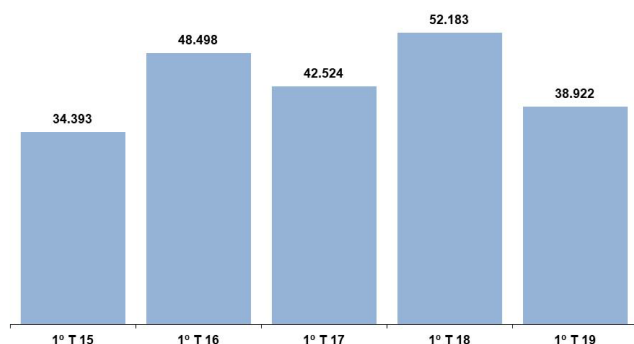
### Turnover of the Automotive sector



(VALUES IN THOUSAND EUROS)

**EBITDA** - Earnings before interest, taxes, depreciation and amortization, decreased by 25.4% compared to March 2018 and stood at EUR 38,922 m.

#### Evolution of EBITDA



(VALUES IN THOUSAND EUROS)

#### EBITDA by Sectors of Activity

Activity Sector	1st Q 19	1st Q 18	Var (%)
Construction (*)	30.809	21.130	45,8%
Concessions and Services	3.188	2.075	53,6%
Real Estate (*)	1.605	23.009	(93,0%)
Hospitality (*)	3.512	3.920	(10,4%)
Distribution (*)	901	1.750	(48,5%)
Automotive	1.884	2.049	(8,1%)
Not included in the segments	(2.978)	(1.750)	(70,2%)
Removals	1	-	-
	<b>38.922</b>	<b>52.183</b>	<b>(25,4%)</b>

(VALUES IN THOUSAND EUROS)

(\*) - RECLASSIFIED VALUES FROM THE 1ST QUARTER OF 2018.

In the first three months of 2019, this indicator was influenced by the following aspects that should be highlighted:

- Negative change of 15,913 thousand euros in the fair value valuation of investment properties;
- Positive change of 7,250 thousand euros in operational exchange rate differences.

**Financial results** were negative and stood at 11,120 thousand euros, while in the first quarter of 2018 they were a negative 34,494 thousand euros.

This indicator reflects the following significant changes that should be highlighted:

- Positive change of 30,440 thousand euros in exchange rate differences;
- Positive change of 2,826 thousand euros in interest incurred;
- Negative change of 10,850 thousand euros in net monetary position.

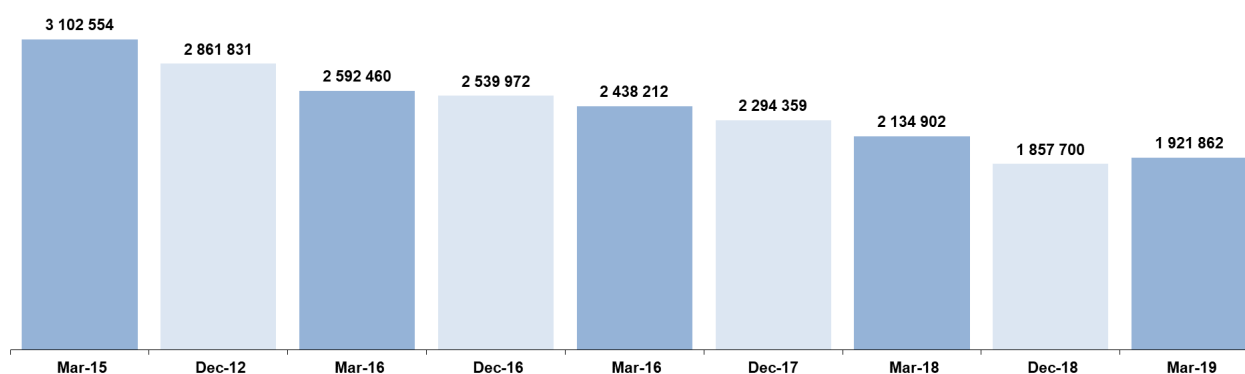
**Income tax** reached a negative amount of 6,187 thousand euros on 31 March 2019, while during the same period of the previous year it stood at minus 7,250 thousand euros.

**Net Results Attributable to Equity Holders** were a positive 8,021 thousand euros, compared to the negative results of 2,092 thousand euros recorded in March 2018.

In addition to the normal impact of activities carried out by entities that form part of the Teixeira Duarte Group, in the different markets in which it operates, this indicator was also influenced by unfavorable exchange rate differences - which in March 2019 stood at a negative 4,587 thousand euros, whereas during the same period of 2018 they stood at a negative 35,027 thousand euros - as well as by the impact of the net monetary position arising from the application of IAS 29 to the companies in Angola and Venezuela, of 296 thousand euros in March 2019, compared to the positive 11,146 thousand euros recorded in March of the previous year.

**Total Net Assets** grew by 3.5% in relation to 31 December 2018, standing at 1,921,862 thousand euros, which corresponds to an increase of 64,162 thousand euros, of which 42,433 thousand euros are the result of the application of IFRS 16 - Leases.

#### Evolution of Net asset



(VALUES IN THOUSAND EUROS)

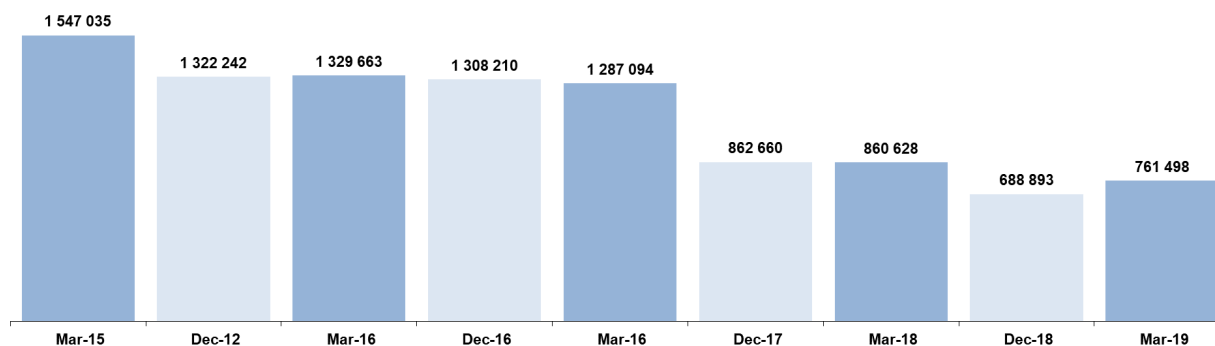
**Net Financial Debt** increased by 72,605 thousand euros since the end of 2018, standing at 761,498 thousand euros.

This evolution was due to the following factors:

- Increase of 42,674 thousand euros resulting from the application of IFRS 16 - Leases;
- A 31,990 thousand euro reduction in resources, to stand at 140,001 thousand euros;
- A reduction in financial debt of 2,059 thousand euros.

The **Net Financial Debt / EBITDA** ratio stood at 4.9x in March 2019.

#### Evolution of Net Financial Debt



(VALUES IN THOUSAND EUROS)

**Equity Attributable to Shareholders** decreased by 965 thousand euros, from 367,624 thousand euros to 366,659 thousand euros, corresponding to a 0.3% decrease when compared to 31 December 2018.

Total Equity decrease by 0.3%, standing at 402,204 thousand euros, influenced essentially by the following factors:

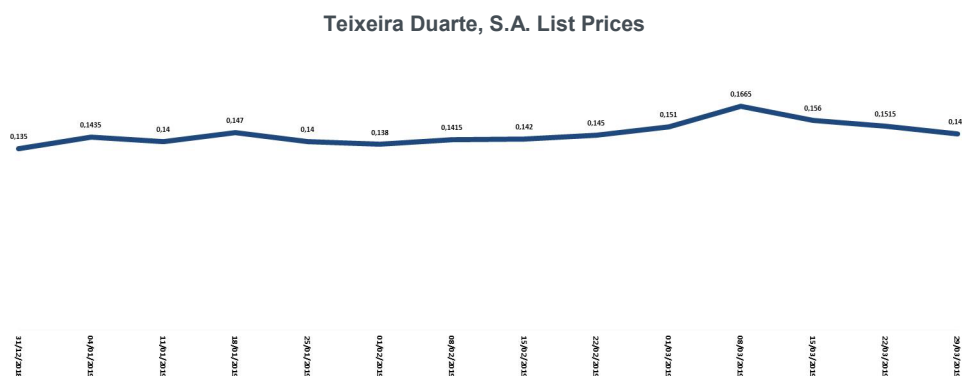
- Positive net income of 8,107 thousand euros;
- Negative impact of 8,843 thousand euros, resulting from the currency conversion recorded as a result of the devaluation of the Currencies in which the Group operates in relation to the Euro;

**Financial Autonomy** shifted from 21.7% as at 31 December 2018 to 20.9% at 31 March, 2019.

The **Average number of workers** on 31 March 2019 was 11,252, an increase of 6.9% compared to 31 December 2018.

The **price of "Teixeira Duarte, S.A." bonds** increased from EUR 0.135 on 31 December 2018 to EUR 0.146 on 31 March 2019.

The following graph shows the evolution in listed share prices during the first three months of this year, which have varied during this period between a minimum of 0.1305 euros and a maximum of 0.172 euros.



46,525,233 shares were traded on the stock exchange during this period, with a total amount of turnover of 7,018,564 euros.

### III. EVENTS THAT OCCURRED AFTER THE END OF THE 1ST QUARTER OF 2019

Teixeira Duarte Group companies continued their activity in the different markets on which they operate, and there are no relevant facts to highlight that occurred after 31 March 2019 and the issue date of this document.

#### IV. PROSPECTS

Although the overall Order Portfolio of the Teixeira Duarte Group for the construction sector saw a 13.2% decrease compared to the end of 2018, on 31 March 2019 the order portfolio reached an overall value of 1,558,460 thousand euros, of which 268,508 thousand euros are for 2022 and subsequent years.

For a more detailed analysis of more immediate periods, that is, for the remaining 1,289,952 thousand euros that have already been contracted, and whose execution is forecast for the next nine months of 2019, and 2020 and 2021, below can be found a table of additional elements concerning its distribution by markets of activity:

	Apr to Dec 2019		2020		2021	
	Value	Contribution (%)	Value	Contribution (%)	Value	Contribution (%)
Portugal	145.287	24,8%	51.044	11,0%	23.889	10,0%
Other markets	441.124	75,2%	413.427	89,0%	215.181	90,0%
<b>Total</b>	<b>586.411</b>	<b>100,0%</b>	<b>464.471</b>	<b>100,0%</b>	<b>239.070</b>	<b>100,0%</b>

(VALUES IN THOUSAND EUROS)

For 2019, Teixeira Duarte expects to achieve consolidated operating income of EUR 1,100 million.

Lagoas Park, 29th May 2019

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 Bebianio Branco de Sá Viana Rebelo



**Teixeira Duarte**

1st Quarter of 2019

# Consolidated Financial Statements

## CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 31 MARCH 2019 AND 31 DECEMBER 2018  
(VALUES IN THOUSAND EUROS)

	Notes	31/03/2019 (Não auditadas)	31/12/2018 (auditadas)
<b>Non-current assets:</b>			
Goodwill		12 276	12 271
Intangible assets		71 120	65 013
Tangible fixed assets	13	525 449	552 632
Investment Properties	14	195 605	194 091
Direito de uso		51 275	-
Investments in associates and joint-ventures	7 and 15	17 509	16 821
Other financial investments at amortized cost	16	4 273	4 219
Other financial investments at fair value through other comprehensive income	7 and 16	17 084	16 930
Assets for deferred tax	18	155 910	149 435
Customers		19 082	23 441
Other debtors		10 992	11 091
<b>Total of non-current assets</b>		<b>1 080 577</b>	<b>1 045 944</b>
<b>Current assets:</b>			
Inventories		215 808	192 645
Customers		217 537	186 103
Other debtors		30 096	22 194
Other financial investments at amortized cost	16	13 197	14 665
Cash and cash equivalents	20	140 001	171 991
Other current assets		189 750	189 262
		<b>806 389</b>	<b>776 860</b>
Assets for sale	17	34 897	34 897
<b>Total of current assets</b>		<b>841 286</b>	<b>811 757</b>
<b>TOTAL OF ASSET</b>	<b>7</b>	<b>1 921 862</b>	<b>1 857 700</b>
<b>Equity:</b>			
Capital	21	210 000	210 000
Adjustments of shareholdings in associates and joint-ventures		(491)	(673)
Currency conversion adjustments	26	(312 138)	(303 790)
Reserves and retained income	22	461 267	450 960
Consolidated net result		8 021	11 127
<b>Equity attributable to shareholders</b>		<b>366 659</b>	<b>367 624</b>
<b>Non-controlling interests</b>		<b>35 545</b>	<b>35 736</b>
<b>EQUITY TOTAL</b>		<b>402 204</b>	<b>403 360</b>
<b>Non-current liabilities:</b>			
Loans	23	717 714	730 200
Provisions		43 291	43 946
Responsabilidades com locações		42 257	-
Financial Leases		-	3 814
Liabilities by deferred taxes	18	110 880	112 548
Other non-current liabilities		63 241	63 654
<b>Total of non-current liabilities</b>		<b>977 383</b>	<b>954 162</b>
<b>Current liabilities:</b>			
Loans	23	133 476	124 076
Responsabilidades com locações		8 052	-
Suppliers		131 349	139 646
Financial Leases		-	2 794
Other Creditors		28 855	21 472
Other current liabilities		216 982	188 629
		<b>518 714</b>	<b>476 617</b>
Liabilities for sale	17	23 561	23 561
<b>Total of current liabilities</b>		<b>542 275</b>	<b>500 178</b>
<b>TOTAL OF LIABILITY</b>	<b>7</b>	<b>1 519 658</b>	<b>1 454 340</b>
<b>TOTAL OF LIABILITY AND EQUITY</b>		<b>1 921 862</b>	<b>1 857 700</b>

As notas anexas fazem parte integrante da demonstração consolidada da posição financeira em 31 de março de 2019.

# CONSOLIDATED STATEMENT OF RESULTS

DURING THE PERIODS ENDED ON 31 MARCH 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
Operating income:			
Sales and services rendered	7 and 8	210 364	218 484
Other operating income	8	25 544	30 887
<b>Total of operating income</b>	<b>8</b>	<b>235 908</b>	<b>249 371</b>
Operating costs:			
Cost of sales		(59 070)	(58 318)
Production changes		463	(18 638)
External supplies and services		(66 326)	(58 180)
Expenses with staff		(56 674)	(53 705)
Amortizations and depreciations	7	(14 759)	(11 516)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	1 251	(1 906)
Other operating costs		(15 379)	(8 347)
<b>Total of operating costs</b>		<b>(210 494)</b>	<b>(210 610)</b>
<b>Operational Income</b>	<b>7</b>	<b>25 414</b>	<b>38 761</b>
Costs and financial losses	7 and 9	(17 374)	(65 842)
Income and financial earnings	7 and 9	5 106	30 539
Income related to investment activities:			
Income related to affiliates and joint-ventures	7 and 9	347	772
Other	7 and 9	801	37
<b>Financial Results</b>		<b>(11 120)</b>	<b>(34 494)</b>
<b>Results before taxes</b>	<b>7</b>	<b>14 294</b>	<b>4 267</b>
Income tax	10	(6 187)	(7 250)
<b>Consolidated net result for the period</b>		<b>8 107</b>	<b>(2 983)</b>
<b>Net results attributable to:</b>			
<b>Equity holders</b>	<b>11</b>	<b>8 021</b>	<b>(2 092)</b>
Non-controlling interests		86	(891)
<b>Income by share:</b>			
Basic (euros)	11	0,02	(0,00)
Diluted (euros)	11	0,02	(0,00)

The notes are an integral part of the consolidated statement of results for the period ended on 31 March 2019

## CONSOLIDATED STATEMENT OF RESULTS AND OTHER INTEGRATED INCOME

DURING THE PERIODS ENDED ON 31 MARCH 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
<b>Consolidated net result for the period</b>		<b>8 107</b>	<b>(2 983)</b>
<b>Income and expenses that will not be reclassified for results</b>			
Other equity variations		(612)	(4 263)
Other financial investments at fair value through other comprehensive income, net of taxes	16	10	-
		<b>(602)</b>	<b>(4 263)</b>
<b>Income and expenses that can be reclassified for results</b>			
Currency conversion adjustments	26	(8 843)	(166 810)
Adjustments of shareholdings in associates and joint-ventures	15	182	(1 708)
Impact of the application of IAS 29 in Angola and Venezuela on 1 January 2018		-	83 171
		<b>(8 661)</b>	<b>(85 347)</b>
<b>Result known directly in equity</b>		<b>(9 263)</b>	<b>(89 610)</b>
<b>Comprehensive income for the financial year</b>		<b>(1 156)</b>	<b>(92 593)</b>
<b>Comprehensive income attributable to:</b>			
<b>Equity holders</b>		<b>(965)</b>	<b>(89 478)</b>
Non-controlling interests		(191)	(3 115)

The notes are an integral part of the consolidated statement of the other comprehensive income for the period ended on 31 March 2019

# CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

DURING THE PERIODS ENDED ON 31 MARCH 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Adjustments conversion currency	Reserves and retained income					Income result consolidated	Total capital equity attributable to shareholders	Interests non-controlling	Total
				Legal reserve	Other reserves	Reserve of hedge operations	Reserve of revaluation of property	Results retained				
31 January 1st, 2018	210 000	216	(67 455)	42 000	186 213	(8 480)	-	733	(4 550)	367 566	41 277	408 843
Comprehensive income for the financial year:												
- consolidated net result for the period	-	-	-	-	-	-	-	-	(2 032)	(2 032)	(851)	(2 883)
- effect of the application of IAS 28 in Angola and Venezuela on January 1st, 2018	-	-	-	-	61 529	-	-	-	-	61 529	1 642	63 171
- translation in currency conversion adjustments	-	-	(158 817)	-	-	-	-	-	-	(158 817)	(7 593)	(166 410)
- act of the application of equity method:	-	(1 708)	-	-	-	-	-	-	-	(1 708)	-	(1 708)
- other	-	-	-	-	-	-	-	(8 330)	-	(8 330)	4 127	(4 203)
- variations with shareholders in the year:												
- proportion of the consolidated net income for 2017:	-	-	-	-	-	-	-	(4 550)	4 550	-	-	-
- Transfer to retained earnings	-	-	-	-	-	-	-	(12 307)	(2 032)	278 088	38 162	316 250
31 March 31st, 2018	210 000	(1 483)	(228 272)	42 000	276 742	(8 480)	-	-	-	-	-	-
31 January 1st, 2019	210 000	(673)	(303 790)	42 000	253 326	588	162 085	(7 640)	11 127	367 624	35 736	403 360
Comprehensive income for the financial year:												
- consolidated net result for the period	-	-	-	-	-	-	-	-	8 021	8 021	86	8 107
- translation in currency conversion adjustments	-	-	(8 348)	-	-	-	-	-	-	(8 348)	(495)	(8 843)
- changes in the fair value of other investments through other comprehensive income, net of taxes	-	-	-	-	-	10	-	-	-	10	-	10
- valuation surplus, net of tax	-	-	-	-	-	-	(1 740)	1 740	-	-	-	-
- act of the application of equity method:	-	182	-	-	-	-	-	(830)	-	182	218	(612)
- other	-	-	-	-	-	-	-	-	-	(830)	-	-
- variations with equity owners for that period:												
- proportion of the consolidated net income for 2018:	-	-	-	-	-	-	-	11 127	(11 127)	-	-	-
- Transfer to retained earnings	-	(491)	(312 138)	42 000	253 326	608	169 345	4 988	8 021	366 659	35 545	402 204
31 March 31st, 2019	210 000	(491)	(312 138)	42 000	253 326	608	169 345	4 988	8 021	366 659	35 545	402 204

The notes are an integral part of the consolidated statement of change in equity for the year ended on 31 March 2019

## CONSOLIDATED STATEMENTS OF CASH FLOWS

DURING THE PERIODS ENDED ON 31 MARCH 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
<b>OPERATIONAL ACTIVITIES:</b>			
Receipts from customers		207 998	223 727
Payment to suppliers		(162 407)	(127 373)
Payment to staff		(54 461)	(54 702)
<b>Cash flow generated by operations</b>		<b>(8 870)</b>	<b>41 652</b>
Payment/receipt of income tax		(1 629)	(2 540)
Other receipts/payments related to the operational activity		(651)	(7 284)
<b>Cash flows of operational activities (1)</b>		<b>(11 150)</b>	<b>31 828</b>
<b>INVESTMENT ACTIVITIES:</b>			
<b>Receipts related to:</b>			
Financial investments	20	1 747	262
Tangible fixed assets and investment properties		283	696
Interests and similar gains		995	1 694
		<b>3 025</b>	<b>2 652</b>
<b>Payments related to:</b>			
Tangible fixed assets and investment properties		(11 954)	(7 195)
Intangible assets		(78)	(106)
		<b>(12 032)</b>	<b>(7 301)</b>
<b>Cash flows from investment activities (2)</b>		<b>(9 007)</b>	<b>(4 649)</b>
<b>FINANCING ACTIVITIES:</b>			
<b>Revenue derived from:</b>			
Obtained loans	23	<b>328 368</b>	<b>423 787</b>
<b>Payments related to:</b>			
Obtained loans	23	(331 545)	(450 795)
Interests and similar costs		(5 103)	(5 095)
		<b>(336 648)</b>	<b>(455 890)</b>
<b>Cash flows from financing activities (3)</b>		<b>(8 280)</b>	<b>(32 103)</b>
<b>Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)</b>		<b>(28 437)</b>	<b>(4 924)</b>
<b>Exchange rate differences Effect</b>		<b>(3 553)</b>	<b>(21 101)</b>
<b>Cash and cash-equivalent items at the beginning of the period</b>	<b>20</b>	<b>171 991</b>	<b>154 265</b>
<b>Cash and cash-equivalent items at the end of the period</b>	<b>20</b>	<b>140 001</b>	<b>128 240</b>

The annex forms an integral part of the cash flow statement for the period ending 31 March 2019.

## ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON 31 MARCH 2019

(NON AUDITED)

### 1 - INTRODUCTION

TEIXEIRA DUARTE, S.A. ("Company" or "TD, S.A.") with head office in Porto Salvo, was incorporated on 30 November 2009, with share capital of EUR 210,000,000, represented by 420,000,000 shares with the nominal value of EUR 0.5 each, and its core business is the implementation and management of investments, the coordination and supervision of other companies integrated in or related to its business Group.

The corporate universe of Teixeira Duarte ("Group") is composed of the participated companies indicated in Note 4. The Group's core activities are: Construction; Concessions and Services; Real Estate; Hospitality; Distribution; Energy and Automotive (Note 7).

Mention should also be made of the fact that within the Teixeira Duarte Group, two of the 100% owned companies have been repositioned: "ANGOPREDIAL - Empreendimentos Imobiliários, Lda." from the Real Estate sector to the Hospitality sector and "Global Net Distributors (Pty) Ltd." from the Distribution sector to the Construction sector. In this document, the notes to the consolidated financial statements for the 1st quarter of 2018 were reclassified - only in relation to these four sectors - to provide an adequate level of comparability.

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

### 2 - BASIS OF PRESENTATION

The consolidated financial statements at 31 March, 2019 have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, in effect for periods beginning on 1 January, 2019, and in accordance with IAS 34 - Interim Financial Reporting.

### 3 - ALTERATIONS OF POLICIES, ESTIMATES AND ERRORS

The accounting policies that have been adopted are consistent with those used to prepare the financial statements for the financial year ending 31 December 2018, described in the respective notes in the annexes, with the exception of rules and interpretations whose effective date corresponds to financial years starting on or after 1 January 2019, specifically the application for the first time of IFRS 16 – Leases.

IFRS 16 establishes a global model for the identification of lease contracts and for their treatment on the financial statements of lessors and lessees. IFRS 16 replaces IAS 17 - Leases and their Interpretations when it comes into effect on 1 January 2019.

The Group selected the modified retrospective transition model of IFRS 16, as a result of which the Group did not re-state the comparative financial information and no impact has been seen on the Group's equity at the time of transition. The impacts of the application of IFRS 16 are presented in note 27.

The Group's operational leases relate mainly to lease contracts for buildings, stores and warehouses, as well as equipment and vehicle rentals.

With regard to previous commitments to finance leases, the book values of leased assets and liabilities by lease as at 31 December 2018 were assumed as usage rights and liabilities due to leasing, according to IFRS 16 on 1 January 2019.

In the initial application of IFRS 16, the Group will do the following for all leases (with the exception of those referred to below):

- (a) recognise right-of-use assets and lease liabilities on the consolidated financial position statement, initially measured at the present value of future payments of each lease;
- b) recognise depreciations of right-of-use assets and financial expenses of lease liabilities on the consolidated statement of results;
- c) separate the total amount paid into capital and interest (presented as financing activities) on the consolidated cash flow statement.

For short-term leases (of 12 months or less) and low value leases (such as personal computers or office furniture), the Group will choose to recognise a lease expense on a straight-line basis as an operational expense, as permitted by IFRS 16.

### 4 - COMPANIES INCLUDED IN THE CONSOLIDATION PERIMETER

As at 31 March 2019, TEIXEIRA DUARTE, S.A. and the following controlled companies were included in the consolidation, by the full method:

Corporate name	Head Office	% effective participation
<b><u>INTERNAL MARKET</u></b>		
<b>CONSTRUCTION</b>		
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park - Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 2, Lagoas Park - Porto Salvo	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 - Fração 4 D - Funchal	100.00%
TDAP - Atividades Portuárias, S.A.	Rua das Pretas, 4 - Fração 4 D - Funchal	100.00%
TDGI AÇORES - Unipessoal, Lda.	Zona Industrial Chã do Rego d'Água, Lote 39 - Cabouco, Ilha de São Miguel - Açores	100.00%
TDGI - Tecnologia de Gestão de Imóveis, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDGI Manutenção, ACE	Edifício 2, Lagoas Park - Porto Salvo	100.00%
<b>REAL ESTATE</b>		
Fundo de Investimento Imobiliário Fechado TDF	Edifício 2, Lagoas Park - Porto Salvo	100.00%
IMOPEDROUÇOS - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
IMOTD – Sociedade Gestora de Participações Sociais, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
MALANGA – Investimentos Imobiliários, Unipessoal Lda.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
QUINTA DE CRAVEL - Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TD VIA - Sociedade Imobiliária, S.A.	Edifício 2, Lagoas Park - Porto Salvo	93.75%
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%
<b>HOSPITALITY</b>		

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

#### DISTRIBUTION

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

#### AUTOMOTIVE

SMOTORS, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
TDO - Investimento e Gestão, S.A.	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%

#### EXTERNAL MARKET

#### SOUTH AFRICA

#### CONSTRUCTION

Global Net Distributors (Pty) Ltd.	10 Ninth Avenue - Northmead, Gauteng 1501	100.00%
<b>ANGOLA</b>		
<b>CONCESSIONS AND SERVICES</b>		
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%
<b>REAL ESTATE</b>		
AFRIMO - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	51.00%
IMO 1 - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
TEIXEIRA DUARTE - Engenharia e Construções (Angola), Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
<b>HOTEL SERVICES</b>		
ALVALADE - Empreendimentos Turísticos e Hoteleiros, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
ANGOPREDIAL - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
HOTEL TRÓPICO, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	80.00%
HOTEL BAÍA, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
<b>DISTRIBUTION</b>		

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

#### AUTOMOTIVE

AUTO 1 - Comércio Automóvel, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
Auto Competição Angola, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
AUTO 8, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
Comércio de Automóveis, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
TDA - Comércio e Indústria, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
VAUCO - Automóveis e Equipamentos, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	51.00%

#### 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 Rue de Ben Aknoun, Rés de Chanssée El Biar - Alger	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 Bairro Savassi - Belo Horizonte	100.00%
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	Rua Iguatemi, n.º 448, 6.º andar conjuntos 602, 604, 606, 608 e 610 Bairro Itaim Bibi, São Paulo	67.74%

## CONCESSIONS AND SERVICES

GONGOJI Montante Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TABOQUINHA Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TDGI FACILITIES E MANUTENCAO DE INSTALACOES LTDA.	Rua Iguatemi, n.º 448, 6.º andar Conjunto 602, sala 18 Bairro Itaim Bibi, São Paulo	100.00%

## REAL ESTATE

TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Rua Irene Ramos Gomes de Matteo, nº 97 - Casa 097 Pina - Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 01 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 02 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 06 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 03 Itaim Bibi - São Paulo	92.65%
TDSP – Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 08 Itaim Bibi - São Paulo	92.65%

TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 4 Itaim Bibi - São Paulo	92.65%
TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 19 Itaim Bibi - São Paulo	92.65%
TDSP – Verum Mooca Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 18 Itaim Bibi - São Paulo	100.00%
TDSP – Gilberto Sabino Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 05 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 20 Itaim Bibi - São Paulo	92.65%
TDSP – Gualaxos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 07 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	92.65%
TDSP – Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 09 Itaim Bibi - São Paulo	92.50%
TDSP – Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 10 Itaim Bibi - São Paulo	92.50%
TDSP – Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 11 Itaim Bibi - São Paulo	100.00%
TDSP – Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 12 Itaim Bibi - São Paulo	95.00%
TDSP – Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 13 Itaim Bibi - São Paulo	95.00%
TDSP – Nilo Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 14 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP – 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 16 Itaim Bibi - São Paulo	100.00%
TDSP – Carolina Ribeiro - Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 17 Itaim Bibi - São Paulo	95.00%

#### DISTRIBUTION

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

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

#### CONSTRUCTION

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

#### OTHER

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

#### CONSTRUCTION

UTE VIANA	Alberto Alcocer, 24 - 7º Madrid	100.00%
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#### CONCESSIONS AND SERVICES

RECOLTE, Servicios Y Medioambiente, S.A. Sociedade Unipersonal.	Alberto Alcocer, 24 - 7º Madrid	100.00%
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TDGI - Mantenimiento y Servicios Integrales, S.L.	Alberto Alcocer, 24 - 7º Madrid	100.00%
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#### ECUADOR

#### CONSTRUCTION

CONSORCIO PUENTE DAULE - GUAYAQUIL II	Av. Francisco de Orellana, Kilometro uno e medio y Juan Tanca Marengo, Edificio Cofin, piso seis (6) Guayaquil, Equador	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, Suit 310, Dallas Texas 75244	100.00%
TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suit 310, Dallas Texas 75244	100.00%
TDRE HOOD, LLC.	4100 Spring Valley Road, Suit 300, Dallas Texas 75244	100.00%

#### 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%
MALANGA - Empreendimentos Imobiliários, S.A.	Av. Július Nyerere, nº 4 - R/C Maputo	74.71%

#### HOTEL SERVICES

AVENIDA - Empreendimentos Turísticos e Hoteleiros, Lda.	Av. Július Nyerere, nº 627 Maputo	100.00%
Sociedade Hotel Tivoli, Lda.	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 Anonima Cerrada	Avenida Arenales, nº 773 Lima	100.00%
<b><u>RUSSIA</u></b>		
<b>CONCESSIONS AND SERVICES</b>		
MMK Cement, Limited Liability Company	Tri Rutchia Murmansk	70.00%
<b><u>VENEZUELA</u></b>		
<b>CONSTRUCTION</b>		
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 IN THE CONSOLIDATION SCOPE

During the year ended on 31 March 2019, there was no alteration to the consolidation perimeter relative to 31 December 2018.

## 6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into Euro as at 31 March 2019 and 31 December 2018, as well as the earnings of the operations developed in countries where the functional currency is different from the Euro, for the year ended on 31 March 2019 and 2018:

Currency	Closing exchange rate			Average exchange		
	31/03/2019	31/12/2018	Var.	31/03/2019	31/03/2018	Var.
American dollars	1,1235	1,1450	(1,9%)	1,1397	1,2246	(6,9%)
Macanese pataca	9,0841	9,2365	(1,6%)	9,2087	9,8732	(6,7%)
Mozambican metical	71,1200	70,2400	1,3%	71,0200	74,2800	(4,4%)
Venezuelan bolivar	4 132,3903	813,5683	S.S.	4 132,3903	2,8058	S.S.
Angola Kwanza	355,5114	353,0155	0,7%	355,5114	242,3679	46,7%
Algerian dinar	133,8310	135,5660	(1,3%)	135,0364	139,7244	(3,4%)
Dirham from Emirates	4,1262	4,2058	(1,9%)	4,1863	4,4982	(6,9%)
Moroccan Dirham	10,8569	10,9560	(0,9%)	10,9187	11,3092	(3,5%)
Brazilian real	4,3865	4,4440	(1,3%)	4,3259	3,9913	8,4%
Cape Verde Escudo	100,2650	110,2650	-	100,2650	110,2650	-
Russian ruble	72,8564	79,7153	(8,6%)	75,6930	69,7770	8,5%
Tunisian Dinar	3,3922	3,4485	(1,6%)	3,4425	2,9507	16,7%
South Africa Rand	16,2642	16,4594	(1,2%)	15,9784	14,6440	9,1%
Peruvian Novo Sol	3,7244	3,8667	(3,7%)	3,8029	3,9623	(4,0%)
Colombian Peso	3 579,5000	3 718,3900	(3,7%)	3 595,5950	3 512,1725	2,4%

## 7 – INFORMATION BY OPERATING SEGMENTS

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

- Construction;
- Concessions and services;
- Real estate;
- Hotel services;
- Distribution;
- Automobile.

The sales and services rendered and the earnings of each of operating segment referred to above for the semesters ended on 31 March 2019 and 2018, were as follows:

Segment	Sales and services rendered						Operational Income	
	1 <sup>st</sup> Quarter 19			1 <sup>st</sup> Quarter 18			1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction (*)	127 575	2 542	130 117	106 739	3 824	110 563	24 517	12 330
Concessions and services	25 134	1 164	26 298	22 146	2 638	24 784	(480)	1 331
Real estate (*)	7 034	3 121	10 155	39 843	3 996	43 839	3 598	22 175
Hospitality (*)	9 870	421	10 291	8 812	143	8 955	1 573	2 986
Distribution (*)	32 255	136	32 391	33 122	715	33 837	(1 064)	181
Automotive	8 496	3 573	12 069	7 822	1 088	8 910	302	1 565
Not included in the segments	-	-	-	-	-	-	(3 033)	(1 807)
Removals	-	(10 957)	(10 957)	-	(12 404)	(12 404)	1	-
	210 364	-	210 364	218 484	-	218 484	25 414	38 761
Costs and financial losses (Note 9)							(17 374)	(65 842)
Income and financial earnings (Note 9)							5 106	30 539
Income related to investment activities (Note 9)							1 148	809
<b>Results before taxes</b>							<b>14 294</b>	<b>4 267</b>

(\*) - Values for the 1st quarter of 2018 reclassified as explained in the introductory note.

Inter-segmental transactions are carried out under market conditions and terms, equivalent to transactions made with third parties.

Other information:

Segment	Fixed capital expenditures		Amortizations and depreciations in results		Provisions and impairment losses	
	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
Construction (*)	6 199	2 503	6 976	6 819	(684)	1 981
Concessions and services	1 124	45	668	757	3 000	(13)
Real estate (*)	5 424	198	1 574	834	(3 567)	-
Hospitality (*)	301	1 227	1 939	934	-	-
Distribuição (+)	498	2 571	1 965	1 569	-	-
Automotive	10	38	1 582	546	-	(62)
Not allocated to segments	10	130	55	57	-	-
	<b>13 566</b>	<b>6 712</b>	<b>14 759</b>	<b>11 516</b>	<b>(1 251)</b>	<b>1 906</b>

(\*) - Values for the 1st quarter of 2018 reclassified as explained in the introductory note.

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 31 Marc 2019 and 31 December 2018, are as follows:

Segment	31/03/2019				31/12/2018			
	Assets				Assets			
	Investments in associates and joint-ventures (Note 15)	Ativos financeiros ao justo valor através de outro rendimento integral (Nota 16)	Other Assets	Total	Investments in associates and joint-ventures (Note 15)	Ativos financeiros ao justo valor através de outro rendimento integral (Nota 16)	Other Assets	Total
Construction	2 106	13 849	1 916 338	<b>1 932 293</b>	2 134	12 978	1 850 492	<b>1 865 604</b>
Concessions and services	1 562	82	1 17 581	<b>119 225</b>	1 249	76	1 17 939	<b>119 264</b>
Real estate	18	1 317	1 171 809	<b>1 173 144</b>	75	1 285	1 124 972	<b>1 126 332</b>
Hospitality	-	12	232 970	<b>232 982</b>	-	12	234 698	<b>234 710</b>
Distribution	-	10	242 647	<b>242 657</b>	-	10	248 399	<b>248 409</b>
Automotive	-	7	220 106	<b>220 113</b>	24	7	207 273	<b>207 304</b>
Not included in the segments	13 823	1 807	985 473	<b>1 001 103</b>	13 339	2 562	896 707	<b>912 608</b>
Removals	-	-	(2 999 655)	<b>(2 999 655)</b>	-	-	(2 856 531)	<b>(2 856 531)</b>
	<b>17 509</b>	<b>17 084</b>	<b>1 887 269</b>	<b>1 921 862</b>	<b>16 821</b>	<b>16 930</b>	<b>1 823 949</b>	<b>1 857 700</b>

The sales and services rendered, and information on non-monetary non-current assets by geographic segment are broken down as follows for the years ended on 31 March 2019 and 31 and on 31 March 2019 and 31 December 2018, respectively:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18	31/03/2019	31/12/2018
Portugal	51 960	67 807	245 089	196 576
Angola	63 689	67 048	516 940	536 284
Algeria	30 679	24 516	20 893	20 451
Brazil	35 620	36 607	18 596	16 529
Spain	9 707	8 656	17 832	17 528
Mozambique	8 888	7 006	32 335	31 818
Venezuela	4 190	3 861	111	1 014
Other	5 631	2 983	3 929	3 807
	<b>210 364</b>	<b>218 484</b>	<b>855 725</b>	<b>824 007</b>

Non-monetary non-current assets include *goodwill*, intangible assets, tangible fixed assets, investment property and usage rights.

## 8 - OPERATING INCOME

Operating profits were as follows for the periods ending 31 March 2019 and 2018:

	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
<b>Sales and services rendered:</b>		
Sales	118 196	131 222
Services rendered	92 168	87 262
	<b>210 364</b>	<b>218 484</b>
<b>Other operating income:</b>		
Exchange rate differences	17 416	10 166
Variation in the fair value of income of investment properties	6 240	17 278
Supplementary income	917	1 891
Works for own company b)	507	511
Sales of assets a)	161	265
Reversal of impairment losses in inventories	69	207
Reversal of impairment losses in accounts receivable	3	28
Other operating income	231	541
	<b>25 544</b>	<b>30 887</b>
	<b>235 908</b>	<b>249 371</b>

- a) In the periods ending 31 March 2019 and 2018, the indicated gains were obtained by divesting tangible fixed assets.
- b) Work for the company essentially involves the improvement of equipment.

## 9 - FINANCIAL RESULTS

Financial results were as follows for the periods ending 31 March 2019 and 2018:

	1 <sup>o</sup> Trim.19	1 <sup>o</sup> Trim.18
<b>Costs and financial losses</b>		
Supported interests	(3 871)	(6 697)
Unfavourable exchange rate differences	(7 941)	(52 824)
Other costs and financial losses	(5 562)	(6 321)
	<b>(17 374)</b>	<b>(65 842)</b>
<b>Income and financial earnings:</b>		
Obtained interests	1 032	1 434
Favourable exchange rate differences	3 354	17 797
Posição monetária líquida a)	296	11 146
Other income and financial earnings	424	162
	<b>5 106</b>	<b>30 539</b>
<b>Income related to investment activities:</b>		
Resultados relativos a empresas associadas e empreendimentos conjuntos b)	347	772
Other investments (c)	801	37
	<b>1 148</b>	<b>809</b>
<b>Financial Results</b>	<b>(11 120)</b>	<b>(34 494)</b>

- a) The amount shown corresponds to the gain resulting from the application of IAS 29.
- b) The earnings from associates and joint-ventures for the year ended on 31 March 2019 and 2018 include the effect of the application of the equity method to these investments (Note 15).
- c) At 31 March 2019 and 2018, gains, losses and added value from the divestment of Financial assets, are accounted for under the item "Other Investments".

Net exchange rate differences, recorded during the periods ending 31 March 2019 and 2018, are due to payments and receipts, as well as exchange rate updates on balance sheets, recorded based on currencies other than the Euro.

## 10 – INCOME TAX

"TD, SA" is the dominant company of a group of companies that pay tax under the Special Taxation Regime for Groups of Companies (RETGS), covering all companies in which it directly or indirectly holds at least 75% of the respective equity, provided that the stake in question grants it over 50% of voting rights and that, at the same time, have effective headquarters and management in Portugal and pay tax under the general Corporation Income Tax regime ("IRC").

All other subsidiary companies that are not covered by the RETGS, pay tax individually, based on the respective taxable items and the applicable rates of IRC, and municipal and state surtaxes.

The "TD, SA" and most of its subsidiaries headquartered in Portugal are subject to Corporation Tax (IRC), at the rate of 21%, on the taxable amount. Entities with reportable profit are also subject to the Municipal Surcharge, whose rate may vary to the maximum of 1.5%, as the State Surcharge, incident on taxable profit in excess of EUR 1,500, 7,500 and EUR 35,000, at the rates of 3%, 5% and 9%, respectively.

These entities are also subject to regional taxation, at the rates and with the fees, charges and expenses provided for in article 88 of the IRC (Corporation Tax) Code.

In the calculation process of the taxable income, amounts that are not tax deductible are added to, and subtracted from the accounting result. These differences between the book value profit and the profit for tax purposes may be of a temporary or permanent nature.

In addition, pursuant to the legislation in force in Portugal, tax losses are reportable for a period of twelve (5) years for those that occurred during the 2018 tax year onwards, being subject to deduction from taxable income calculated subsequently, with this deduction being limited to 70% of the taxable income calculated during the tax period in which it is earned.

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

The review period of tax returns of entities with a presence in other countries varies between three and five years.

The Board of Directors believes that any corrections which might arise from any tax reviews/inspections to these tax returns will not significantly affect the consolidated financial statements as at 31 March 2019.

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

The income taxes recognised for the years ended on 31 March 2019 and 2018 are as follows:

	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
<b>Current Tax:</b>		
Income tax in Portugal	(5 893)	(3 810)
Income tax in other jurisdictions	(2 969)	(4 416)
<b>Current Tax</b>	<b>(8 862)</b>	<b>(8 226)</b>
<b>Deferred tax (Note 18)</b>	<b>2 675</b>	<b>976</b>
	<b>(6 187)</b>	<b>(7 250)</b>

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 2 thousand were recorded directly in equity as at 31 March 2019 (EUR 2 thousand as at 31 March 2018) (Note 18).

# 11 - EARNINGS PER SHARE

Earnings per share for the years ended 31 March 2019 and 2018 were determined based on the following amounts:

	19	18
Result to estimate the net result by basic share (net result of period)	8 021	(2 092)
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420 000	420 000
<b>Net result by basic share</b>	<b>0,02</b>	<b>(0,00)</b>

Since for the financial years ended on 31 March 2019 and 2018 there were no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

# 12 - DIVIDENDS

No distribution of dividends was proposed at the General Meeting of Shareholders held on 27 May 2019, taking into consideration the separate financial statements of the Company on 31 December 2018.

### 13 - TANGIBLE FIXED ASSETS

During the years ended on 31 March 2019 and 2018, the movement in fixed tangible assets and their depreciation and accumulated impairment losses was as follows:

	Land and natural resources	Buildings and other constructions	Basic equipment	Transportation equipment	Tools and Utensils	Administrative equipment	Other tangible fixed assets	Fixed assets on account of ongoing	Advances on account of tangible assets	Total
<b>Gross asset:</b>										
Balance as at 31 December 2017	30 939	445 299	360 898	78 659	41 990	34 340	10 937	7 297	143	1 010 502
Impact of the application of IFRS 29 - Hyperinflation on 1 January 2018	2 557	87 545	23 694	8 361	125	4 733	1 197	1 023	38	129 273
Impact of the application of IAS 29 - Hyperinflation	301	9 812	3 207	1 278	16	647	163	745	5	16 174
Currency conversion adjustments	(3 725)	(148 614)	(28 460)	(9 343)	(1 443)	(8 489)	(1 724)	(1 582)	(54)	(201 434)
Additions	-	138	2 209	663	175	265	36	3 120	-	6 806
Transfers and reductions	(4 995)	289	712	-	(658)	(110)	2	(1 080)	-	(5 840)
Sales	-	(57)	(459)	(302)	(138)	(583)	(5)	-	-	(1 544)
<b>Saldo em 31 de março de 2018</b>	<b>25 077</b>	<b>394 412</b>	<b>361 801</b>	<b>79 316</b>	<b>40 067</b>	<b>32 803</b>	<b>10 606</b>	<b>9 523</b>	<b>132</b>	<b>953 737</b>
Balance on December 31, 2018	27 157	828 208	348 539	73 198	41 227	30 535	11 183	8 972	112	1 369 131
Impact of the application of IAS 29 - Hyperinflation	437	(2 170)	1 809	463	18	539	164	728	4	1 992
Currency conversion adjustments	(60)	(7 049)	(155)	(34)	78	(193)	(32)	(411)	(1)	(7 857)
Additions	2	239	3 161	3 106	388	191	30	1 041	-	8 158
Transfers and reductions	-	(10 512)	(2 938)	(3 835)	(75)	(488)	(1 584)	(983)	-	(20 415)
Sales	-	-	(527)	(425)	(34)	(92)	-	-	-	(1 078)
<b>Saldo em 31 de março de 2019</b>	<b>27 536</b>	<b>808 716</b>	<b>349 839</b>	<b>72 473</b>	<b>41 602</b>	<b>30 492</b>	<b>9 761</b>	<b>9 347</b>	<b>115</b>	<b>1 349 931</b>
<b>Depreciation and losses from impairment:</b>										
Balance as at 31 December 2017	164	163 951	300 807	67 870	34 050	30 140	6 943	-	-	603 925
Impact of the application of IFRS 29 - Hyperinflation on 1 January 2018	-	25 090	19 563	7 706	103	4 132	649	-	-	57 243
Impact of the application of IAS 29 - Hyperinflation	-	2 584	2 860	1 035	17	593	116	-	-	7 205
Exchange conversion effect	-	(42 271)	(21 431)	(8 661)	(303)	(5 660)	(942)	-	-	(79 268)
Reinforcements	-	3 348	5 270	1 011	794	369	251	-	-	11 043
Transfers and reductions	-	(13)	(6)	-	(654)	(111)	(9)	-	-	(793)
Sales	-	(54)	(315)	(273)	(72)	(470)	(4)	-	-	(1 188)
<b>Saldo em 31 de março de 2018</b>	<b>164</b>	<b>152 635</b>	<b>306 748</b>	<b>68 688</b>	<b>33 935</b>	<b>28 993</b>	<b>7 004</b>	<b>-</b>	<b>-</b>	<b>598 167</b>
Balance on December 31, 2018	164	389 169	298 546	60 021	35 118	27 183	6 298	-	-	816 499
Impact of the application of IAS 29 - Hyperinflation	-	188	1 959	250	18	515	129	-	-	3 059
Exchange conversion effect	-	(4 168)	20	(29)	17	(111)	(16)	-	-	(4 287)
Reinforcements	-	5 056	4 776	887	701	305	197	-	-	11 922
Transfers and reductions	-	(1 144)	(379)	(210)	(24)	(33)	(2)	-	-	(1 792)
Sales	-	-	(397)	(425)	(23)	(74)	-	-	-	(919)
<b>Saldo em 31 de março de 2019</b>	<b>164</b>	<b>389 101</b>	<b>304 525</b>	<b>60 494</b>	<b>35 807</b>	<b>27 785</b>	<b>6 606</b>	<b>-</b>	<b>-</b>	<b>824 482</b>
<b>Net value:</b>										
Em 31 de março de 2018	24 913	241 777	55 053	10 628	6 132	3 810	3 602	9 523	132	355 570
Em 31 de março de 2019	27 372	419 615	45 364	11 979	5 795	2 707	3 155	9 347	115	525 449

The additions to tangible fixed assets during the year ended on 31 March 2019 refer mainly to investments in facilities and equipment.

#### 14 - INVESTMENT PROPERTIES

During the years ended on 31 March 2019 and 2018, the movement in investment properties was as follows:

	2019	2018
<b>Balance on January 1</b>	<b>194 091</b>	<b>217 647</b>
Currency conversion adjustments	(633)	(35 003)
Increases / (divestments)	1 880	(146)
Variation in fair value	267	16 180
Transfers from/to tangible fixed assets	-	421
<b>Balance on March 31<sup>st</sup></b>	<b>195 605</b>	<b>199 099</b>

During the periods ending 31 March 2019 and 2018, the fair value of investment properties by geographical area changed as follows:

	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
Portugal	267	(845)
Angola	-	17 025
	<b>267</b>	<b>16 180</b>

The income gained from investment property arising from operating leasing contracts reached EUR 1,253 thousand for the financial year ended on 31 March 2019 (EUR 1,215 thousand as at 31 March 2018). For the financial year ended on 31 March 2019, direct operating costs related to investment properties reached EUR 312 thousand (EUR 323 thousand as at 31 March 2018).

**15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES**

The following associates and joint-ventures were recorded through the equity method as at 31 March 2019:

<b>Corporate name</b>	<b>Head Office</b>	<b>% effective participation</b>
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolivariana de Puertos Puerto de La Guaria – Parroquia Maiquetia Municipio Vargas del Estado Vargas	49.00%
ALVORADA PETRÓLEO, S.A.	Rua Paraíba, nº 1000, sala 1518 15º andar – Bairro Funcionário Belo Horizonte - Minas Gerais - Brasil	43.21%
ALSOMA, GEIE.	3 Av André Malraux - Levallois Peret - França	30.48%
AVIAS - Grupo Ferroviário para a Alta Velocidade, ACE	Edifício 1, Lagoas Park - Porto Salvo	15.92%
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 - Linhão – Sintra	16.94%
CONBATE, ACE	Edifício 2, Lagoas Park - Porto Salvo	20.00%
Consorcio Minero Luso Vargas C.A. (CONLUVAR)	Av. Venezuela com Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal – Caracas – Venezuela	49.00%
CONSORCIO OPSUT 2010	Calle 4, Casa nº 4, Urbanizacion Los Laureles Valle de la Pascoa - Venezuela	51.00%
DOURO LITORAL, ACE	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar, sala F - Vila Nova de Gaia	40.00%
D.L.O.E.A.C.E. – Douro Litoral Obras Especiais, ACE	Edifício 2, Lagoas Park - Porto Salvo	40.00%
FERROVIAL/TEIXEIRA DUARTE – Obras Hidráulicas do Alqueva, ACE	Edifício Central Park Rua Alexandre Herculano, Edifício 1 - 4º Piso, Fração B e C - Linda-a-Velha	50.00%
IMOC - Empreendimentos Imobiliários, S.A.	Av. Julius Nyerere, 130 - Maputo	49.92%
METROLIGEIRO - Construção de Infraestruturas, ACE	Rua Abranches Ferrão, nº 10 – 5º F - Lisboa	26.80%
NOVA ESTAÇÃO, ACE	Edifício 6 – Piso 1, Lagoas Park - Porto Salvo	25.00%
RPK Gulfstream, Ltd.	Tri Ruchja str. - 183003, Murmansk	42.70%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park - Porto Salvo	57.30%
TDGISERV Services, LLC (a)	PO Box 7098, Doha - Qatar	49.00%
TRÊS PONTO DOIS – Trabalhos Gerais de Construção Civil, Via e Catenária de Modernização da Linha do Norte, ACE	Av. das Forças Armadas, 125 - 2º C - Lisboa	50.00%

The investments in associates and joint-ventures showed the following movements in the years ended on 31 March 2019 and 2018:

	Equity holdings	Goodwill	Total
<b>Balance on January 1st, 2018</b>	<b>20 296</b>	-	<b>20 296</b>
Effects of the application of the equity method:			
- Effect on the financial year result (Note 9)	772	-	772
- Effect in equity	(1 708)	-	(1 708)
Effect of currency translation	(1 028)	-	(1 028)
Other	(54)	-	(54)
<b>Balance on 31 march 2018</b>	<b>18 278</b>	-	<b>18 278</b>
<b>Balance on January 1st, 2019</b>	<b>16 821</b>	-	<b>16 821</b>
Effects of the application of the equity method:			
- Effect on the financial year result (Note 9)	347	-	347
- Effect in equity	182	-	182
Sales	(24)	-	(24)
Currency conversion adjustments	(143)	-	(143)
Other	326	-	326
<b>Balance on 31 march 2019</b>	<b>17 509</b>	-	<b>17 509</b>

Investments in associated companies and joint-ventures as at 31 March 2019 and 31 December 2018 are broken down as follows:

	31/03/2019			31/12/2018		
Affiliates and joint-ventures	Equity holdings	Goodwill	Value of financial position	Equity holdings	Goodwill	Value of financial position
IMOC - Empreendimentos Imobiliários, S.A.R.L.	13 823	-	13 823	13 339	-	13 339
TDGISERV Services, LLC (a)	1 038	-	1 038	770	-	770
RPK Gulfstream Ltd.	524	-	524	479	-	479
Alvorada Petróleo, S.A.	18	-	18	75	-	75
Other	2 106	-	2 106	2 158	-	2 158
	<b>17 509</b>	-	<b>17 509</b>	<b>16 821</b>	-	<b>16 821</b>

These shares are stated using the equity method, which, in the years ended on 31 March 2019 and 2018, had the following impacts:

1st Quarter 19				
Affiliates and joint-ventures	Gains and losses in associates and joint ventures (Note 15)	Adjustments of capital shares	Dividends	Total
Alvorada Petróleo, S.A.	(59)	1	-	(58)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	489	160	-	649
TDGISERV Services, LLC (a)	247	21	-	268
Other	(330)	-	-	(330)
	<b>347</b>	<b>182</b>	-	<b>529</b>

Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Dividends	Total
Alvorada Petróleo, S.A.	(15)	(521)	-	(536)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	775	(1 227)	-	(452)
TDGISERV Services, LLC (a)	(12)	71	-	59
Other	24	(31)	-	(7)
	<b>772</b>	<b>(1 708)</b>	-	<b>(936)</b>

#### 16 - OTHER FINANCIAL INVESTMENTS

On 31 March 2019 and 31 December 2018, the details of other financial investments were as follows:

	31/03/2019		31/12/2018	
	Non-current	Current	Non-current	Current
<b>Financial assets at fair value through other comprehensive income</b>				
Aginyo Inversiones Y Gestiones Inmobiliarias	12 550	-	12 398	-
Banco Comercial Português, S.A.	1 558	-	1 553	-
TDHOSP – Gestão de Edifício Hospital, S.A.	768	-	768	-
Administração, S.A.	624	-	624	-
KUIKILA Investments, Lda.	477	-	483	-
MATADOURO DE MACAU, S.A.R.L.	317	-	317	-
ILTA - Urbanizadora da Ilha de Tavira, S.A.	256	-	256	-
Macau CPM Holdings	150	-	150	-
COLT Resources Inc.	152	-	146	-
Other	232	-	235	-
	<b>17 084</b>	<b>-</b>	<b>16 930</b>	<b>-</b>
<b>Financial assets at amortized cost</b>				
Government Debt Security of the People's R	4 273	13 197	4 219	14 665
	<b>4 273</b>	<b>13 197</b>	<b>4 219</b>	<b>14 665</b>
	<b>21 357</b>	<b>13 197</b>	<b>21 149</b>	<b>14 665</b>

During the period ending 31 March 2019, the following movements occurred in other financial investments:

	31/03/2019	
	Non-current	Current
<b>Balance on January 1<sup>st</sup>, 2019</b>	<b>21 149</b>	<b>14 665</b>
Reductions	-	(1 793)
Variation of fair value	11	-
Currency Variation	117	(103)
Other variations	80	428
<b>Balance on 31 March 2019</b>	<b>21 357</b>	<b>13 197</b>

#### 17 - FINANCIAL ASSETS FOR SALE

On 31 March 2019 and 31 December 2018, assets and liabilities held for sale are detailed as follows:

#### 18 - DEFERRED TAX

All situations which could significantly affect future taxes are recorded by applying the rules on deferred taxes.

The movement occurred on the assets and liabilities by deferred tax for the financial years ended on March 31st, 2019 and 2018 was as follows:

	31/03/2019	31/12/2018
<b>Assets for sale</b>		
Goodwill	1 979	1 979
Fixed tangible assets	441	441
Investment Properties	30 548	30 548
Other investments	1 159	1 159
Inventories	199	199
Clients - current	115	115
Other debtors	5	5
Cash and cash equivalents	24	24
Other Assets	427	427
<b>Total assets for sale</b>	<b>34 897</b>	<b>34 897</b>
<b>Liabilities for sale:</b>		
Loans	21 698	21 698
Liabilities by deferred taxes	(1 848)	(1 848)
Financial Leases	2 417	2 417
Suppliers	212	212
Other Creditors	634	634
Other liabilities	448	448
<b>Total liabilities for sale</b>	<b>23 561</b>	<b>23 561</b>
<b>Total Net</b>	<b>11 336</b>	<b>11 336</b>

	Assets for deferred tax		Liabilities for deferred tax	
	2019	2018	2019	2018
<b>Balance on January 1<sup>st</sup></b>	<b>149 435</b>	<b>155 276</b>	<b>112 548</b>	<b>35 424</b>
<b>Constitution / Reversal</b>				
Net income (Note 10)	2 132	6 585	(543)	5 609
Equity	2	2	-	-
<b>Exchange conversion effect and adjustments</b>	<b>4 341</b>	<b>(3 302)</b>	<b>(1 125)</b>	<b>(10 418)</b>
<b>Balance on March 31<sup>st</sup></b>	<b>155 910</b>	<b>158 561</b>	<b>110 880</b>	<b>30 615</b>

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

## 19 - RELATED PARTIES

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

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

The main balances with related parties as at 31 March 2019 and 31 December 2018 can be broken down as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	31/03/2019	31/12/2018	31/03/2019	31/12/2018	31/03/2019	31/12/2018	31/03/2019	31/12/2018
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	13	67	2	-	-	-	-	-
AEBT - Auto Estradas do Baixo Tejo, S.A.	7	7	-	-	-	-	-	-
AVIA PORTUGAL, S.A.	-	8	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	50	46	-	-	4	4	-	-
CONBATE, ACE	11	33	1	1	-	-	-	-
DOURO LITORAL, ACE	33	24	26	28	-	-	-	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	2	2	-	-	-	-
EIA - Ensino de Investigação e Administração, S.A.	9	9	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	389	35	1 550	21	-	-	-	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	49	-	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	44	32	-	-	11	11	-	-
NOVA ESTAÇÃO, ACE	273	267	81	88	13	13	-	-
Promociones Inmobiliárias 3003, C.A.	466	-	-	-	-	-	(35)	(34)
RPK Gulfstream, Ltd.	-	-	-	-	1 389	1 251	-	-
TDGISERV Services, LLC (a)	-	-	-	-	447	447	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	7	7	55	55	-	-	-	-
TRÊS PONTO DOIS - Trabalhos Gerais de Construção Civil, Via e	-	-	-	-	-	-	-	-
Catenária de Modernização da Linha do Norte, ACE	-	-	35	35	-	-	-	-
TDGISERV Services, LLC (a)	533	52	-	-	-	-	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	1 228	224	78	-	-	-	-	-
	<b>3 063</b>	<b>860</b>	<b>1 830</b>	<b>230</b>	<b>1 844</b>	<b>1 726</b>	<b>(35)</b>	<b>(34)</b>

The main transactions carried out with related parties during the periods ended on 31 March 2019 and 2018 were as follows:

Entities	Sales and services rendered		Purchases and Services Obtained	
	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
AEBT - Auto Estradas do Baixo Tejo, S.A.	6	-	-	-
CONBATE, ACE	27	18	-	-
DOURO LITORAL, ACE	17	10	2	9
IMOC - Empreendimentos Imobiliários, S.A.R.L.	384	81	3	68
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	-	-	-	3
TDGISERV Services, LLC (a)	32	-	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	776	-	64	-
	<b>1 242</b>	<b>109</b>	<b>69</b>	<b>80</b>

The remunerations of the members of TD,S.A. governing bodies for the periods ended on 31 March 2019 and 2018 were as follows:

	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
<b>Executive Directors:</b>		
Short-term benefits	148	135
<b>Supervisory Board:</b>		
Short-term benefits	17	17
<b>Chartered accountant:</b>		
Short-term benefits	15	15
	<b>180</b>	<b>167</b>

The remunerations of the members of TD,S.A. administration for the periods ended on 31 March 2019 and 2018 were as follows:

	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
<b>Senior management:</b>		
Short-term benefits	1 392	1 562
	<b>1 392</b>	<b>1 562</b>

## 20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

### CASH AND CASH EQUIVALENT

This item had the following composition at 31 March 2019 and 31 December 2018:

	31/03/2019	31/12/2018
Bank deposits	99 205	129 629
Time deposits	27 441	22 066
Other treasury applications	11 196	18 332
Cash	2 159	1 964
	<b>140 001</b>	<b>171 991</b>

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

## FLOWS OF INVESTMENT ACTIVITIES

Revenue from financial investments for the years ended on 31 March 2019 and 2018 refer to the disposal of equity interests in the following companies:

	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
Government Debt Security of the People's Republic of Angola Governm	1 747	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	150
Other	-	112
	<b>1 747</b>	<b>262</b>

## 21 - SHARE CAPITAL

As at 31 March 2018, the underwritten and paid-up share capital was represented by 420,000,000 shares with the nominal value of EUR 0.5 each.

On 31 March 2019, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 202,481,978 shares representing the capital of Teixeira Duarte, S.A., 48.21% of which corresponds to the respective share capital (202,392,526 shares representing the capital of Teixeira Duarte, S.A, corresponding to 48.19% of the respective share capital on 31 March 2018).

## 22 - RESERVES AND RETAINED EARNINGS

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

Fair value reserve - Financial investments: The fair value reserve of financial investments reflects changes in the fair value of financial assets recorded at fair value against other comprehensive income, and it cannot be distributed or used for absorbing losses.

Revaluation reserve – Real estate: This reserve may not be distributed, unless it is paid in or the respective assets subject to revaluation have been divested.

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

## 23 - LOANS

As at 31 March 2019 and 31 December 2018, the loans received were as follows:

	31/03/2019	31/12/2018
<b>Non-current liabilities:</b>		
Bank loans a)	376 614	376 100
Commercial role b)	330 900	343 900
Debentures loans c)	10 200	10 200
	<b>717 714</b>	<b>730 200</b>
<b>Current liabilities:</b>		
Bank loans a)	89 376	84 976
Commercial role b)	39 000	34 000
Debentures loans c)	5 100	5 100
	<b>133 476</b>	<b>124 076</b>
	<b>851 190</b>	<b>854 276</b>

## a) Bank loans

As at 31 March 2019, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 2.27% (2.72% as at 31 March 2018).

As at 31 March 2019, the most significant bank loans contracted by the Group essentially correspond to:

Geography	Bank	Type of Financing	Contract date	Due Date	Currency	Amount	Amount (€)
Portugal	Banco Comercial Português	Loan	05/01/2009	15/12/2033	EUR	141 020	141 020
Portugal	Banco Santander Totta	Loan	13/12/2012	13/12/2019	EUR	423	423
Portugal	Banco Atlântico Europa	Invoice Discount Line	08/04/2013	08/01/2019	EUR	956	956
Venezuela	BOD - Banco Occidental de Descuento (Venezuela)	Loan	29/07/2013	31/12/2019	VES	79 283	19
Venezuela	Banco Mercantil (Venezuela)	Loan	26/11/2013	31/12/2019	VES	8 526	2
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	AON	694 444	1 953
Portugal	Caixa Geral de Depósitos	Invoice Discount Line	27/01/2014	15/12/2020	EUR	4 321	4 321
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
Portugal	Caixa Geral de Depósitos	Loan	04/04/2015	15/12/2019	USD	369	328
Spain	Banco Sabadell (Spain)	Loan	21/04/2016	20/05/2019	EUR	46	46
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	EUR	410	410
Portugal	Banco BPI	Loan	05/07/2016	05/11/2021	EUR	9 615	9 615
Portugal	Caterpillar	Loan	11/07/2016	07/07/2020	EUR	194	194
Portugal	Caterpillar	Loan	19/07/2016	07/08/2020	EUR	54	54
Spain	Bankinter (Spain)	Loan	22/07/2016	22/07/2020	EUR	343	343
Portugal	Banco Comercial Português	Loan	12/08/2016	31/12/2033	EUR	10 179	10 179
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	EUR	7 235	7 235
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	EUR	9 722	9 722
Portugal	Banco BAI Europa	Loan	22/09/2016	30/09/2019	USD	1 574	1 401
Portugal	Caterpillar	Loan	12/12/2016	22/12/2020	EUR	111	111
Portugal	Caixa Económica Montepio Geral	Factoring with resource	17/01/2017	31/12/2019	EUR	4 138	4 138
Spain	Banco Popular (Spain)	Loan	16/06/2017	20/07/2021	EUR	1 205	1 205
Brazil	Banco Itaú	Loan	26/07/2017	25/07/2021	BRL	15 341	3 497
Spain	Banco Santander Central Hispano (Spain)	Loan	22/11/2017	22/11/2022	EUR	499	499
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	31 777	31 777
Portugal	Caixa Geral de Depósitos	Invoice Discount Line	12/01/2018	31/12/2033	EUR	5 505	5 505
Portugal	Novo Banco	Invoice Discount Line	12/01/2018	31/12/2033	EUR	8 310	8 310
Portugal	Banco Comercial Português	Invoice Discount Line	16/01/2018	31/12/2033	EUR	5 283	5 283
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
Spain	De Lage Landen International	Loan	10/10/2018	10/10/2023	EUR	411	411

As at 31 March 2019 and 31 December 2018, the bank loans also include the pledged accounts of the value of EUR 78,903 thousand and EUR 72,316 thousand, respectively.

## b) Commercial role

As at 31 March 2019, the Group had negotiated the following commercial paper programmes:

Geography	Bank	Type of financing	Contract date	Due 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	20 900
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	2,00%	EUR	182 750
Portugal	Banco Finantia	Commercial Paper	02/05/2014	02/05/2020	4,25%	EUR	2 350
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	16 900
Portugal	Banco BPI	Commercial Paper	30/01/2018	30/01/2021	2,90%	EUR	4 500
							<b>369 900</b>

## c) Debentures loans

A TEIXEIRA DUARTE – Engenharia e Construções S.A. and TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. entered into a contract with Banco Comercial Português, S.A. for the Provision of Assistance and Placement Services for a Private Bond Issue Offer, as well as a Paying Agent Contract related to the Grouped Issue of Bonds by Private Subscription, amounting to 15,300 thousand euros (1,500 thousand euros from TEIXEIRA DUARTE – Engenharia e Construções S.A. and 13,800 thousand euros from TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A.) known as “TEIXEIRA DUARTE - Engenharia e Construções, S.A. / TEIXEIRA DUARTE – Gestão de Participações e Investimentos Imobiliários, S.A. – 2014/2021”. Interest is settled quarterly at a rate of 4.57%, and repayment will be made at part in three equal instalments, on 2 April 2019, 2 April 2020 and 2 April 2021.

As at 31 March 2019 and 31 December 2018, the repayment of the non-current bank loans is defined as follows:

	31/03/2019	31/12/2018
2020	52.077	59.485
2021	55.475	65.804
2022	39.280	40.130
2023	39.110	39.547
2024 e seguintes	531.772	525.234
	<b>717.714</b>	<b>730.200</b>

As at 31 March 2019 and 31 December 2018, financing agreements in foreign currency were expressed in the following currencies:

Currency	31/03/2019		31/12/2018	
	Currency	Euros	Currency	Euros
Venezuelan bolivar	87 809	21	143 668	177
American dollars	2 250	2 003	2 293	2 003
Angola Kwanza	3 988 398	11 219	4 962 223	14 057
Colombian Peso	3 722	1	6 143	2
Brazilian real	15 341	3 497	17 029	3 832

The loans denominated in foreign currency earn interest at market rates and were converted into Euro based on the exchange rate on the reporting date.

On 31 March 2019, we presented the reconciliation of changes in liabilities arising from the financing activity:

1 <sup>st</sup> Quarter 19					
	Initial balance	Increases	Reductions	Currency effect	Closing balance
Loans	854 276	328 368	(331 545)	91	851 190
	<b>854 276</b>	<b>328 368</b>	<b>(331 545)</b>	<b>91</b>	<b>851 190</b>

## 24 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Following several inspections carried out by the Tax and Customs Authority (TA) for the financial years 2007 to 2013, TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, SA, a company directly owned at 100% of its share capital by "TD, SA", the following adjustments were made to the tax losses initially determined by this investee:

Financial year	Calculated tax loss	AT correction
2007	42 088	29 331
2008	36 573	45 938
2009	46 203	24 807
2010	5 123	6 467
2011	12 779	3 213
2012	13 294	2 299
2013	26 221	5 000

The nature of corrections made is presented below:

### 1. Financial costs not accepted

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

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

Following the close of the 2017 financial year, TEIXEIRA DUARTE - Engenharia e Construções, S.A., as the parent company for the 2007 financial year, was notified of a Ruling handed down by the Supreme Administrative Court (STA), determining the annulment of the additional settlement issued by AT, which was the subject of an appeal, considered unfounded by STA during the second quarter of 2018.

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

### 2. Application of article 51 of the corporation tax (IRC) code

The correction to the tax loss calculated in 2013 is related in full to the incorrect application, according to the AT, of article 51 of the IRC (Corporation Tax) Code. This correction was subject to a legal challenge by "TD, S.A." in its capacity as the parent company.

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

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

TEIXEIRA DUARTE – Engenharia e Construções, S.A., in its capacity as parent company during the 2008 financial year, contested this correction under the terms of the law.

As a result of an inspection carried out by AT of the accounting elements of the subsidiary company TEIXEIRA DUARTE - Engenharia e Construções, S.A. in 2008, the respective taxable profit ascertained on that date was corrected, amounting to 35,467 thousand euros.

As regards this correction, the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A., in its capacity as the controlling company of the group of companies in force at the time, contested 32,595 thousand euros, related to tax credit, the capital gains tax reinvestment regime and the application of article 22(10) of the EBF (Tax Benefits Statute).

Following an inspection of the subsidiary TDO - Investimento e Gestão, S.A. for the financial year 2014, AT also settled a Regional Surtax amounting to 102 thousand euros.

Given that this subsidiary was covered, in 2014, by the regime provided for in article 36 of the Tax Benefits Statute, this correction was challenged in court.

Following several inspections carried out by the AT of the calculation of corporation tax for the years 2013, 2014 and 2015, owed by the group of companies taxed under the Special Taxation Regime for Company Groups (RETGS) of which "TD, SA" is the parent company, the following corrections were made:

1. Application of article 90 of the corporation tax (IRC) code

Financial year	Corrected tax
2013	811
2014	1 097
2015	559

These corrections result from the AT having a different understanding regarding the use of tax deductions provided for in article 90 of the IRC Code for the Municipal Surtax and State Surtax ascertained within the scope of application of the RETGS.

All these corrections were challenged in court by "TD, SA".

2. Net Financing Costs (article 67 of the Corporation Tax Code)

During the 2018 financial year, "TD, SA" was notified of the Report on Conclusions on the inspection carried out by the AT on corporate income tax payable by the RETGS in 2015, having determined a correction to the tax base, calculated as amounting to 22,710 thousand euros.

This correction, related to the use, in 2015, of the "break" calculated in previous years under the scope of article 67 of the Corporation Tax Code, will be challenged by "TD, SA" in its capacity as parent company.

Guarantees:

As at 31 March 2019 and 31 December 2018, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	31/03/2019	31/12/2018
Granted bank guarantees	280 763	275 996
Guarantee insurance	151 399	149 676

The bank guarantees were essentially provided for the effect of tenders, advances received and as a completion bonds for works.

TEIXEIRA DUARTE - Engenharia e Construções, S.A., EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A., SOMAFEL - Engenharia e Obras Ferroviárias, S.A., RECOLTE, Servicios y Medioambiente, S.A.U., EMPA - Serviços de Engenharia, S.A., and the Boyacá - La Guaira consortium, have provided bond insurance to guarantee the performance of works and services provided.

For the effects of the suspension of two tax enforcement processes instigated against investee TEIXEIRA DUARTE – Engenharia e Construções, S.A., and with regard to Corporate Income Tax debt from the 2008 period, the settlement of which was contested, bank guarantees amounting overall to more than 27,546 thousand euros were issued in favor of the Tax and Customs Authority (AT).

Following a favourable decision regarding the 2007 Corporation Tax (IRC), with a direct impact on the losses reported for the 2008 financial year, during the course of 2018 the AT ruled that the bank guarantees mentioned in the preceding paragraph could be reduced to the amount of 16,887 thousand euros.

For the purpose of suspending a tax enforcement proceeding filed with the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, SA, relating to IRC (Corporation Tax) debt for the period of 2010, "TD, SA" presented a guarantee, amounting to EUR 10,139m, which was accepted by the AT.

For the purposes of suspending tax enforcement proceedings instigated against "TD, S.A.." and relating to the corporation tax (IRC) debt for the 2013 period, bank guarantees with an overall amount of 1,125 thousand euros were issued in favor of AT.

For the purposes of suspending a tax enforcement procedure filed against the subsidiary TEIXEIRA DUARTE – Engenharia e Construções, S.A., concerning the debt for corporation tax withheld at source for the 2014 period, which is pending settlement under the scope of a loan plan, bank guarantees amounting to a total of 4,038 thousand euros were issued in favour of AT. The amount of these guarantees has been reduced following payments made by that subsidiary company, amounting to 1,001 thousand euros as at Sunday, March 31, 2019.

For the purposes of suspending tax enforcement proceedings instigated against the subsidiary TDO – Investimento e Gestão, S.A., and relating to the corporation tax (IRC) debt for the 2014 period, a bank guarantee amounting to 181 thousand euros was issued in favour of AT.

For the purposes of suspending a tax enforcement procedure filed against "TD, SA", concerning the corporation tax debt for the 2014 period, bank guarantees amounting to a total of 1,528 thousand euros were issued in favor of AT.

For the purposes of suspending tax enforcement proceedings instigated against "TD, SA" and relating to the corporation tax (IRC) debt for the 2015 period, a bank guarantee amounting to 898 thousand euros was issued in favour of AT.

As of Sunday, March 31, 2019, the Group's collateral broke down as follows:

Geography	Bank	Type of financing	Contract date	Due date	Collaterals
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	Pledge of 4,760,000 BCP shares
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	Pledge of 4,675,000 Shares in the TDF Fund
Portugal	Caixa Geral de Depósitos	Escrow account	07/07/2010	31/12/2033	Pledge of 4,675,000 Shares in the TDF Fund
Portugal	Banco Santander Totta	Loan	13/12/2012	13/12/2019	Mortgage of 65 Fractions - Santa Marinha - Vila Nova de Gaia
Venezuela	BOD - Banco Occidental de Descuento (Venezuela)	Loan	29/07/2013	31/12/2019	Collateral held by the bank - USD 420,325.66 at Banco Orinoco
Venezuela	Banco Mercantil (Venezuela)	Loan	26/11/2013	31/12/2019	Collateral held by the bank - USD 125,000.00 in Mercantil Bank Panama
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	Penhor 12.500.000 Ações EPOS e de 200.000.000 Ações C+PA + Penhor 1.325.000 Unidades de Participação Fundo TDF + Hipoteca Pólo Operacional TD Montijo + Hipoteca 9 Lotes Mafamude + Hipoteca 10 Lotes Empreendimento Santa Marinha Design District - Santa Marinha
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	30/04/2014	30/04/2021	Mortgage on Hotel Trópico (Building no. 1826) - Ingombotas
Portugal	Novo Banco	Loan	26/01/2015	15/12/2021	Pledge of 2,006,396 BCP shares
Portugal	Banco BIC Português	Escrow account	06/08/2015	05/08/2019	GB from BIC AO (€23M) to BIC PT / Mortgage on Building no. 2254 - Shopping Complex and Offices Vehicle Centre - Talatona
Portugal	Novo Banco	Commercial Paper	28/12/2015	15/06/2027	Mortgage on Land in Pedregueiras - (14+10) Rural Buildings + Pledge of 1,045,610 Shares in Recolte Spain
Portugal	Novo Banco	Commercial Paper	14/01/2016	31/12/2033	Pledge of 1,000,000 TDGI shares
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	Respective Equipment
Portugal	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 on the Magnolia and Coima + Vale Figueira development, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	Mortgage on the Magnolia and Coima + Vale Figueira development, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	Mortgage on the Magnolia and Coima + Vale Figueira development, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park
Portugal	Caterpillar	Loan	12/12/2016	22/12/2020	Respective Equipment
Brazil	Banco Itaú	Loan	26/07/2017	25/07/2021	Real Estate Development Condominium Portrait Pinheiros - São Paulo / Brazil (104 Independent Units)
Spain	RCI Banque (Spain)	Loan	20/12/2017	20/06/2021	Respective Equipment
Spain	RCI Banque (Spain)	Loan	30/01/2018	25/07/2021	Respective Equipment
Portugal	Banco Comercial Português	Loan	10/05/2018	09/05/2021	Mortgage of 4 Lots/Land for Construction - Bairro Rosário (Cascais)

#### Financial commitments:

As at 31 March 2019 and 31 December 2018, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 342,679 thousand and EUR 344,459 thousand, respectively.

As at 31 March 2019 and 31 December 2018, factoring contracts without right of recourse were in force, which were recorded as reductions in accounts receivable of the value of EUR 7,126 thousand and EUR 5,024 thousand, respectively. According to the contractual conditions, the Group's liability is essentially restricted to the guaranteed acceptance of the invoices object of the factoring on the part of the customers.

## 25 - MEASUREMENTS AT FAIR VALUE

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

The following table shows the Group's assets and liabilities measured at fair value at 31 March 2019 according to the following fair value levels:

- Level 1: the fair value of financial instruments is based on prices ruling on active, liquid markets at the date of the statement of financial position;
- Level 2: the fair value of financial instruments is not determined based on active market prices but according to valuation models;
- Level 3: the fair value of financial instruments is not determined based on active market prices but according to valuation models, the main inputs of which are not observable on the market.

Category	Item	Level 1	Level 2	Level 3
<b>Assets:</b>				
Other financial investments at fair value through other comprehensive income	Actions	1 710	-	-
Other financial investments at fair value through other comprehensive income	Actions	-	12 550	2 824
Investment Properties	Buildings and land	-	195 605	-

Except with respect to non-current loans, most financial assets and liabilities mature in the short term, hence it is considered that their fair value is identical to the respective book values.

Regarding loans, most loans are taken out at variable interest rates. It is considered that their book value (amortised cost) does not differ significantly from corresponding market value.

## 26 – EXCHANGE RATE ADJUSTMENTS

During the periods ending 31 March 2019 and 2018, exchange rate adjustments calculated during the conversion of the financial statements of companies denominated in foreign currencies, for each geographical area, were as follows:

	1 <sup>st</sup> Quarter 19	1 <sup>st</sup> Quarter 18
Angola	(3 571)	(148 480)
Algeria	(2 790)	(512)
Brazil	1 468	(5 618)
Mozambique	(748)	(5 028)
Venezuela	(3 491)	(6 769)
Other Markets	289	(403)
	<b>(8 843)</b>	<b>(166 810)</b>

## 27 - IMPACT OF THE APPLICATION OF IFRS 16

As a result of the application of IFRS 16 - Leases, we present the impacts on the statement of results and on the financial position on 31 March 2019:

### STATEMENT OF RESULTS

	1 <sup>st</sup> Quarter 19 (Before the application of IFRS 16)	IFRS 16 impact	1 <sup>st</sup> Quarter 19 (After the application of IFRS 16)
Operating income:			
Sales and services rendered	210 364	-	210 364
Other operating income	25 544	-	25 544
<b>Total of operating income</b>	<b>235 908</b>	<b>-</b>	<b>235 908</b>
Operating costs:			
Cost of sales	(59 070)	-	(59 070)
Production changes	463	-	463
External supplies and services	(68 790)	2 464	(66 326)
Expenses with staff	(56 674)	-	(56 674)
Amortizations and depreciations	(12 689)	(2 070)	(14 759)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	1 251	-	1 251
Other operating costs	(15 379)	-	(15 379)
<b>Total of operating costs</b>	<b>(210 888)</b>	<b>394</b>	<b>(210 494)</b>
<b>Operational Income</b>	<b>25 020</b>	<b>394</b>	<b>25 414</b>
Costs and financial losses	(16 739)	(635)	(17 374)
Income and financial earnings	5 106	-	5 106
Earnings from investment activities:			
Income related to affiliates and joint-ventures	347	-	347
Other	801	-	801
<b>Financial Results</b>	<b>(10 485)</b>	<b>(635)</b>	<b>(11 120)</b>
<b>Results before taxes</b>	<b>14 535</b>	<b>(241)</b>	<b>14 294</b>
Income tax	(6 187)	-	(6 187)
<b>Consolidated net result for the period</b>	<b>8 348</b>	<b>(241)</b>	<b>8 107</b>
<b>Net results attributable to:</b>			
<b>Equity holders</b>	<b>8 262</b>	<b>(241)</b>	<b>8 021</b>
Non-controlling interests	86	-	86

**FINANCIAL POSITION ON 31 MARCH 2019**

	(Before Application of IFRS 16)	IFRS 16 impact	(After Application of IFRS 16)
<b>Non-current assets:</b>			
Goodwill	12 276	-	12 276
Intangible assets	71 120	-	71 120
Fixed tangible assets	534 291	(8 842)	525 449
Investment Properties	195 605	-	195 605
Direito de uso	-	51 275	51 275
Investments in associates and joint-ventures	17 509	-	17 509
Other financial investments at amortized cost	4 273	-	4 273
Other financial investments at fair value through other comprehensive income	17 084	-	17 084
Assets for deferred tax	155 910	-	155 910
Customers	19 082	-	19 082
Other debtors	10 992	-	10 992
<b>Total of non-current assets</b>	<b>1 038 144</b>	<b>42 433</b>	<b>1 080 577</b>
<b>Current assets:</b>			
Inventories	215 808	-	215 808
Customers	217 537	-	217 537
Other debtors	30 096	-	30 096
Other financial investments at amortized cost	13 197	-	13 197
Cash and cash equivalents	140 001	-	140 001
Other current assets	189 750	-	189 750
	<b>806 389</b>	<b>-</b>	<b>806 389</b>
Assets for sale	34 897	-	34 897
<b>Total of current assets</b>	<b>841 286</b>	<b>-</b>	<b>841 286</b>
<b>TOTAL OF ASSET</b>	<b>1 879 429</b>	<b>42 433</b>	<b>1 921 862</b>
<b>Equity:</b>			
Capital	210 000	-	210 000
Adjustments of shareholdings in associates and joint-ventures	(491)	-	(491)
Effect of currency adjustments	(312 138)	-	(312 138)
Reserves and retained income	461 267	-	461 267
Consolidated net result	8 262	(241)	8 021
<b>Equity attributable to shareholders</b>	<b>366 900</b>	<b>(241)</b>	<b>366 659</b>
Non-controlling interests	35 545	-	35 545
<b>EQUITY TOTAL</b>	<b>402 445</b>	<b>(241)</b>	<b>402 204</b>
<b>Non-current liabilities:</b>			
Loans	717 714	-	717 714
Provisions	43 291	-	43 291
Responsabilidades com locações	-	42 257	42 257
Financial Leases	4 128	(4 128)	-
Liabilities by deferred taxes	110 880	-	110 880
Other non-current liabilities	63 241	-	63 241
<b>Total of non-current liabilities</b>	<b>939 254</b>	<b>38 129</b>	<b>977 383</b>
<b>Current liabilities:</b>			
Loans	133 476	-	133 476
Responsabilidades com locações	-	8 052	8 052
Suppliers	131 349	-	131 349
Financial Leases	3 507	(3 507)	-
Other Creditors	28 855	-	28 855
Other current liabilities	216 982	-	216 982
	<b>514 169</b>	<b>4 545</b>	<b>518 714</b>
Liabilities for sale	23 561	-	23 561
<b>Total of current liabilities</b>	<b>537 730</b>	<b>4 545</b>	<b>542 275</b>
<b>TOTAL OF LIABILITY</b>	<b>1 476 984</b>	<b>42 674</b>	<b>1 519 658</b>
<b>TOTAL OF LIABILITY AND EQUITY</b>	<b>1 879 429</b>	<b>42 433</b>	<b>1 921 862</b>

**28 - APPROVAL OF THE FINANCIAL STATEMENTS**

The financial statements for the year that ended on 31 December 2019 were approved by the Board of Directors on 27 May 2019.

**29 - SUBSEQUENT EVENTS**

TEIXEIRA DUARTE continued its activity in the different markets in which it operates, and there are no relevant events to mention, occurring between 31 March 2019 and the issue date of this document.



