

Teixeira Duarte

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Report and Accounts

1st Semester 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 490 million euros;

Turnover of 440 million euros;

External Market accounts for 75.7% of turnover;

EBITDA of 78 million euros;

EBITDA margin / Turnover of 17.7%;

Net Results Attributable to Holders of Equity of 12.3 million euros;

Net Group Assets of 1.903 billion euros;

Net Financial Debt of 777 million euros;

Financial Autonomy stood at 19.3%;

Statement of Results DURING THE PERIODS ENDED ON 30 JUNE 2019 AND 2018

	1st S 19	1st S 18	Var (%)	2nd Q 19	2nd Q 18	Var (%)
Operating income	489 881	494 653	(1,0%)	253 973	245 282	3,5%
Operating costs	(411 993)	(403 478)	(2,1%)	(215 007)	(206 290)	(4,2%)
EBITDA	77 888	91 175	(14,6%)	38 966	38 992	(0,1%)
Amortizations and depreciations	(28 520)	(21 788)	(30,9%)	(13 761)	(10 272)	(34,0%)
Provisions and impairment losses	239	(2 904)	-	(1 012)	(998)	(1,4%)
EBIT	49 607	66 483	(25,4%)	24 193	27 722	(12,7%)
Financial Results	(35 476)	(37 633)	5,7%	(24 356)	(3 139)	(675,9%)
Results before taxes	14 131	28 850	(51,0%)	(163)	24 583	(100,7%)
Income tax	(3 312)	(13 940)	76,2%	2 875	(6 690)	143,0%
Net Income	10 819	14 910	(27,4%)	2 712	17 893	(84,8%)
Attributable to:						
Equity holders	12 285	17 370	(29,3%)	4 264	19 462	(78,1%)
Non-controlling interests	(1 466)	(2 460)	40,4%	(1 552)	(1 569)	1,1%

(VALUES IN THOUSAND EUROS)



Teixeira Duarte

1st Semester 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 six 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 Sunday, June 30, 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.

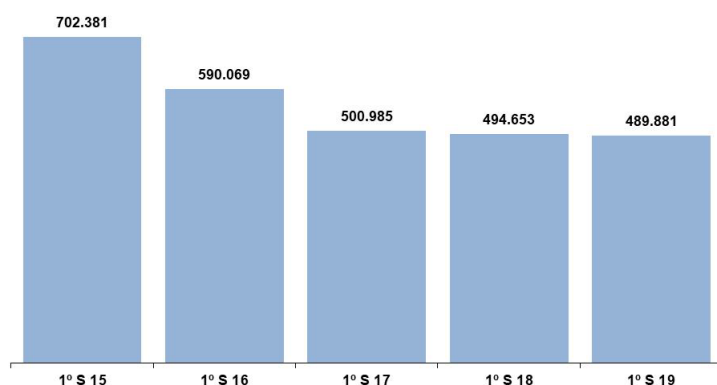
Notwithstanding the regular monitoring of Teixeira Duarte Group by its Oversight Bodies, as well as through the information report provided to you for the purpose of drafting this document, the elements published herein have no, under the applicable provisions, been audited.

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 slight decrease of 1% when compared to the same period of the previous year, dropping to 489,881 thousand euros.

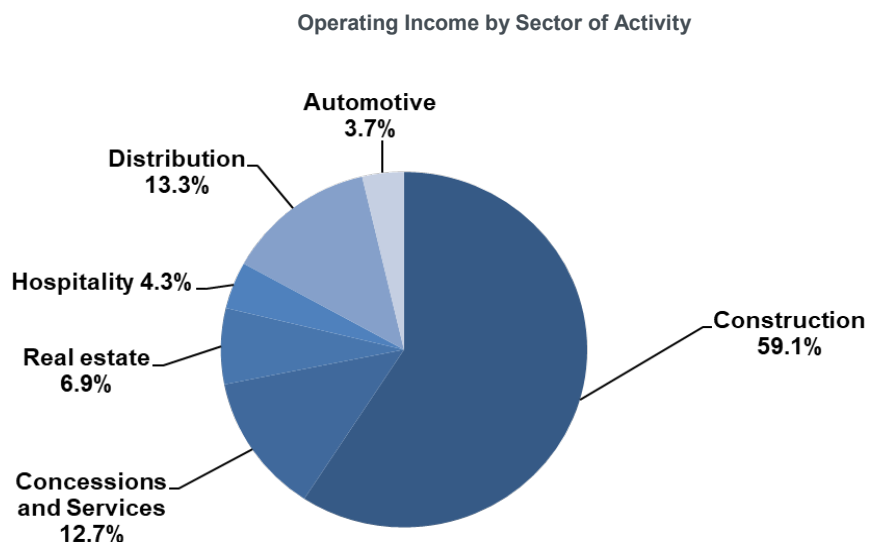
Evolution of Operating Income



(VALUES IN THOUSAND EUROS)

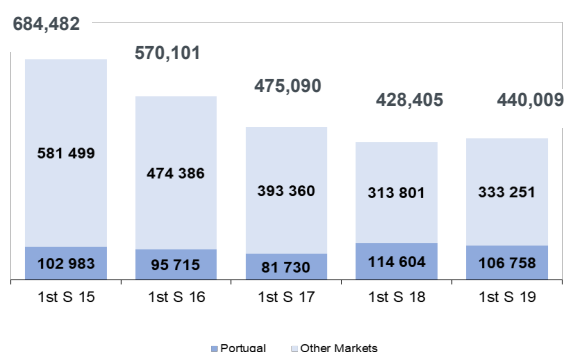
In Portugal, the Group experienced a drop of 8.8% - to which the reduction in operating revenues in the real estate sector contributed greatly - while on overseas markets there was an overall increase of 2.4% compared to the first six months of 2018.

In effect, the good performance of the companies operating in the Construction, Concessions and Services, Distribution and Automotive sectors did not offset the drop in those operating in the Real Estate sector, which was essentially due to the cycle of ventures in Portugal and the change in accounting standards applicable to ventures carried out in Brazil.



Turnover reached 440,009 thousand euros, which reflects an increase of 2.7% compared to the same period of the previous year, i.e. an additional 11,604 thousand euros.

Evolution of Turnover by Markets



(VALUES IN THOUSAND EUROS)

Over and above the dimension of the increase that was achieved, emphasis should be placed on the fact that it constitutes a reversal of the downward trend that had been seen in the last five financial years.

A decrease of 6.8% was seen in Portugal in comparison to the first six months of 2018, while other markets grew overall by 6.2%.

In this context, overseas markets came to represent 75.7% of the total Turnover of the Teixeira Duarte Group, compared to 73.3% in the same period last year,

The tables below show Turnover, broken down by countries, and Turnover by 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 S 19		1st S 18		Variation	2nd Q 19		2nd Q 18		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Portugal	106 758	24,3%	114 604	26,8%	(6,8%)	54 798	23,9%	46 797	22,3%	17,1%
Angola	126 197	28,7%	139 411	32,5%	(9,5%)	62 508	27,2%	72 363	34,5%	(13,6%)
Algeria	59 155	13,4%	55 162	12,9%	7,2%	28 476	12,4%	30 646	14,6%	(7,1%)
Brazil	81 996	18,6%	71 969	16,8%	13,9%	46 376	20,2%	35 362	16,8%	31,1%
Spain	19 503	4,4%	18 062	4,2%	8,0%	9 796	4,3%	9 406	4,5%	4,1%
Mozambique	15 389	3,5%	12 334	2,9%	24,8%	6 501	2,8%	5 328	2,5%	22,0%
Venezuela	8 694	2,0%	10 255	2,4%	(15,2%)	4 504	2,0%	6 394	3,0%	(29,6%)
Other	22 317	5,1%	6 608	1,5%	237,7%	16 686	7,3%	3 625	1,7%	360,3%
	440 009	100,0%	428 405	100,0%	2,7%	229 645	100,0%	209 921	100,0%	9,4%

(VALUES IN THOUSAND EUROS)

Evolution of Turnover by Sectors of Activity

Activity Sector	1st S 19		1st S 18		Variation	2nd Q 19		2nd Q 18		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Construction (*)	264 708	60,2%	219 784	51,3%	20,4%	141 320	61,5%	116 873	55,7%	20,9%
Concessions and services (*)	60 867	13,8%	58 020	13,5%	4,9%	31 546	13,7%	32 046	15,3%	(1,6%)
Real estate	11 480	2,6%	51 663	12,1%	(77,8%)	4 446	1,9%	11 820	5,6%	(62,4%)
Hospitality	20 979	4,8%	19 281	4,5%	8,8%	11 109	4,8%	10 469	5,0%	6,1%
Distribution	64 861	14,7%	64 229	15,0%	1,0%	32 606	14,2%	31 107	14,8%	4,8%
Automotive	17 114	3,9%	15 428	3,6%	10,9%	8 618	3,8%	7 606	3,6%	13,3%
	440 009	100,0%	428 405	100,0%	2,7%	229 645	100,0%	209 921	100,0%	9,4%

(*) - 2018 VALUES RECLASSIFIED DUE TO THE RECLASSIFICATION OF THE LA GUARIA PORT OPERATION ACTIVITY BEING RECLASSIFIED FROM CONSTRUCTION TO CONCESSIONS AND SERVICES

(VALUES IN THOUSAND EUROS)

To expand on the information shown on the above map, below can be found some notes on the aggregated activities of the Group's companies in the different sectors of activity during the first half of 2019:

CONSTRUCTION

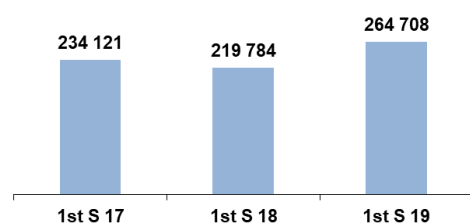
Turnover in Construction grew by 20.4% compared to the first six months of 2018.

In Portugal, there was an increase of 23.7% over the previous year, essentially due to the good performance achieved on the private construction market.

The volume achieved on overseas markets reached 192,783 thousand euros, which corresponds, overall, to an increase of 19.3% in relation to the first half year of 2018, with increases in Algeria (7.2%), Brazil (43.8%) and Mozambique (22.6%), which offset the decrease seen in Angola (43.5%).

Therefore, on 30 June 2019, the overseas market came to account for 72.8% of the turnover in Construction, instead of the 73.5% that it represented in June 2018.

Turnover of Construction Services



(*) - 2018 VALUES RECLASSIFIED

(VALUES IN THOUSAND EUROS)

The Teixeira Duarte Group's order portfolio for the construction sector decreased compared to the end of 2018, standing at an overall value of 1,459,436 thousand euros on 30 June 2019.

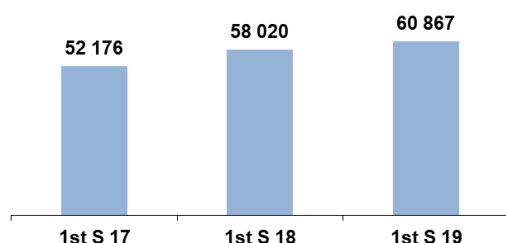
It should be noted that the value of the Order Portfolio only reflects current project execution commitments and disregards those commitments whose development is not envisaged, despite being contracted.

CONCESSIONS AND SERVICES

The Group currently carries out activities in this sector in the areas of *Facilities Management* (through "TDGI" on several markets) and Education (through EDUCARE, in Angola). It also has companies operating in the areas of Environment (through RECOLTE in Spain) and Port Activities (through the operation of La Guaria Port in Venezuela), the latter two not assumed to core businesses.

The Group companies operating in this Concessions and Services sector achieved an overall growth in turnover of 4.9% compared to June 2018, and in Portugal this growth was 17.3%.

Turnover of Concessions and Services



(*) - 2018 VALUES RECLASSIFIED

(VALUES IN THOUSAND EUROS)

REAL ESTATE

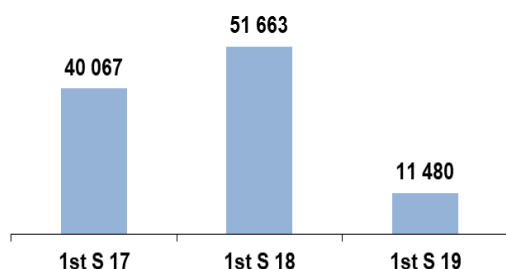
The Group decreased its Turnover in the Real Estate sector by 77.8% compared to June 2018.

In Portugal there was a reduction of 26,642 thousand euros, corresponding to a decrease of 81.1% compared to the first six months of 2018, which is attributed to the fact that in the first half of the previous year there was a significant volume of sales of properties that were previously for sale (which had led to an increase of 128.7% in comparison to 2017).

In Portugal, the Group is developing a project with the commercial name "One Living", located in Cascais, with promissory purchase contracts amounting to a total of 108,140 thousand euros already having been signed up to 30 June 2019, which guarantees a significant increase in Turnover.

In Brazil, the Group experienced a decrease of 13,266 thousand euros, corresponding to 80.3% when compared to the same period of the previous year, also contributed to by the fact that the accounting standards applicable to ventures under developed have deferred the moment at which profits are recorded.

Turnover of Real estate Services

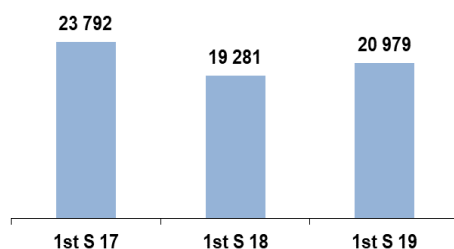


(VALUES IN THOUSAND EUROS)

HOTEL SERVICES

The Turnover of the Group companies operating in the Hospitality sector increased, overall, by 8.8% compared to the first half of 2018, with growth in Portugal of 37.2% and in Mozambique of 35.5%, which offset the drop of 7.7% recorded in Angola.

Turnover of Hospitality

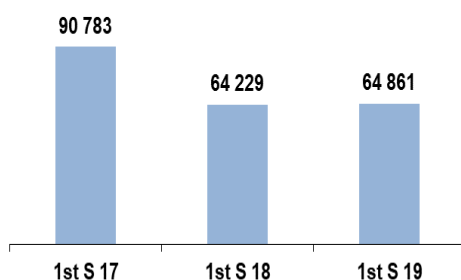


(VALUES IN THOUSAND EUROS)

DISTRIBUTION

In the Distribution sector, Group companies saw a 1% increase in their turnover when compared to the same period last year.

Turnover of Distribution Services



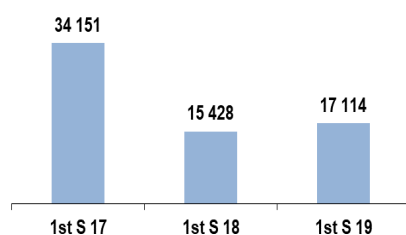
(VALUES IN THOUSAND EUROS)

In Angola, activity in Kwanzas saw growth of 35.3% compared to June 2018. When transposing this activity to the Group's currency (Euros), an increase of just 0.9% was ascertained, in comparison to the period ending on 30 June 2018, due to the devaluation of the Kwanza.

AUTOMOTIVE

In the Automotive sector, after the Group companies had resumed the regular import of vehicles and parts to Angola, an overall increase in turnover of 10.9% was achieved in comparison to the first six months of 2018.

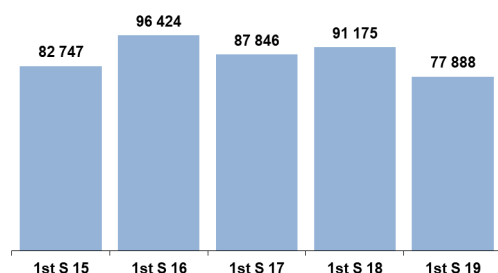
Turnover of the Automotive sector



(VALUES IN THOUSAND EUROS)

A 14.6% drop in EBITDA was seen when compared to the previous year, standing at 77,888 thousand euros.

Evolution of EBITDA



(VALUES IN THOUSAND EUROS)

EBITDA by Sectors of Activity

Activity Sector	1st S 19	1st S 18	Var (%)	2nd Q 19	2nd Q 18	Var (%)
Construction (*)	40 534	28 757	41,0%	9 725	8 115	19,8%
Concessions and services (*)	8 678	7 911	9,7%	5 490	5 348	2,7%
Real estate	13 058	39 899	(67,3%)	11 453	16 999	(32,6%)
Hospitality	8 520	6 284	35,6%	5 008	2 256	122,0%
Distribution	3 284	6 208	(47,1%)	2 383	4 457	(46,5%)
Automotive	5 587	6 888	(18,9%)	3 703	4 839	(23,5%)
Not included in the segments	(1 730)	(4 781)	63,8%	1 248	(3 031)	141,2%
Removals	(43)	9	-	(44)	9	-
	77 888	91 175	(14,6%)	38 966	38 992	(0,1%)

(*) - 2018 VALUES RECLASSIFIED

(VALUES IN THOUSAND EUROS)

It should be noted that the EBITDA achieved by the Group during the first half of 2018 benefited from the capital gain on the sale of the subsidiary "Lagoas Park, S.A.", amounting to 24,898 thousand euros, which explains the significant negative change in the real estate sector.

In the case of Distribution and Automotive, the drops reflect the economic and financial situation in Angola.

Emphasis should also be placed on the good increase in this indicator in the Construction Sector, which is not only the result of the increase in activity achieved by Group companies, but also the optimisation achieved in their performance.

Financial results were negative and stood at 35,476 thousand euros, while in the same period of last year they stood at minus 37,633 thousand euros.

This indicator reflects significant changes that should be highlighted:

- Positive change of 17,311 thousand euros in exchange rate differences;
- Positive change of 2,862 thousand euros in interest incurred;
- Negative change of 14,890 thousand euros in net monetary position.

As of June 30, 2019, **income tax** reached a negative amount of 3,312 thousand euros, while in the first six months of 2018 it stood at minus 13,940 thousand euros.

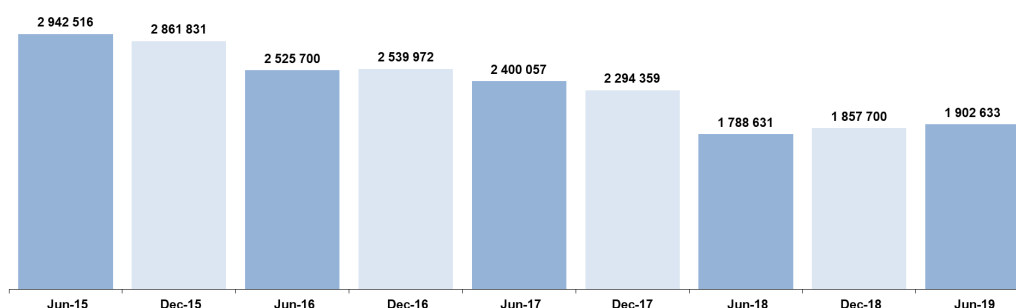
Net Results Attributable to Equity Holders of 12,285 thousand euros, posted a decrease of 29.3% compared to the first half of 2018.

In addition to the normal impact of the entities forming part of the Teixeira Duarte Group carrying out their activities in their different markets, this indicator was also influenced:

- Positively, due to the fact that financial exchange rate differences in the first half of 2019 were negative, amounting to 21,266 thousand euros, whereas in the same period of the previous year they stood at minus 38,577 thousand euros;
- Negative, due to the fact that the impact of the net monetary position resulting from the application of IAS 29 to companies in Angola and Venezuela was 4,852 thousand euros in June 2019, whereas it was 19,742 thousand euros in 2018.

Total Net Assets grew by 2.4% in relation to 31 December 2018, standing at 1,902,633 thousand euros, which corresponds to an increase of 44,933 thousand euros, of which 40,097 thousand euros are the result of the application of IFRS 16 - Leases.

Evolution of Net asset



(VALUES IN THOUSAND EUROS)

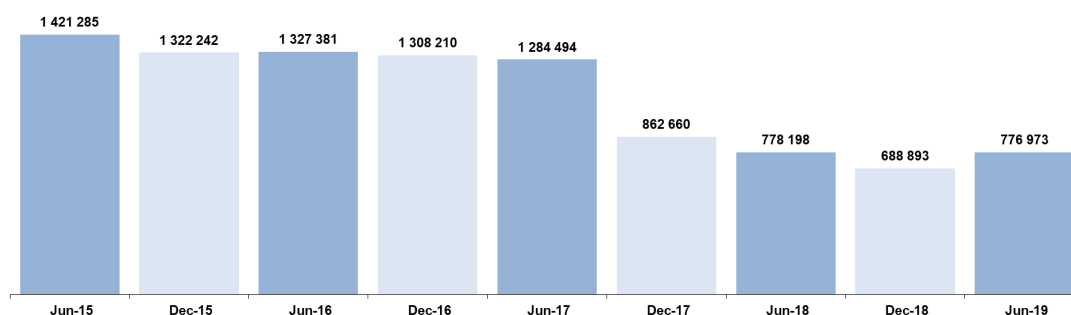
Net Financial Debt increased by 88,080 thousand euros since the end of 2018, standing at 776,973 thousand euros.

This evolution was essentially due to the following factors:

- Increase of 40,571 thousand euros resulting from the application of IFRS 16 - Leases;
- A reduction of 56,053 thousand euros in cash and cash equivalents, resulting on the one hand from the increase in investment in the Real Estate Sector and, on the other hand, from the unfavorable working capital and the devaluation of the currencies in which the Group operates, which reached 7,641 thousand euros;
- Reduction of 9,410 thousand euros of financial debt.

The **Net Financial Debt/EBITDA** ratio stood at 4.99x as at 30 June 2019.

Evolution of Net Financial Debt



(VALUES IN THOUSAND EUROS)

Equity Attributable to Shareholders decreased by 34.976 thousand euros, from 367,624 thousand euros to 332,648 thousand euros, corresponding to a 9.5% decrease when compared to 31 December 2018.

Total Equity decrease by 9%, standing at 367,209 thousand euros, influenced essentially by the following factors:

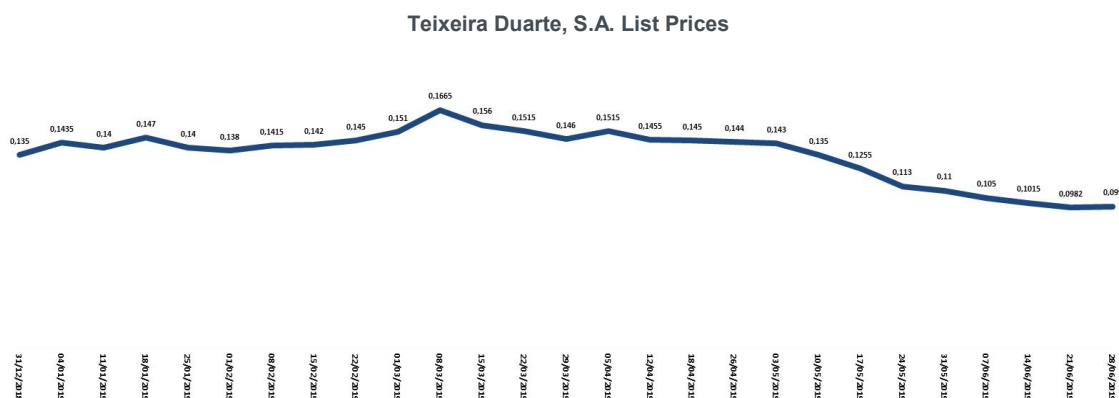
- Positive net income of 10,819 thousand euros;
- Negative impact of 49,232 thousand euros, resulting from the currency conversion recorded as a result of the devaluation of the Currencies in which the Group operates in relation to the Euro;

Financial Autonomy shifted from 21.7% as at 31 December 2018 to 19.3% at 30 June, 2019.

The **average number of employees** as of June 30, 2019 was 11,511, an increase of 9.3% compared to 31 December 2018, mainly due to the construction activity in Brazil.

The **price of "Teixeira Duarte, S.A." bonds** increased from EUR 0.135 on 31 December 2018 to EUR 0.099 on 30 June 2019.

The following graph shows the evolution in listed share prices during the first six months of this year, which have varied during this period between a minimum of 0.0906 euros and a maximum of 0.172 euros.



88,210,914 shares were traded on the stock exchange during this period, with a total amount of turnover of 12,162,543 euros.

III. FACTS THAT OCCURRED AFTER THE CLOSE OF THE 1ST HALF OF 2019

TEIXEIRA DUARTE continued its activity on the different markets on which it operates, with emphasis on the following relevant fact that occurred after 30 June 2019 and was appropriately disclosed to the market:

TEIXEIRA DUARTE, S.A." entered into a partnership with "CSCEC - China Construction Portugal, S.A." - a Portuguese company forming part of the Group, led by "China State Construction Engineering Corporation" - for the development of a real estate project, in Oeiras, Portugal, which is formalized through a share sale contract corresponding to 50% of the share capital of a Teixeira Duarte Group subsidiary, which has held the land where the project will be implemented for a long time. The development will consist of several office, residential and commercial buildings, set in a large green park, in a model that is intended to be a benchmark of innovation and sustainability.

The aforementioned sale of shares to the company "CSCEC - China Construction Portugal, S.A." has an estimated positive impact on the results for the 3rd quarter of 2019 of "Teixeira Duarte, S.A." of around 22.2 million euros.

IV. PROSPECTS

For 2019, the Teixeira Duarte Group maintains a forecast of achieving consolidated operating revenues of around 1.1 billion euros.

In view of the significance of Construction to the Group's operating revenues, it should be remembered that the Construction Orders Portfolio had an overall value of 1,459,436 thousand euros on 30 June 2019.

For a more detailed analysis of more immediate periods, below can be found a table of additional elements concerning its distribution by markets of activity:

	Jul to Dec 2019		2020	
	Value	Contribution (%)	Value	Contribution (%)
Portugal	135 104	33,6%	124 640	23,1%
Other Markets	267 583	66,4%	414 974	76,9%
Total	402 687	100,0%	539 614	100,0%

(VALUES IN THOUSAND EUROS)

V. ANNEXES TO THE INTERIM MANAGEMENT REPORT

NUMBER OF SECURITIES OF THE MEMBERS OF THE GOVERNING BODIES

In compliance with the duties of information to which it is bound due to several different pieces of current legislation, Teixeira Duarte, S.A. hereby presents a list of securities issued by the Company, and by companies with which it has a controlling or group relationship, held by members of company boards, as well as all acquisitions, encumbrances or transmissions during the first six months of 2019, specifying the amount, the date of the fact and the compensation paid or received:

At the General Meeting of "Teixeira Duarte, S.A." on 27 May 2019, elections were held for a new four-year period (2019-2022), in which Rogério Paulo Castanho Alves (Chairman of the General Meeting Board), José Gonçalo Pereira de Sousa Guerra Costenla (Vice-Chairman of the General Meeting Board) and Joel Vaz Viana de Lemos (Director), Mateus Moreira (Member of the Audit Committee) and Miguel Pereira Coutinho (Member of the Audit Committee) were not reelected. As of this date, none of these people conducted any operations with securities issued by the Company or by companies that have a control or group relationship with it.

Between this date and 30 June 2019, the newly elected holders of the positions, identified above, did not conduct any operations with securities issued by the Company or by companies that have a control or group relationship with it.

I - Number of shares held by members of the corporate bodies as of 31 December 2018:

Name	Company	Capacity	Nr. of Shares
Rogério Paulo Castanho Alves	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiães Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	42 000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Director	5 030 575
Joel Vaz Viana de Lemos	Teixeira Duarte, S.A.	Director	433 862
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Director	62 671
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Director	31 160
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Mateus Moreira	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
Mr. Miguel Carmo Pereira Coutinho	Teixeira Duarte, S.A.	Member of the Supervisory Board	(a) 10.000
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

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

II. Transactions with shares directly and indirectly held by members of the corporate bodies during the period between 1 January and 30 June 2019:

It is hereby reported, for all due effects, that no share transactions were directly or indirectly performed by members of the Corporate Bodies of "Teixeira Duarte, S.A.".

III - Number of shares held by Members of the Governing Bodies as at 30 June 2019:

Name	Company	Capacity	Nr. of Shares
José Luciano Vaz Marcos	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Mário Ferreira de Almeida	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	3 000
José Pedro Poiares Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	42 000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Director	5 030 575
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Director	62 671
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A.	Director	3 967 473
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Director	31 160
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
João Salvador dos Santos Matias	Teixeira Duarte, S.A.	Member of the Supervisory Board	10
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

LIST OF HOLDERS OF QUALIFIED HOLDINGS AS AT 30 JUNE 2019

In compliance with applicable legal and regulatory provisions, and based on company records and on information received, TEIXEIRA DUARTE, S.A. hereby discloses the list of holders of qualified shares in its equity on 30 June 2019, indicating the number of shares held and allocated, with the corresponding voting right percentages, calculated under the terms of article 20 of the Securities Code.

Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.	Nr. shares as at 30.06.2019	Share capital with right to vote
Directly	202 160 000	48,13%
Through the members of Board of Directors of "TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.".	49 452 501	11,77%
TOTAL ATTRIBUTABLE	251 612 501	59,91%
 Miguel Calainho de Azevedo Teixeira Duarte	 Nr. shares as at 30.06.2019	 Share capital with right to vote
Directly	1 042 895	0,25%
Through the company controlled directly by him "MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda"	44 189 468	10,52%
TOTAL ATTRIBUTABLE	45 232 363	10,77%
 João Afonso Calainho de Azevedo Teixeira Duarte	 Nr. shares as at 30.06.2019	 Share capital with right to vote
Directly	9 717 325	2,31%
TOTAL ATTRIBUTABLE	9 717 325	2,31%

COMPLIANCE STATEMENT

(UNDER THE TERMS OF LINE C) OF ITEM 1 OF ARTICLE 246 OF THE SECURITIES CODE)

As far as the signatories are aware, the information disclosed in this report and the respective financial statements was drawn up in accordance with applicable accounting standards, giving a true and appropriate impression of the assets and liabilities, the financial situation and results of TEIXEIRA DUARTE, S.A. and the companies included within its perimeter of consolidation. Similarly, the interim management report accurately presents indications of important events that occurred during the first six months of 2019 and their impact on the respective financial statements, and contains a description of the main risks and uncertainties for the forthcoming six months.

Lagoas Park, 28 August 2019

The Board of Directors,

Pedro Maria Calainho Teixeira Duarte

Manuel Maria Calainho de Azevedo Teixeira Duarte

Carlos Gomes Baptista

Maria da Conceição Maia Teixeira Duarte

Diogo Bebiano Branco de Sá Viana Rebelo



Teixeira Duarte

1st Semester of 2019

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

AT 30 JUNE 2019 AND 31 DECEMBER 2018
(VALUES IN THOUSAND EUROS)

	Notes	30/06/2019 (Não auditadas)	31/12/2018 (auditadas)
Non-current assets:			
Goodwill		12 277	12 271
Intangible assets		69 481	65 013
Tangible fixed assets	13	488 825	552 632
Investment Properties	14	194 023	194 091
Direito de uso	27	48 939	-
Investments in associates and joint-ventures	7 and 15	17 989	16 821
Other financial investments at amortized cost	16	4 123	4 219
Other financial investments at fair value through other comprehensive income	7 and 16	17 470	16 930
Assets for deferred tax	18	160 806	149 435
Customers		18 773	23 441
Other debtors		13 979	11 091
Total of non-current assets		1 046 685	1 045 944
Current assets:			
Inventories		204 627	192 645
Customers		226 665	186 103
Other debtors		18 462	22 194
Other financial investments at amortized cost	16	13 026	14 665
Cash and cash equivalents	20	115 938	171 991
Other current assets		223 149	189 262
		801 867	776 860
Assets for sale	17	54 081	34 897
Total of current assets		855 948	811 757
TOTAL OF ASSET	7	1 902 633	1 857 700
Equity:			
Capital	21	210 000	210 000
Adjustments of shareholdings in associates and joint-ventures		154	(673)
Currency conversion adjustments	26	(352 198)	(303 790)
Reserves and retained income	22	462 407	450 960
Consolidated net result		12 285	11 127
Equity attributable to shareholders		332 648	367 624
Non-controlling interests		34 561	35 736
EQUITY TOTAL		367 209	403 360
Non-current liabilities:			
Loans	23	705 790	730 200
Provisions		41 625	43 946
Responsabilidades com locações	27	40 205	-
Financial Leases		-	3 814
Liabilities by deferred taxes	18	101 785	112 548
Other non-current liabilities		66 461	63 654
Total of non-current liabilities		955 866	954 162
Current liabilities:			
Loans	23	139 076	124 076
Responsabilidades com locações	27	7 840	-
Suppliers		151 054	139 646
Financial Leases		-	2 794
Other Creditors		27 050	21 472
Other current liabilities		219 889	188 629
		544 909	476 617
Liabilities for sale	17	34 649	23 561
Total of current liabilities		579 558	500 178
TOTAL OF LIABILITY	7	1 535 424	1 454 340
TOTAL OF LIABILITY AND EQUITY		1 902 633	1 857 700

The annex notes forms an integral part of the consolidated statement of the financial position for the quarter ending 30 June 2019.

CONSOLIDATED STATEMENT OF RESULTS

DURING THE PERIODS ENDED ON 30 JUNE 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 st Sem. 19	1 st Sem. 18	2 nd Quarter 19	2 nd Quarter 18
Operating income:					
Sales and services rendered	7 and 8	440 009	428 405	229 645	209 921
Other operating income	8	49 872	66 248	24 328	35 361
Total of operating income	8	489 881	494 653	253 973	245 282
Operating costs:					
Cost of sales		(115 283)	(113 063)	(56 213)	(54 745)
Production changes		697	(19 678)	234	(1 040)
External supplies and services		(153 995)	(133 117)	(87 669)	(74 937)
Expenses with staff		(115 512)	(108 623)	(58 838)	(54 918)
Amortizations and depreciations	7	(28 520)	(21 788)	(13 761)	(10 272)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	7	239	(2 904)	(1 012)	(998)
Other operating costs		(27 900)	(28 997)	(12 521)	(20 650)
Total of operating costs		(440 274)	(428 170)	(229 780)	(217 560)
Operational Income	7	49 607	66 483	24 193	27 722
Costs and financial losses	7 and 9	(62 381)	(86 636)	(45 007)	(20 794)
Income and financial earnings	7 and 9	25 704	47 656	20 598	17 117
Income related to investment activities:					
Income related to affiliates and joint-ventures	7 and 9	609	486	262	(286)
Other	7 and 9	592	861	(209)	824
Financial Results		(35 476)	(37 633)	(24 356)	(3 139)
Results before taxes	7	14 131	28 850	(163)	24 583
Income tax	10	(3 312)	(13 940)	2 875	(6 690)
Consolidated net result for the period		10 819	14 910	2 712	17 893
Net results attributable to:					
Equity holders	11	12 285	17 370	4 264	19 462
Non-controlling interests		(1 466)	(2 460)	(1 552)	(1 569)
Income by share:					
Basic (euros)	11	0,03	0,04	0,01	0,05
Diluted (euros)	11	0,03	0,04	0,01	0,05

The notes are an integral part of the consolidated statement of results for the period ended on 30 June 2019

CONSOLIDATED STATEMENT OF RESULTS AND OTHER INTEGRATED INCOME

DURING THE PERIODS ENDED ON 30 JUNE 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 st Sem. 19	1 st Sem. 18	2 nd Quarter 19	2 nd Quarter 18
Consolidated net result for the period		10 819	14 910	2 712	17 893
Income and expenses that will not be reclassified for results					
Other equity variations		1 207	(4 814)	1 819	(551)
Other financial investments at fair value through other comprehensive income, net of taxes	16	228	-	218	-
		1 435	(4 814)	2 037	(551)
Income and expenses that can be reclassified for results					
Currency conversion adjustments	26	(49 232)	(200 948)	(40 389)	(34 138)
Adjustments of shareholdings in associates and joint-ventures	15	827	(111)	645	1 597
Impact of the application of IAS 29 in Angola and Venezuela on 1 January 2018		-	83 171	-	-
		(48 405)	(117 888)	(39 744)	(32 541)
Result known directly in equity		(46 970)	(122 702)	(37 707)	(33 092)
Comprehensive income for the financial year		(36 151)	(107 792)	(34 995)	(15 199)
Comprehensive income attributable to:					
Equity holders		(34 976)	(103 653)	(34 011)	(14 175)
Non-controlling interests		(1 175)	(4 139)	(984)	(1 024)

The notes are an integral part of the consolidated statement of the other comprehensive income for the period ended on 30 June 2019.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

DURING THE PERIODS ENDED ON 30 JUNE 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Reserves and retained income					Results retained	Income result consolidated	Total capital equity attributable to shareholders	Interests non-controlling	Total
			Adjustments conversion currency	Legal reserve	Other reserves	Reserve of hedge operations	Reserve of revaluation of property					
Balance on January 1st, 2018	210 000	215	(67 455)	42 000	155 213	(8 490)	-	733	(4 650)	367 566	41 277	408 843
Comprehensive income for the financial year:												
Consolidated net result for the period	-	-	-	-	-	-	-	-	17 370	17 370	(2 400)	14 970
Impact of the application of IAS 29 in Angola and Venezuela on January 1st, 2018	-	-	-	-	81 529	-	-	-	-	81 529	1 642	83 171
Variation in currency conversion adjustments	-	-	(194 632)	-	-	-	-	-	-	(194 632)	(6 316)	(200 948)
Effect of the application of equity method:	-	(111)	-	-	-	-	-	-	-	(111)	-	(111)
Other	-	-	-	-	-	-	-	(7 809)	-	(7 809)	2 995	(4 814)
Operations with shareholders in the year:												
Appropriation of the consolidated net income for 2017:	-	-	-	-	-	-	-	(4 650)	4 650	-	-	-
Transfer to retained earnings	-	104	(262 087)	42 000	276 742	(8 490)	-	(11 736)	17 370	263 913	37 138	301 051
Balance on June 30th, 2018	210 000			42 000	276 742	(8 490)	-	(11 736)	17 370	263 913	37 138	301 051
Notes	Capital	Adjustments of shareholdings in associates and joint-ventures	Reserves and retained income					Results retained	Income result consolidated	Total capital equity attributable to shareholders	Interests non-controlling	Total
			Adjustments conversion currency	Legal reserve	Other Reserves	Fair value reserve investments gains	Reserve of revaluation of property					
Balance on January 1st, 2019	210 000	(673)	(303 790)	42 000	253 326	698	162 085	(7 049)	11 127	367 624	38 736	406 360
Comprehensive income for the financial year:												
Consolidated net result for the period	-	-	-	-	-	-	-	-	12 285	12 285	(1 466)	10 819
Variation in currency conversion adjustments	-	-	(48 408)	-	-	-	-	-	-	(48 408)	(824)	(49 232)
Changes in the fair value of other investments through other comprehensive income, net of taxes	-	-	-	-	-	228	-	-	-	228	-	228
Revaluation surplus, net of tax	-	-	-	-	-	-	(3 226)	3 226	-	-	-	-
Effect of the application of equity method:	-	827	-	-	-	-	-	(1 641)	-	(1 641)	1 641	827
Purchase of non-controlling interests	-	-	-	-	-	-	-	1 733	-	1 733	(526)	1 207
Other	-	-	-	-	-	-	-	-	-	-	-	-
Operations with equity owners for that period:												
Appropriation of the consolidated net income for 2018:	-	-	-	-	-	-	-	-	(11 127)	-	-	-
Transfer to other reserves and results carried forward	-	154	(352 189)	42 000	257 998	826	159 859	2 724	12 285	332 648	34 561	367 209
Balance on June 30th, 2019	210 000			42 000	257 998	826	159 859	2 724	12 285	332 648	34 561	367 209

The notes are an integral part of the consolidated statement of change in equity for the year ended on 30 June 2019

CONSOLIDATED STATEMENTS OF CASH FLOWS

DURING THE PERIODS ENDED ON 30 JUNE 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	1 st Sem. 19	1 st Sem. 18	2 th Quarter 19	2 th Quarter 18
OPERATIONAL ACTIVITIES:					
Receipts from customers		408 210	460 919	200 212	237 192
Payment to suppliers		(295 769)	(288 071)	(133 362)	(160 698)
Payment to staff		(112 153)	(107 904)	(57 692)	(53 202)
Cash flow generated by operations		288	64 944	9 158	23 292
Payment/receipt of income tax		(5 837)	(11 078)	(4 208)	(8 538)
Other receipts/payments related to the operational activity		(12 902)	(32 480)	(12 251)	(25 196)
Cash flows of operational activities (1)		(18 451)	21 386	(7 301)	(10 442)
INVESTMENT ACTIVITIES:					
Receipts related to:					
Financial investments	20	1 646	109 722	(101)	109 460
Tangible fixed assets and investment properties		5 369	1 715	5 086	1 019
Interests and similar gains		1 534	3 029	539	1 335
Dividends	20	623	1 104	623	1 104
		9 172	115 570	6 147	112 918
Payments related to:					
Tangible fixed assets and investment properties		(17 611)	(15 602)	(5 657)	(8 407)
Intangible assets		(159)	(540)	(81)	(434)
		(17 770)	(16 142)	(5 738)	(8 841)
Cash flows from investment activities (2)		(8 598)	99 428	409	104 077
FINANCING ACTIVITIES:					
Revenue derived from:					
Obtained loans	23	634 807	990 413	306 439	566 626
Payments related to:					
Obtained loans	23	(643 134)	(1 096 055)	(311 589)	(645 260)
Interests and similar costs		(13 036)	(12 048)	(7 933)	(6 953)
		(656 170)	(1 108 103)	(319 522)	(652 213)
Cash flows from financing activities (3)		(21 363)	(117 690)	(13 083)	(85 587)
Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)		(48 412)	3 124	(19 975)	8 048
Exchange rate differences Effect		(7 641)	(25 701)	(4 088)	(4 600)
Cash and cash-equivalent items at the beginning of the period	20	171 991	154 265	140 001	128 240
Cash and cash-equivalent items at the end of the period	20	115 938	131 688	115 938	131 688

The annex forms an integral part of the cash flow statement for the period ending 30 June 2019.

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON JUNE 30TH, 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).

Reference should also be made to the fact that the Group has repositioned the operation of La Guaria Port in Venezuela, from construction to concessions and services, and in this document, the notes to the consolidated financial statements for the first half of 2018 were - only in relation to these sectors - reclassified to allow 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 30 June, 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 replaced IAS 17 - Leases and respective interpretations 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.

For all leases (except those mentioned below), when initially applying IFRS 16 the Group:

- (a) recognised 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) recognised depreciations of right-of-use assets and financial expenses of lease liabilities on the consolidated statement of results;
- c) separated 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 30 June 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
INTERNAL MARKET		
CONSTRUCTION		
CONSTRUSALAMONDE, ACE	Edifício 2, Lagoas Park - Porto Salvo	92.50%
EPOS - Empresa Portuguesa de Obras Subterrâneas, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
SOMAFEL - Engenharia e Obras Ferroviárias, S.A.	Edifício 2, Lagoas Park - Porto Salvo	67.74%
Teixeira Duarte - Engenharia e Construções, S.A.	Edifício 2, Lagoas Park - Porto Salvo	100.00%
CONCESSIONS AND SERVICES		
DPLG - Desenvolvimento do Terminal Especializado de Contentores do Porto de La Guaira, Sociedade Unipessoal Lda.;	Rua das Pretas, 4 - 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%
REAL ESTATE		
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%
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%

HOSPITALITY

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

DISTRIBUTION

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

AUTOMOTIVE

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

CONCESSIONS AND SERVICES

EDUCARE - Actividades Educativas e Culturais, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
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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%
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REAL ESTATE

AFRIMO - Empreendimentos Imobiliários, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	51.00%
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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%
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HOTEL SERVICES

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

CND - Companhia Nacional de Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
COM 1 - Comércio e Distribuição, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
DCG - Distribuição e Comércio Geral, Lda.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	100.00%
IMO 1 - Empreendimentos Imobiliários, 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	100.00%
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%
<u>ALGERIA</u>		
CONSTRUCTION		
TEIXEIRA DUARTE ALGERIE, SPA	8 Rue de Ben Aknoun, Rés de Chanssée El Biar - Alger	99.94%
<u>BELGIUM</u>		
CONCESSIONS AND SERVICES		
TDGI, S.A.	Avenue Jean-Monnet, 1, 1348 Louvain-La-Neuve – RPM Bruxelles	100.00%
<u>BRAZIL</u>		
CONSTRUCTION		
EMPA, S.A. - Serviços de Engenharia	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	Rua Iguatemi, n.º 448, 6.º andar conjuntos 602, 604, 606, 608 e 610 Bairro Itaim Bibi, São Paulo	67.74%
CONCESSIONS AND SERVICES		
GONGOJI Montante Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
PAREDÃO de Minas Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
TABOQUINHA Energia, S.A.	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
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	61.00%
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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%
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TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suit 310, Dallas Texas 75244	100.00%
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TDRE HOOD, LLC.	4100 Spring Valley Road, Suit 300, Dallas Texas 75244	100.00%
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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%
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VENEZUELA

CONSTRUCTION

Consorcio Boyacá - La Guaira	Av. San Juan Bosco, Edificio Centra Altamira Piso 5, Oficina 54, Urb. Altamira Caracas	57.20%
TEGAVEN – Teixeira Duarte y Asociados, C.A.	Av. Venezuela del Rosal con Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal - Caracas	100.00%

5 - CHANGES IN THE CONSOLIDATION SCOPE

During the period ending 30 June 2019, there was the following change to the consolidation perimeter at 31 December 2018:

- Divestment of MMK Cement, Limited Liability Company.

6 - EXCHANGE RATES

The following exchange rates were used to convert the assets and liabilities expressed in foreign currency into Euro as at 30 June 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 30 June 2019 and 2018:

Currency	Closing exchange rate			Average exchange		
	30/06/2019	31/12/2018	Var.	30/06/2019	30/06/2018	Var.
American dollars	1,1380	1,1450	(0,6%)	1,1334	1,2051	(5,9%)
Macanese pataca	9,1532	9,2365	(0,9%)	9,1515	9,7256	(5,9%)
Mozambican metical	69,8700	70,2400	(0,5%)	70,5443	72,7371	(3,0%)
Venezuelan bolivar	8 790,0486	813,5683	S.S.	8 790,0486	57 221,2350	S.S.
Angola Kwanza	385,2699	353,0155	9,1%	385,2699	258,1752	49,2%
Algerian dinar	134,8538	135,5660	(0,5%)	134,5291	138,7170	(3,0%)
Dirham from Emirates	4,1796	4,2058	(0,6%)	4,1629	4,4298	(6,0%)
Moroccan Dirham	10,8975	10,9560	(0,5%)	10,8879	11,2326	(3,1%)
Brazilian real	4,3511	4,4440	(2,1%)	4,3580	4,1367	5,3%
Cape Verde Escudo	110,2650	110,2650	-	110,2650	110,2650	-
Russian ruble	71,5975	79,7153	(10,2%)	74,2121	71,5155	3,8%
Tunisian Dinar	3,2727	3,4485	(5,1%)	3,3952	2,9858	13,7%
South Africa Rand	16,1218	16,4594	(2,1%)	16,0630	14,8932	7,9%
Peruvian Novo Sol	3,7378	3,8667	(3,3%)	3,7741	3,9167	(3,6%)
Colombian Peso	3 654,1200	3 718,3900	(1,7%)	3 632,1114	3 462,4229	4,9%

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 30 June 2019 and 2018, were as follows:

Segment	Sales and services rendered						Operational Income	
	1 st Sem. 19			1 st Sem. 18			1 st Sem. 19	1 st Sem. 18
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction (*)	264 708	9 815	274 523	219 784	9 444	229 228	27 756	13 909
Concessions and services (*)	60 867	253	61 120	58 020	7 721	65 741	3 561	5 567
Real estate	11 480	5 494	16 974	51 663	6 585	58 248	13 322	38 530
Hospitality	20 979	290	21 269	19 281	292	19 573	4 766	4 258
Distribution	64 861	335	65 196	64 229	727	64 956	(519)	3 188
Automotive	17 114	1 515	18 629	15 428	1 864	17 292	2 603	5 914
Not included in the segments	-	-	-	-	-	-	(1 839)	(4 892)
Removals	-	(17 702)	(17 702)	-	(26 633)	(26 633)	(43)	9
	440 009	-	440 009	428 405	-	428 405	49 607	66 483
Costs and financial losses (Note 9)							(62 381)	(86 636)
Income and financial earnings (Note 9)							25 704	47 656
Income related to investment activities (Note 9)							1 201	1 347
Results before taxes							14 131	28 850

(*) - Amounts 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 st Sem. 19	1 st Sem. 18	1 st Sem. 19	1 st Sem. 18	1 st Sem. 19	1 st Sem. 18
Construction (*)	14 620	6 842	12 510	11 861	268	2 987
Concessions and services (*)	1 636	957	2 117	2 364	3 000	(20)
Real estate	8 968	4 545	3 303	1 369	(3 567)	-
Hospitality	958	3 911	3 707	2 026	47	-
Distribution	1 884	3 339	3 803	3 020	-	-
Automotive	322	78	2 971	1 037	13	(63)
Not allocated to segments	43	168	109	111	-	-
	28 431	19 840	28 520	21 788	(239)	2 904

(*) - Amounts reclassified as explained in the introductory note.

The assets and liabilities of the segments and their respective reconciliation with the consolidated total, as at 30 June 2019 and 31 December 2018, are as follows:

Segment	Assets				Liabilities			
	30/06/2019				31/12/2018			
	Investments in associates and joint-ventures (Note 15)	Financial assets at fair value through other comprehensive income (Note 16)	Other Assets	Total	Investments in associates and joint-ventures (Note 15)	Financial assets at fair value through other comprehensive income (Note 16)	Other Assets	Total
Construction	2 164	13 970	1 932 908	1 949 042	2 134	12 978	1 850 492	1 865 604
Concessions and services	1 635	75	116 072	117 782	1 249	76	117 939	119 264
Real estate	1	1 490	1 182 702	1 184 193	75	1 285	1 124 972	1 126 332
Hospitality	-	15	219 102	219 117	-	12	234 698	234 710
Distribution	-	12	254 344	254 356	-	10	248 399	248 409
Automotive	-	8	211 478	211 486	24	7	207 273	207 304
Not included in the segments	14 189	1 900	985 420	1 001 509	13 339	2 562	896 707	912 608
Removals	-	-	(3 034 852)	(3 034 852)	-	-	(2 856 531)	(2 856 531)
	17 989	17 470	1 867 174	1 902 633	16 821	16 930	1 823 949	1 857 700
								1 535 424
								1 454 340

The sales and services rendered, and information on non-monetary non-current assets by geographic segment are broken down as follows for the years ended on 30 June 2019 and 30 and on 31 June 2019 and 31 December 2018, respectively:

Geographic segment	Sales and services rendered		Non-current and non-monetary assets	
	1 st Sem. 19	1 st Sem. 18	30/06/2019	31/12/2018
Portugal	106 758	114 604	244 652	196 576
Angola	126 197	139 411	476 242	536 284
Algeria	59 155	55 162	18 469	20 451
Brazil	81 996	71 969	19 074	16 529
Spain	19 503	18 062	17 881	17 528
Mozambique	15 389	12 334	31 994	31 818
Venezuela	8 694	10 255	999	1 014
Other	22 317	6 608	4 234	3 807
	440 009	428 405	813 545	824 007

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 30 June 2019 and 2018:

	1 st Sem. 19	1 st Sem. 18	2 th Quarter 19	2 th Quarter 18
Sales and services rendered:				
Sales	236 115	245 425	117 919	114 203
Services rendered	203 894	182 980	111 726	95 718
	440 009	428 405	229 645	209 921
Other operating income:				
Variation in the fair value of income of investment properties a)	20 296	16 607	14 056	(671)
Exchange rate differences	19 711	17 219	2 295	7 053
Supplementary income	4 427	2 879	3 510	988
Sales of assets (b)	2 634	25 928	2 473	25 663
Works for the company c)	1 328	1 235	821	724
Reversal of impairment losses in accounts receivable	823	107	820	79
Reversal of impairment losses in inventories	63	147	(6)	(60)
Other operating income	590	2 126	359	1 585
	49 872	66 248	24 328	35 361
	489 881	494 653	253 973	245 282

a) In the period ended 30 June 2019, the change in the fair value of investment properties results from the valuation of investment properties in Portugal.

b) During the period ending 30 June 2019, the stated gains were obtained with the divestment of tangible fixed assets worth 2,547 thousand euros (1,030 thousand euros in the period ending 30 June, 2018).

In the first half of 2019, the Group divested its subsidiary "MMK Cement, Limited Liability Company", posting a capital gain of 87 thousand euros, while in the first half of 2018, the Group divested its subsidiary "Lagoas Park", with a capital gain of 24,898 thousand euros.

c) Work for the company essentially involves the improvement of equipment.

9 - FINANCIAL RESULTS

Financial results were as follows for the periods ending 30 June 2019 and 2018:

	1 ^o Sem.19	1 ^o Sem.18	2 th Quarter 19	2 th Quarter 18
Costs and financial losses				
Supported interests	(10 917)	(13 779)	(7 046)	(7 082)
Unfavourable exchange rate differences	(38 190)	(63 579)	(30 249)	(10 755)
Other costs and financial losses	(13 274)	(9 278)	(7 712)	(2 957)
	(62 381)	(86 636)	(45 007)	(20 794)
Income and financial earnings:				
Obtained interests	2 070	2 578	1 038	1 144
Favourable exchange rate differences	16 924	25 002	13 570	7 205
Posição monetária líquida a)	4 852	19 742	4 556	8 596
Other income and financial earnings	1 858	334	1 434	172
	25 704	47 656	20 598	17 117
Income related to investment activities:				
Resultados relativos a empresas associadas e empreendimentos conjuntos b)	609	486	262	(286)
Dividendos c)	624	824	624	824
Outros investimentos d)	(32)	37	(833)	-
	1 201	1 347	53	538
Financial Results	(35 476)	(37 633)	(24 356)	(3 139)

- a) The amount shown corresponds to the gain resulting from the application of IAS 29.
- b) The results relating to associated companies and joint ventures for the periods ended 30 June 2019 and 2018 include the effect of applying the equity method to these investments (Note 15).
- c) On 30 June 2019 and 2018, the amounts presented correspond to dividends received from financial assets
- d) On 30 June 2019 and 2018, the "Other investments" item includes gains and losses from the divestment of financial assets

Net exchange rate differences, recorded during the periods ending 30 June 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 30 June 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 30 June 2019 and 2018 are as follows:

	1 st Sem. 19	1 st Sem. 18	2 th Quarter 19	2 th Quarter 18
Current Tax:				
Income tax in Portugal	(6 583)	(8 257)	(690)	(4 447)
Income tax in other jurisdictions	(5 593)	(10 047)	(2 624)	(5 631)
Current Tax	(12 176)	(18 304)	(3 314)	(10 078)
Deferred tax (Note 18)	8 864	4 364	6 189	3 388
	(3 312)	(13 940)	2 875	(6 690)

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 66 thousand were recorded directly in equity as at 30 June 2019 (EUR 2 thousand as at 30 June 2018) (Note 18).

11 - EARNINGS PER SHARE

	1 st Sem. 19	1 st Sem. 18	19	18
Result to estimate the net result by basic share (net result of period)	12 285	17 370	4 264	19 462
Weighted average number of shares for the effect of calculating earnings per basic share (thousand)	420 000	420 000	420 000	420 000
Net result by basic share	0,03	0,04	0,01	0,05

Earnings per share for the years ended 30 June 2019 and 2018 were determined based on the following amounts:

Due to the fact that during the periods ending 30 June 2019 and 2018 there were no dilutive effects of earnings per share, the diluted earnings per share is equal to the basic earnings per share.

12 - DIVIDENDS

No dividend distribution was decided on at the General Meeting of Shareholders held on 27 May 2019.

13 - TANGIBLE FIXED ASSETS

During the years ended on 30 June 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 assets ongoing	Advances on account of assets tangible assets	Total
Gross asset:										
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	562	17 629	5 840	2 078	43	1 153	308	1 573	9	29 195
Currency conversion adjustments	(4 689)	(166 090)	(30 816)	(10 790)	(947)	(7 250)	(2 013)	(1 747)	(64)	(224 406)
Additions	-	439	5 102	1 215	1 143	478	225	6 816	-	15 418
Transfers and reductions	(5 377)	(1 163)	(5 251)	(1 040)	(408)	(319)	31	(1 356)	-	(14 883)
Sales	-	(132)	(1 995)	(610)	(207)	(670)	(29)	-	-	(3 344)
Balance on June 30 th , 2018	23 992	383 527	357 771	77 873	41 739	32 485	10 656	13 606	126	941 755
Balance on December 31, 2018	27 157	829 208	348 539	73 198	41 227	30 535	11 183	8 972	112	1 369 131
Impact of the application of IAS 29 - Hyperinflation	18	4 287	4 258	1 101	29	975	341	595	7	11 611
Currency conversion adjustments	(931)	(62 248)	(4 985)	(1 805)	108	(1 165)	(379)	(592)	(9)	(72 004)
Additions	-	1 218	9 015	4 805	1 772	394	129	2 472	-	19 805
Transfers and write-offs	-	(9 890)	(4 313)	(3 850)	(69)	(486)	(1 905)	(1 179)	-	(21 682)
Sales	(4 605)	(192)	(7 821)	(2 544)	(1 478)	(107)	(6)	-	-	(16 751)
Transferências para Ativos Delitos para Venda	-	-	(5)	-	(1)	(19)	-	-	-	(25)
Balance on June 30 th , 2019	21 639	761 393	344 688	70 907	41 590	30 127	9 363	10 268	110	1 290 085
Depreciation and losses from impairment:										
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	-	4 966	5 136	1 783	31	1 046	216	-	-	13 178
Exchange conversion effect	-	(49 733)	(23 096)	(9 995)	169	(6 340)	(1 101)	-	-	(90 096)
Reinforcements	-	6 025	9 703	1 912	1 481	672	433	-	-	20 226
Transfers and reductions	-	(914)	(5 557)	(1 000)	(488)	(319)	(37)	-	-	(6 295)
Sales	-	(40)	(1 528)	(562)	(126)	(548)	(28)	-	-	(2 852)
Balance on June 30 th , 2018	164	149 345	305 028	67 694	35 240	28 783	7 075	-	-	593 329
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	-	2 995	3 855	365	31	933	248	-	-	8 427
Exchange conversion effect	-	(27 349)	(4 380)	(1 520)	43	(1 036)	(199)	-	-	(34 440)
Stiffeners	-	9 694	9 409	1 841	1 354	601	391	-	-	23 290
Transfers and write-offs	-	(1 048)	(1 315)	(379)	(66)	(332)	(1)	-	-	(3 141)
Sales	(164)	(94)	(6 221)	(1 962)	(819)	(87)	(3)	-	-	(9 350)
Transferências para Ativos Delitos para Venda	-	-	(5)	-	(1)	(19)	-	-	-	(25)
Balance on June 30 th , 2019	-	373 367	299 889	58 366	35 650	27 243	6 735	-	-	801 260
Net value:										
On June 30 th , 2018	23 828	234 182	52 743	10 179	6 499	3 682	3 581	13 606	126	348 426
On June 30 th , 2019	21 639	388 026	44 799	12 541	5 930	2 884	2 628	10 268	110	488 825

The additions to tangible fixed assets during the year ended on 30 June 2019 refer mainly to investments in facilities and equipment.

14 - INVESTMENT PROPERTIES

During the years ended on 30 June 2019 and 2018, the movement in investment properties was as follows:

	2019	2018
Balance on January 1	194 091	217 647
Currency conversion adjustments	(7 073)	(41 640)
Increases / (divestments)	(163)	3 699
Variation in fair value	7 168	12 681
Transfers from/to tangible fixed assets	-	181
Balance on June 30th	194 023	192 568

During the periods ending Sunday, June 30, 2019 and 2018, the fair value of investment properties by geographical area changed as follows:

	1 st Sem. 19	1 st Sem. 18	2 th Quarter 19	2 th Quarter 18
Portugal	7 168	(3 302)	6 901	(2 457)
Angola	-	15 983	-	(1 042)
	7 168	12 681	6 901	(3 499)

The income gained from investment property arising from operating leasing contracts reached EUR 2,338 thousand for the financial year ended on 30 June 2019 (EUR 2,970 thousand as at 30 June 2018). For the financial year ended on 30 June 2019, direct operating costs related to investment properties reached EUR 588 thousand (EUR 531 thousand as at 30 June 2018).

15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 30 June 2019:

Corporate name	Head Office	% effective participation
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	Instalaciones de Bolivariana de Puertos Puerto de La Guaria – Parroquia Maiquetia Municipio Vargas del Estado Vargas	49.00%
ALVORADA PETRÓLEO, S.A.	Rua Paraiba, 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 - Linhó – Sintra	16.94%
CONBATE, ACE	Edifício 2, Lagoas Park - Porto Salvo	20.00%
Consorcio Minero Luso Vargas C.A. (CONLUVAR)	Av. Venezuela com Calle Mohedano, Torre JWM Piso 5, Of. 5-2, Urb El Rosal – Caracas – Venezuela	49.00%
CONSORCIO OPSUT 2010	Calle 4, Casa nº 4, Urbanizacion Los Laureles Valle de la Pascoa - Venezuela	51.00%
DOURO LITORAL, ACE	Tower Plaza, Rotunda Edgar Cardoso, nº 23, 12º andar, 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 30 June 2019 and 2018:

	Equity holdings	Goodwill	Total
Balance on January 1st, 2018	20 296	-	20 296
Effects of the application of the equity method:			
- Effect on the financial year result (Note 9)	486	-	486
- Effect in equity	(111)	-	(111)
Increases	203		203
Effect of currency translation	246	-	246
Other	(241)	-	(241)
Balance on June 30th, 2018	20 879	-	20 879
Balance on January 1st, 2019	16 821	-	16 821
Effects of the application of the equity method:			
- Effect on the financial year result (Note 9)	609	-	609
- Effect in equity	827	-	827
Sales	(24)	-	(24)
Currency conversion adjustments	257	-	257
Other	(501)	-	(501)
Balance on June 30th, 2019	17 989	-	17 989

Investments in associated companies and joint-ventures as at 30 June 2019 and 31 December 2018 are broken down as follows:

	30/06/2019		31/12/2018		
Affiliates and joint-ventures	Equity holdings	Goodwill	Equity holdings	Goodwill	Value of financial position
IMOC - Empreendimentos Imobiliários, S.A.R.L.	14 189	-	13 339	-	13 339
TDGISERV Services, LLC (a)	1 635	-	770	-	770
Alvorada Petróleo, S.A.	1	-	75	-	75
RPK Gulfstream Ltd.	-	-	479	-	479
Other	2 164	-	2 158	-	2 158
	17 989	-	16 821	-	16 821

These shares are stated using the equity method, which, in the years ended on 30 June 2019 and 2018, had the following impacts:

1st Sem. 19

Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(76)	-	(76)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	(47)	826	779
TDGISERV Services, LLC (a)	861	(1)	860
Other	(129)	2	(127)
	609	827	1 436

1st Sem. 18

Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(26)	54	28
IMOC - Empreendimentos Imobiliários, S.A.R.L.	148	(98)	50
TDGISERV Services, LLC (a)	276	(67)	209
Other	88	-	88
	486	(111)	375

16 - OTHER FINANCIAL INVESTMENTS

On Sunday, June 30, 2019 and 31 December 2018, the details of other financial investments were as follows:

	Non-current	Current	Non-current	Current
Financial assets at fair value through other comprehensive income				
Aginyo Inversiones Y Gestiones Inmobiliarias S.L.	12 646	-	12 398	-
Banco Comercial Português, S.A.	1 840	-	1 553	-
TDHOSP – Gestão de Edifício Hospital, S.A.;	768	-	768	-
EIA - Ensino, Investigação e Administração, S.A.	624	-	624	-
KUIKILA Investments, Lda.	486	-	483	-
MATADOURO DE MACAU, S.A.R.L.	317	-	317	-
ILTA - Urbanizadora da Ilha de Tavira, S.A.	256	-	256	-
COLT Resources Inc.	153	-	146	-
Macau CPM Holdings	150	-	150	-
Other	230	-	235	-
	17 470	-	16 930	-
Financial assets at amortized cost				
Government Debt Security of the People's Republic of Angola Governme	4 123	13 026	4 219	14 665
	4 123	13 026	4 219	14 665
	21 593	13 026	21 149	14 665

During the period ending Sunday, June 30, 2019, the following movements occurred in other financial investments:

	Non-current	Current
Balance on January 1st, 2019	21 149	14 665
Reductions	-	(1 643)
Variation of fair value	294	-
Currency Variation	155	4
Other variations	(5)	-
Balance on June 30th, 2019	21 593	13 026

17 - FINANCIAL ASSETS FOR SALE

On 30 June 2019 and 31 December 2018, assets and liabilities held for sale had the following composition:

	30/06/2019	31/12/2018
Assets for sale		
Goodwill	1 979	1 979
Fixed tangible assets	441	441
Investment Properties	30 548	30 548
Other investments	1 159	1 159
Inventories	19 288	199
Clients - current	206	115
Other debtors	5	5
Cash and cash equivalents	28	24
Other Assets	427	427
Total assets for sale	54 081	34 897
Liabilities for sale:		
Loans	21 698	21 698
Liabilities by deferred taxes	(1 848)	(1 848)
Financial Leases	2 417	2 417
Suppliers	450	212
Other Creditors	10 616	634
Other liabilities	1 316	448
Total liabilities for sale	34 649	23 561
Total Net	19 432	11 336

18 - DEFERRED TAX

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

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

	Assets for deferred tax		Liabilities for deferred tax	
	2019	2018	2019	2018
Balance on January 1st	149 435	155 276	112 548	35 424
Constitution / Reversal				
Net income (Note 10)	6 922	9 055	(1 942)	4 691
Equity	(66)	2	-	-
Exchange conversion effect and adjustments	4 515	11 005	(8 821)	(11 732)
Balance on June 30th	160 806	175 338	101 785	28 383

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

19 - RELATED PARTIES

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

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

The main balances with related parties as at 30 June 2019 and 31 December 2018 can be broken down as follows:

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018	30/06/2019	31/12/2018
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	28	67	(1)	-	-	-	-	-
AEBT - Auto Estradas do Baixo Tejo, S.A.	7	7	-	-	115	-	-	-
AVIA PORTUGAL, S.A.	-	8	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	46	46	-	-	4	4	-	-
CONBATE, ACE	33	33	1	1	-	-	-	-
DOURO LITORAL, ACE	8	24	(26)	28	-	-	(3)	-
DOURO LITORAL OBRAS ESPECIAIS, ACE	-	-	2	2	-	-	-	-
EIA - Ensino de Investigação e Administração, S.A.	9	9	-	-	-	-	-	-
IMOC - Empreendimentos Imobiliários, S.A.R.L.	377	35	96	21	-	-	1 603	-
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	49	-	-	-	-	-	-
METROLIGEIRO - Construção de Infraestruturas, ACE	32	32	-	-	11	11	-	-
NOVA ESTAÇÃO, ACE	267	267	88	88	13	13	-	-
Promociones Inmobiliárias 3003, C.A.	-	-	-	-	-	-	(449)	(34)
RPK Gulfstream, Ltd.	-	-	-	-	-	1 251	-	-
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)	92	52	-	-	447	447	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	468	224	74	-	768	-	-	-
	1 374	860	324	230	1 358	1 726	1 151	(34)

The main transactions carried out with related parties during the periods ended on 30 June 2019 and 2018 were as follows:

Entities	Sales and services rendered		Purchases and Services Obtained	
	1 st Sem. 19	1 st Sem. 18	1 st Sem. 19	1 st Sem. 18
AEBT - Auto Estradas do Baixo Tejo, S.A.	12	-	-	-
CONBATE, ACE	45	36	-	-
DOURO LITORAL, ACE	17	27	2	9
IMOC - Empreendimentos Imobiliários, S.A.R.L.	408	80	67	77
SOMAFEL/FERROVIAS, ACE	-	1	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	-	-	-	3
TDGISERV Services, LLC (a)	40	-	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	1 853	-	124	-
	2 375	144	193	89

The remunerations of the members of TD,S.A. governing bodies for the periods ended on 30 June 2019 and 2018 were as follows:

	1 st Sem. 19	1 st Sem. 18	2 nd Quarter 19	2 nd Quarter 18
Executive Directors:				
Short-term benefits	294	521	146	386
Supervisory Board:				
Short-term benefits	33	33	16	16
Chartered accountant:				
Short-term benefits	30	30	15	15
	357	584	177	417

The remunerations of the members of TD,S.A. administration for the periods ended on 30 June 2019 and 2018 were as follows:

	1 st Sem. 19	1 st Sem. 18	2 th Quarter 19
Senior management:			
Short-term benefits	2 509	3 337	1 117
	2 509	3 337	1 117

20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

CASH AND CASH EQUIVALENT

This item had the following composition at 30 June 2019 and 31 December 2018:

	30/06/2019	31/12/2018
Bank deposits	81 169	129 629
Time deposits	29 633	22 066
Other treasury applications	3 151	18 332
Cash	1 985	1 964
	115 938	171 991

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 30 June 2019 and 2018 refer to the disposal of equity interests in the following companies:

	1 ^o Sem. 19	1 ^o Sem. 18	2 ^o Trim. 19	2 ^o Trim. 18
Titulos da Dívida Pública do Governo República Popular de Angola	1.612	-	(135)	-
Lagoas Park, S.A.	-	109.460	-	109.460
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	150	-	-
Outros	34	112	34	-
	1.646	109.722	(101)	109.460

The following dividends were received during the periods ending 30 June 2019 and 2018:

	1 ^o Sem. 19	1 ^o Sem. 18	2 ^o Trim. 19	2 ^o Trim. 18
Macau CPM Holdings	303	823	303	823
AEBT - Vias do Baixo Tejo, S.A.	310	-	310	-
Outros	10	281	10	281
	623	1.104	623	1.104

21 - SHARE CAPITAL

As at 30 June 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 30 June 2019, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 202,160,000 shares representing the capital of Teixeira Duarte, S.A., 48.13% 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 30 June 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 30 June 2019 and 31 December 2018, the loans received were as follows:

	30/06/2019	31/12/2018
Non-current liabilities:		
Bank loans a)	368 865	376 100
Commercial role b)	331 825	343 900
Debentures loans c)	5 100	10 200
	705 790	730 200
Current liabilities:		
Bank loans a)	95 551	84 976
Commercial role b)	38 425	34 000
Debentures loans c)	5 100	5 100
	139 076	124 076
	844 866	854 276

a) Bank loans

As at 30 June 2019, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 2.26% (2.58% as at 30 June 2018).

As at 30 June 2019, the most significant bank loans contracted by the Group essentially correspond to:

Geography	Bank	Type of Financing	Contract Date	Due Date	Currency	Montante Moeda	Montante (€)
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	284	284
Portugal	Banco Atlântico Europa	Loan	08/04/2013	08/07/2019	EUR	507	507
Portugal	Banco Atlântico Europa	Loan	08/04/2013	08/07/2019	EUR	353	353
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	AON	611 111	1 586
Portugal	Caixa Geral de Depósitos	Loan	27/01/2014	15/12/2020	EUR	1 793	1 793
Portugal	Caixa Geral de Depósitos	Loan	27/01/2014	15/12/2020	EUR	2 528	2 528
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	9 960	9 960
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	2 235	2 235
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	3 000	3 000
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	67 805	67 805
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	324
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	EUR	329	329
Portugal	Banco BPI	Loan	05/07/2016	05/11/2021	EUR	8 713	8 713
Portugal	Caterpillar	Loan	11/07/2016	07/07/2020	EUR	158	158
Spain	Bankinter (Spain)	Loan	22/07/2016	22/07/2020	EUR	279	279
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 Atlântico Europa	Loan	22/09/2016	30/09/2019	USD	1 574	1 383
Portugal	Caixa Económica Montepio Geral	Factoring C/ Recurso	17/01/2017	31/12/2019	EUR	4 291	4 291
Spain	Banco Popular (Spain)	Loan	16/06/2017	20/07/2021	EUR	1 081	1 081
Brazil	Banco Itaú	Loan	26/07/2017	28/02/2020	BRL	22 405	5 149
Portugal	BAl Europe	Loan	04/09/2017	02/08/2019	EUR	348	348
Spain	Banco Santander Central Hispano (Spain)	Loan	22/11/2017	22/11/2022	EUR	465	465
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	6 959	6 959
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	24 714	24 714
Portugal	Caixa Geral de Depósitos	Loan	12/01/2018	31/12/2033	EUR	7 029	7 029
Portugal	Novo Banco	Loan	12/01/2018	31/12/2033	EUR	11 917	11 917
Portugal	Banco Comercial Português	Loan	16/01/2018	31/12/2033	EUR	6 982	6 982
Portugal	Banco Comercial Português	Loan	30/01/2018	15/06/2021	EUR	12 260	12 260
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	15/06/2021	EUR	2 600	2 600
Portugal	Banco Comercial Português	Loan	30/01/2018	15/06/2021	EUR	1 340	1 340
Spain	De Lage Landen International	Loan	10/10/2018	10/10/2023	EUR	342	342
Belgium	ING Belgium	Loan	28/02/2019	31/12/2019	EUR	150	150

As at 30 June 2019 and 31 December 2018, the bank loans also include the pledged accounts of the value of EUR 76,116 thousand and EUR 72,316 thousand, respectively.

b) Commercial role

As at 30 June 2019, the Group had negotiated the following commercial paper programmes:

Geography	Bank	Type of Financing	Contract Date	Due Date	Spread	Currency	Montante (€)
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	20 850
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	2 850
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	16 800
Portugal	Banco BPI	Commercial Paper	30/01/2018	30/01/2021	2,90%	EUR	4 500
							370 250

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 10,200 thousand euros (1,000 thousand euros from TEIXEIRA DUARTE – Engenharia e Construções S.A. and 9,200 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 paid quarterly at a rate of 4.57% and repayment will be made at par value in two installments of equal amounts to be paid on 2 April 2020 and 2 April 2021.

As at 30 June 2019 and 31 December 2018, the repayment of the non-current bank loans is defined as follows:

	30/06/2019	31/12/2018
2020	36 201	59 485
2021	52 189	65 804
2022	37 227	40 130
2023	103 260	39 547
2024 and following	476 913	525 234
	705 790	730 200

As at 30 June 2019 and 31 December 2018, financing agreements in foreign currency were expressed in the following currencies:

Currency	30/06/2019		31/12/2018	
	Currency	Euros	Currency	Euros
Venezuelan bolivar	59 462	7	143 668	177
American dollars	2 664	2 341	2 293	2 003
Angola Kwanza	3 861 111	10 022	4 962 223	14 057
Colombian Peso	4 448	1	6 143	2
Brazilian real	22 405	5 149	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 Sunday, June 30, 2019, we presented the reconciliation of changes in liabilities arising from the financing activity:

1º Sem. 19					
	Saldo inicial	Aumentos	Diminuições	Efeito cambial	Saldo final
Empréstimos	854.276	634.807	(643.134)	(1.083)	844.866
	854.276	634.807	(643.134)	(1.083)	844.866

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 Surplus and State Surplus 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 30 June 2019 and 31 December 2018, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	30/06/2019	31/12/2018
Granted bank guarantees	265 919	275 996
Guarantee insurance	149 706	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, June 30, 2019, the Group's collateral broke down as follows:

Geography	Bank	Type of Financing	Contract Date	Due Date	Collateral
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	Banco Santander Totta	Loan	13/12/2012	13/12/2019	Mortgage of 65 Fractions - Santa Marinha - Vila Nova de Gaia
Portugal	Novo Banco	Commercial Paper	30/12/2013	31/12/2033	Pledge of 12,500,000 EPOS Shares and 200,000,000 C+PA Shares + Pledge of 1,325,000 Shares in the TDF Fund + Mortgage on the TD Montijo Operations Centre + Mortgage on 9 Lots in Mafamude + Mortgage on 10 Lots of the Santa Marinha Design District Development - Santa Marinha
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	Mortgage on Hotel Trópico (Building no. 1826) - Ingombotas
Portugal	Caterpillar	Loan	19/07/2016	07/08/2020	Respective Equipment
Portugal	Caterpillar	Loan	12/12/2016	22/12/2020	Respective Equipment
Portugal	Caixa Geral de Depósitos	Escrow account	07/07/2010	31/12/2033	Pledge of 4,675,000 Shares in the TDF Fund
Portugal	Novo Banco	Loan	26/01/2015	15/12/2021	Pledge of 2,006,396 BCP shares
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	Banco Comercial Português	Loan	12/08/2016	31/12/2033	Mortgage on the Magnolia and Coina + 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 Coina + 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 Coina + Vale Figueira development, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park
Brazil	Banco Itaú	Loan	26/07/2017	28/02/2020	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

Financial commitments:

As at 30 June 2019 and 31 December 2018, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 335,647 thousand and EUR 344,459 thousand, respectively.

As at 30 June 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 5,434 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 30 June 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
Assets:				
Other financial investments at fair value through other comprehensive income	Actions	1 993	-	-
Other financial investments at fair value through other comprehensive income	Actions	-	12 646	2 831
Investment Properties	Buildings and land	-	194 023	-

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 Sunday, June 30, 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 st Sem. 19	1 st Sem. 18	2 th Quarter 19	2 th Quarter 18
Angola	(37 514)	(164 745)	(33 943)	(16 265)
Algeria	(2 403)	(4 684)	387	(4 172)
Brazil	2 698	(21 139)	1 230	(15 521)
Mozambique	305	545	1 053	5 573
Venezuela	(12 509)	(11 525)	(9 018)	(4 756)
Other Markets	191	600	(98)	1 003
	(49 232)	(200 948)	(40 389)	(34 138)

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 Sunday, June 30, 2019:

STATEMENT OF RESULTS

	1 st Sem. 19 (Before the application of IFRS 16)	IFRS 16 impact	1 st Sem. 19 (After the application of IFRS 16)
Operating income:			
Sales and services rendered	440 009	-	440 009
Other operating income	49 872	-	49 872
Total of operating income	489 881	-	489 881
Operating costs:			
Cost of sales	(115 283)	-	(115 283)
Production changes	697	-	697
External supplies and services	(158 405)	4 410	(153 995)
Expenses with staff	(115 512)	-	(115 512)
Amortizations and depreciations	(24 813)	(3 707)	(28 520)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	239	-	239
Other operating costs	(27 900)	-	(27 900)
Total of operating costs	(440 977)	703	(440 274)
Operational Income	48 904	703	49 607
Costs and financial losses	(61 204)	(1 177)	(62 381)
Income and financial earnings	25 704	-	25 704
Earnings from investment activities:			
Income related to affiliates and joint-ventures	609	-	609
Other	592	-	592
Financial Results	(34 299)	(1 177)	(35 476)
Results before taxes	14 605	(474)	14 131
Income tax	(3 312)	-	(3 312)
Consolidated net result for the period	11 293	(474)	10 819
Net results attributable to:			
Equity holders	12 759	(474)	12 285
Non-controlling interests	(1 466)	-	(1 466)

FINANCIAL POSITION ON 30 JUNE 2019

	(Before the application of IFRS 16)	IFRS 16 impact	(After the application of IFRS 16)
Non-current assets:			
Goodwill	12 277	-	12 277
Intangible assets	69 481	-	69 481
Fixed tangible assets	497 667	(8 842)	488 825
Investment Properties	194 023	-	194 023
Direito de uso	-	48 939	48 939
Investments in associates and joint-ventures	17 989	-	17 989
Other financial investments at amortized cost	4 123	-	4 123
Other financial investments at fair value through other comprehensive income	17 470	-	17 470
Assets for deferred tax	160 806	-	160 806
Customers	18 773	-	18 773
Other debtors	13 979	-	13 979
Total of non-current assets	1 006 589	40 097	1 046 685
Current assets:			
Inventories	204 627	-	204 627
Customers	226 665	-	226 665
Other debtors	18 462	-	18 462
Other financial investments at amortized cost	13 026	-	13 026
Cash and cash equivalents	115 938	-	115 938
Other current assets	223 149	-	223 149
	801 867	-	801 867
Assets for sale	54 081	-	54 081
Total of current assets	855 948	-	855 948
TOTAL OF ASSET	1 862 536	40 097	1 902 633
Equity:			
Equity	210 000	-	210 000
Adjustments of shareholdings in associates and joint-ventures	154	-	154
Currency conversion adjustments	(352 198)	-	(352 198)
Reserves and retained income	462 407	-	462 407
Consolidated net result	12 759	(474)	12 285
Equity attributable to shareholders	333 122	(474)	332 648
Non-controlling interests	34 561	-	34 561
EQUITY TOTAL	367 683	(474)	367 209
Non-current liabilities:			
Loans	706 040	-	706 040
Provisions	41 625	-	41 625
Responsabilidades com locações	-	40 205	40 205
Financial Leases	3 967	(3 967)	-
Liabilities by deferred taxes	101 785	-	101 785
Other non-current liabilities	66 461	-	66 461
Total of non-current liabilities	919 878	36 238	956 116
Current liabilities:			
Loans	138 826	-	138 826
Responsabilidades com locações	-	7 840	7 840
Suppliers	151 054	-	151 054
Financial Leases	3 507	(3 507)	-
Other Creditors	27 050	-	27 050
Other current liabilities	219 889	-	219 889
	540 326	4 333	544 659
Liabilities for sale	34 649	-	34 649
Total of current liabilities	574 975	4 333	579 308
TOTAL OF LIABILITY	1 494 853	40 571	1 535 424
TOTAL OF LIABILITY AND EQUITY	1 862 536	40 097	1 902 633

28 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the period that ended on 30 June 2019 were approved by the Board of Directors on 28 August 2019.

29 - SUBSEQUENT EVENTS

TEIXEIRA DUARTE continued its activity on the different markets on which it operates, with emphasis on the following relevant fact that occurred after 30 June 2019 and was appropriately disclosed to the market:

TEIXEIRA DUARTE, S.A." reports that it has entered into a partnership with "CSCEC - China Construction Portugal, S.A." - a Portuguese company forming part of the Group, led by "China State Construction Engineering Corporation" - for the development of a real estate project, in Oeiras, Portugal, which is formalized through a share sale contract corresponding to 50% of the share capital of a Teixeira Duarte Group subsidiary, which has held the land where the project will be implemented for a long time. The development will consist of several office, residential and commercial buildings, set in a large green park, in a model that is intended to be a benchmark of innovation and sustainability.

The aforementioned sale of shares to the company "CSCEC - China Construction Portugal, S.A." has an estimated positive impact on the results of "Teixeira Duarte, S.A." of around 22.2 million euros.

