

Teixeira Duarte

www.teixeiraduarte.com

Report and Accounts

3rd Quarter of 2019

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IDENTIFICATION OF THE COMPANY

TEIXEIRA DUARTE, S.A.

LISTED COMPANY

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

Share capital: € 210.000.000

Single Legal Person and

Registration number 509234526 at Cascais Commercial Register (Oeiras)

MAIN INDICATORS

Operational Profits of 764 million euros;

Turnover of 652 million euros;

External Market accounts for 75.4% of turnover;

EBITDA of 146 million euros;

EBITDA margin / Turnover of 22.4%;

Net Results Attributable to Holders of Equity of 20.1 million euros;

Net Group Assets of 1.910 billion euros;

Net Financial Debt of 755 million euros;

Financial Autonomy stood at 18.7%;

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

	3 rd Quarter 19	3 rd Quarter 18	Var (%)	Jul-Sept 19	Jul-Sept 18	Var (%)
Operating income	763 565	707 278	8,0%	273 684	212 625	28,7%
Operating costs	(617 266)	(597 153)	3,4%	(205 273)	(193 675)	6,0%
EBITDA	146 299	110 125	32,8%	68 411	18 950	261,0%
Amortizations and depreciations	(42 225)	(31 861)	32,5%	(13 705)	(10 073)	36,1%
Provisions and impairment losses	(22 692)	(3 649)	-	(22 931)	(745)	-Brasil
EBIT	81 382	74 615	9,1%	31 775	8 132	290,7%
Financial Results	(63 156)	(57 000)	10,8%	(27 680)	(19 367)	42,9%
Results before taxes	18 226	17 615	3,5%	4 095	(11 235)	-
Income tax	(513)	(11 874)	(95,7%)	2 799	2 066	(35,5%)
Net Income	17 713	5 741	208,5%	6 894	(9 169)	-

(VALUES IN THOUSAND EUROS)



PREVIMENTO

Renovar o Bairro. Recontar a História

TEIXEIRA DUARTE

218 700 000

www.fabrica1953

Teixeira Duarte

3rd Quarter of 2019

Interim Management Report

I. INTRODUCTION

Under the terms of, and for the purposes of applicable legal and regulatory provisions TEIXEIRA DUARTE, S.A ("TD, S.A.") hereby discloses the Interim Report referring to the first nine 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, September 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.

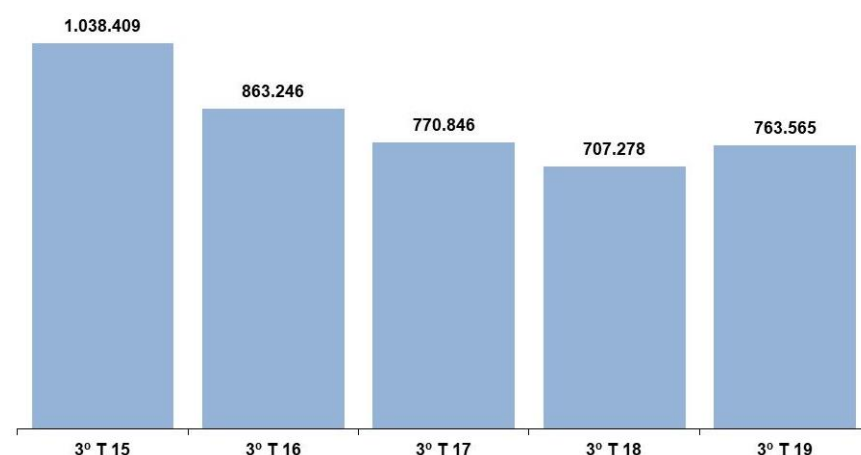
In addition to the Consolidated Financial Statements and the respective attached notes, this document will also present a brief statement on the evolution of the Group's activity during the analyzed period.

Although there are indicators that the Angolan economy will no longer be classified as a hyper-inflationary economy in this financial year, the Group opted to continue to apply IAS 29 to its quarterly accounts, without prejudice to being able to review its position on this matter at the end of the financial year, based on up-to-date information about the Angolan economy at that time.

II. ECONOMIC AND FINANCIAL ANALYSIS

Operating profits increased by 8% when compared to the same period of the previous year, reaching an amount of 763,565 thousand euros.

Evolution of Operating Income

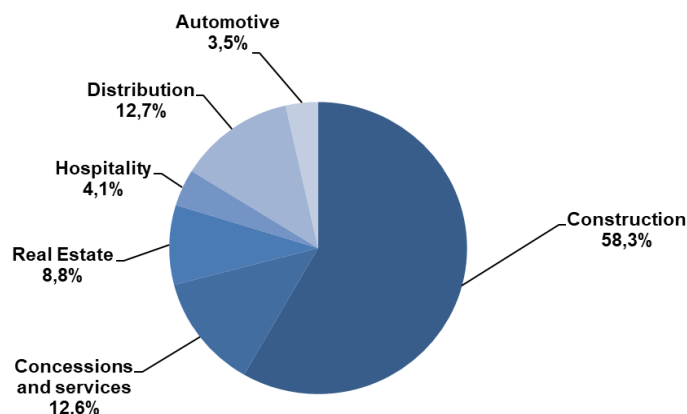


(VALUES IN THOUSAND EUROS)

There was good performance in the activities of all sectors, with growth seen in construction in Portugal and Brazil contributing the most to the increase in this indicator.

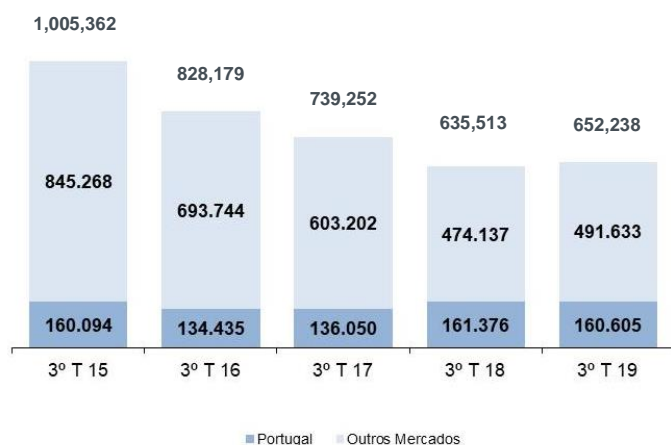
As at 30 September 2019, operating profits were distributed as follows, with particular emphasis, as a result of that mentioned above, on the increased contribution by construction to the total value of operating profits.

Operating Income by Sector of Activity



Turnover reached 652,238 thousand euros, which reflects an increase of 2.6% compared to the same period of the previous year, i.e. an additional 16,725 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 slight decrease of 0.5% was seen in Portugal in comparison to the first nine months of 2018, while other markets grew overall by 3.7%.

In this context, overseas markets came to represent 75.4% of the total Turnover of the Teixeira Duarte Group, compared to 74.6% 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

Activity Sector	3 ^o Q 19		3 ^o Q 18		Variation	Jul-Sept 19		Jul-Sept 18		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Construction (*)	390 269	59,8%	359 122	56,5%	8,7%	125 561	59,2%	139 338	67,3%	(9,9%)
Concessions and services (*)	94 864	14,5%	80 996	12,7%	17,1%	33 997	16,0%	22 976	11,1%	48,0%
Real estate	15 078	2,3%	53 424	8,4%	(71,8%)	3 598	1,7%	1 761	0,9%	104,3%
Hospitality	31 167	4,8%	28 633	4,5%	8,8%	10 188	4,8%	9 352	4,5%	8,9%
Distribution	96 166	14,7%	90 767	14,3%	5,9%	31 305	14,8%	26 538	12,8%	18,0%
Automotive	24 694	3,8%	22 571	3,6%	9,4%	7 580	3,6%	7 143	3,4%	6,1%
	652 238	100,0%	635 513	100,0%	2,6%	212 229	100,0%	207 108	100,0%	2,5%

(VALUES IN THOUSAND EUROS)

Evolution of Turnover by Sectors of Activity

Country	3 ^o Q 19		3 ^o Q 18		Variation	Jul-Sept 19		Jul-Sept 18		Variation
	Value	Contribution	Value	Contribution		Value	Contribution	Value	Contribution	
Portugal	160 605	24,6%	161 376	25,4%	(0,5%)	53 847	25,4%	46 772	22,6%	15,1%
Angola	178 634	27,4%	210 144	33,1%	(15,0%)	52 437	24,7%	70 733	34,2%	(25,9%)
Algeria	79 755	12,2%	92 955	14,6%	(14,2%)	20 600	9,7%	37 793	18,2%	(45,5%)
Brazil	131 288	20,1%	99 140	15,6%	32,4%	49 292	23,2%	27 171	13,1%	81,4%
Spain	28 298	4,3%	26 861	4,2%	5,3%	8 795	4,1%	8 799	4,2%	(0,0%)
Mozambique	21 886	3,4%	23 072	3,6%	(5,1%)	6 497	3,1%	10 738	5,2%	(39,5%)
Venezuela	15 641	2,4%	11 218	1,8%	39,4%	6 947	3,3%	963	0,5%	621,4%
Other	36 131	5,5%	10 747	1,7%	236,2%	13 814	6,5%	4 139	2,0%	233,8%
	652 238	100,0%	635 513	100,0%	2,6%	212 229	100,0%	207 108	100,0%	2,5%

(*) – 2018 VALUES RECLASSIFIED DUE TO THE OPERATION ACTIVITY OF LA GUARIA PORT IN VENEZUELA BEING RECLASSIFIED DURING THIS PERIOD FROM CONSTRUCTION TO CONCESSIONS AND SERVICES

(VALUES IN THOUSAND EUROS)

Overall, emphasis should be placed on the drop in activity in Angola and Algeria, as well as the reduction of this indicator in the Real Estate Sector. However in the latter case the drop was not the result of a decrease in operations but rather the developments cycle in Portugal and changes to accounting standards applicable to ventures developed in Brazil.

To expand on aspects indicated on the above map, here are presented some notes relating to the aggregated actions of group companies for each sector of activity, during the first nine months of 2019:

CONSTRUCTION

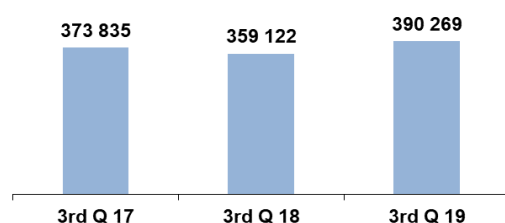
Turnover in the Construction sector grew by 8.7% compared to the same period of 2018.

In Portugal, the Group saw an increase of 17,149 thousand euros, corresponding to an increase of 18.8% when compared to the previous year, essentially due to the good performance achieved in the private construction market.

Other markets increased by 13,998 thousand euros, which corresponds, overall, to a growth of 5.2% compared to the third quarter of 2018, with increases of 42,068 thousand euros in Brazil, and 25,101 thousand euros in Other Markets, of which we highlight Ecuador, Peru and Colombia, which compensated for the drops seen in Algeria, Mozambique and particularly in Angola.

With these evolutions, on 30 September 2019, the overseas market came to account for 72.2% of the turnover in Construction, instead of the 74.6% that it accounted for in September 2018.

Turnover of Construction Services



(*) - 2018 VALUES RECLASSIFIED

(VALUES IN THOUSAND EUROS)

Teixeira Duarte Group's order book for the construction sector decreased compared to the end of 2018, standing at 1,223,542 thousand euros at the end of the third quarter of this year.

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

Similarly, for this purpose it should be noted that two contracts were signed on 23 October 2019 for performing subcontracts in the state of Kuwait, amounting to a total of 177.9 million euros, which is added to that of the Order Book ascertained on 30 September 2019.

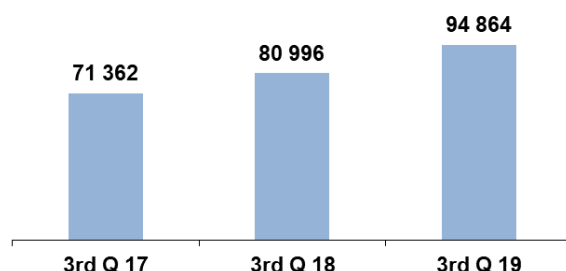
CONCESSIONS AND SERVICES

Up until 30 September, the Group carried 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 17.1% compared to September 2018, and in Portugal this growth was 21.4%.

It should be noted that, following a negotiation process, an agreement was signed on 19 September 2019, between RECOLTE and URBASER S.A.U., with a view to the assignment of RECOLTE's contractual position in all Administrative and Private Contracts in the Environment Area in Spain, which is being implemented as the requirements necessary for each of these assignments are met.

Turnover of Concessions and Services



(*) - 2018 VALUES RECLASSIFIED

(VALUES IN THOUSAND EUROS)

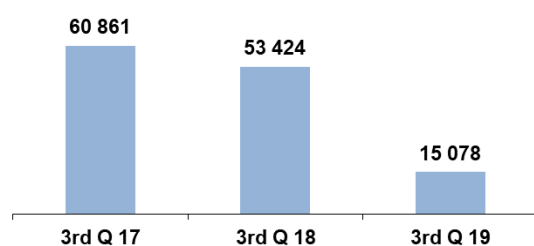
REAL ESTATE

Despite the good performance of Group companies operating in this sector over the first nine months of 2019, in comparison to the same period of the previous year turnover saw a drop of 71.8% due to the business cycle in Portugal and changes in accounting standards applicable to ventures developed in Brazil.

In effect, in Portugal there was a reduction of 27,489 thousand euros, corresponding to a decrease of 79.8% compared to the same period of 2018, which is attributed to the fact that during the same period 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 56.9% in comparison to 2017). Even so, it should be noted that this year the Group has two projects under development in Portugal with the trading names of "One Living" and "Fabrica 1921". Up until 30 September 2019 promissory purchase contracts were signed for an overall amount of 150,564 thousand euros. When the deeds are made final, this will be reflected in a significant increase in Turnover.

In Brazil, the Group experienced a decrease of 9,782 thousand euros, corresponding to 63.6% 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 recognised.

Turnover of Real estate Services

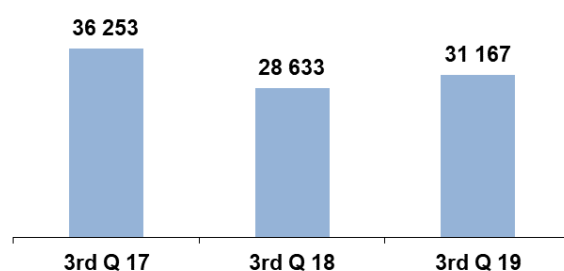


(VALUES IN THOUSAND EUROS)

HOTEL SERVICES

The Turnover of the Group companies operating in the Hospitality sector increased, overall, by 8.8% compared to the third quarter of 2018, with growth of 49% in Portugal and 21.8% in Mozambique, which offset the drop of 11.6% seen in Angola.

Turnover of Hospitality

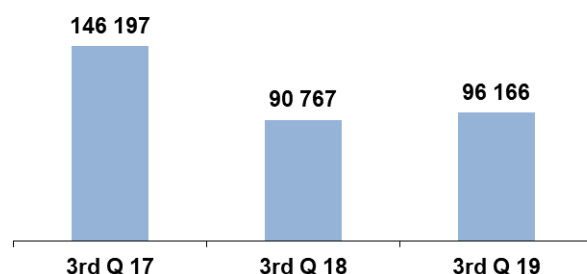


(VALUES IN THOUSAND EUROS)

DISTRIBUTION

In the Distribution sector, Group companies saw a 5.9% increase in their turnover when compared to the same period last year.

Turnover of Distribution Services



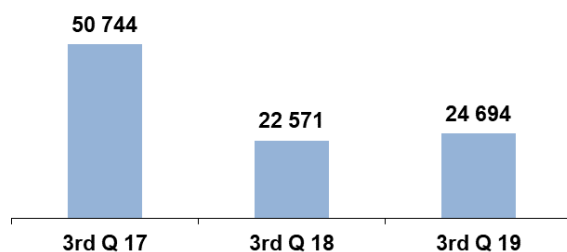
(VALUES IN THOUSAND EUROS)

In Angola, activity in Kwanzas saw growth of 24% compared to September 2018. When transposing this activity to the Group's currency (Euros), an increase of just 6% was ascertained, in comparison to the period ending on 30 September 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 9.4% was achieved in comparison to the first nine months of 2018.

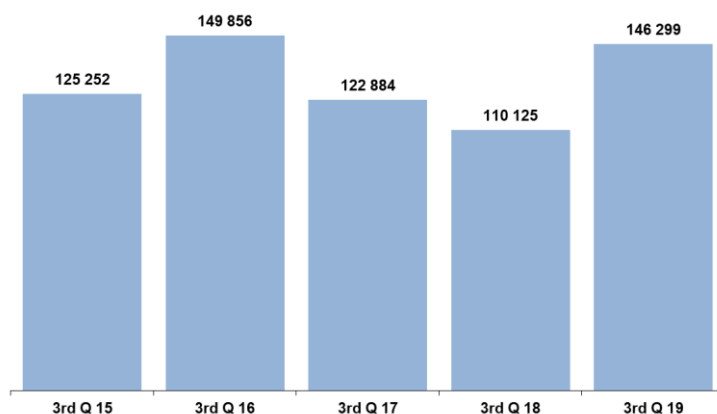
Turnover of the Automotive sector



(VALUES IN THOUSAND EUROS)

Evolution of the Group's EBITDA

A 32.8% increase in **EBITDA** was seen when compared to the previous year, to 146,299 thousand euros.



(VALUES IN THOUSAND EUROS)

EBITDA by Sectors of Activity

Activity Sector	3rd Q 19	3rd Q 18	Var (%)	Jul-Sep 19	Jul-Sep 18
Construction (*)	69 327	42 687	62,4%	28 793	13 930
Concessions and services (*)	9 976	12 683	(21,3%)	1 298	4 772
Real estate	43 557	38 745	12,4%	30 499	(1 154)
Hospitality	11 621	8 531	36,2%	3 101	2 247
Distribution	6 252	5 539	12,9%	2 968	(669)
Automotive	8 723	9 253	(5,7%)	3 136	2 365
Not included in the segments	(3 001)	(7 311)	59,0%	(1 271)	(2 530)
Removals	(156)	(2)	-	(113)	(11)
	146 299	110 125	32,8%	68 411	18 950

(*) - 2018 VALUES RECLASSIFIED

(VALUES IN THOUSAND EUROS)

Emphasis should 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 63,156 thousand euros, while in the same period of last year they stood at minus 57,000 thousand euros.

This indicator reflects significant changes that should be highlighted:

- Positive change of 25,166 thousand euros in exchange rate differences;
- Positive change of 3,368 thousand euros in interest incurred;
- Negative change of 29,883 thousand euros in net monetary position;
- Negative change of 5,685 thousand euros in other financial costs and losses.

On 30 September 2019 **income tax** reached a negative amount of 513 thousand euros, while in the first nine months of 2018 it stood at minus 11,874 thousand euros.

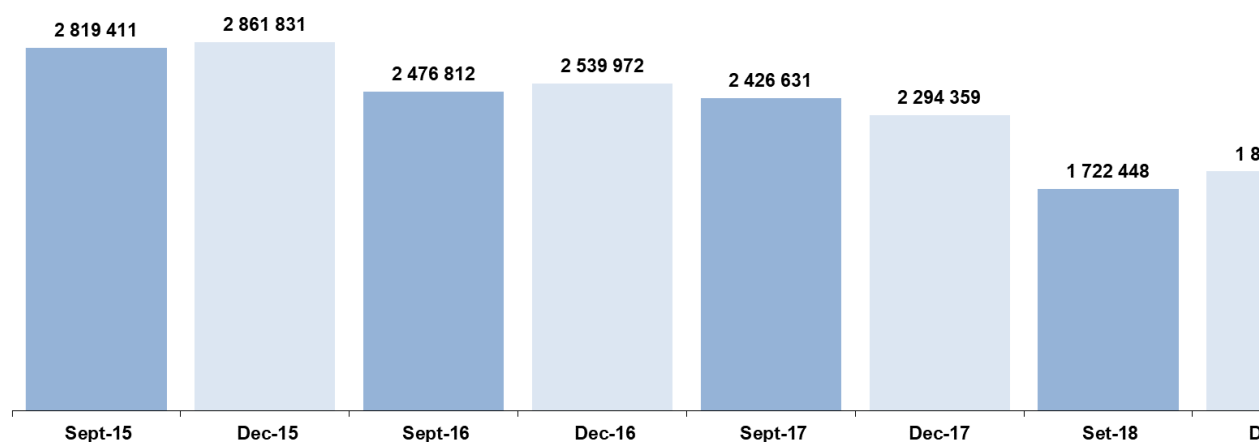
Net Results Attributable to Equity Holders were 20,051 thousand euros, an increase of 182.6% when compared to the same period of 2018.

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 over the first nine months of 2019 were negative, amounting to 35,125 thousand euros, whereas in the same period of the previous year they stood at minus 60,291 thousand euros;
- Negatively, by the fact that the impact of the net monetary position resulting from the application of IAS 29 to companies in Angola and Venezuela was 2,490 thousand euros in September 2019, whereas it was 32,373 thousand euros in 2018.

Total Net Assets grew by 2.8% in relation to 31 December 2018, standing at 1,910,020 thousand euros, which corresponds to an increase of 52,320 thousand euros, of which 39,655 thousand euros are the result of the application of IFRS 16 - Leases.

Evolution of Net asset



(VALUES IN THOUSAND EUROS)

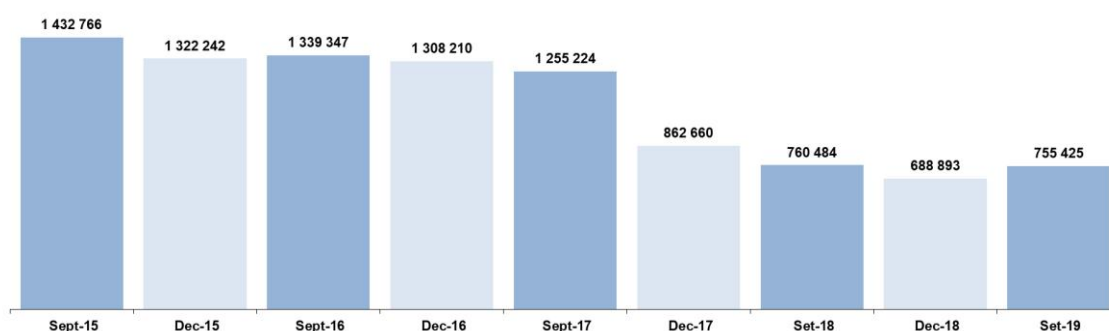
Net Financial Debt increased by 66,532 thousand euros since the end of 2018, standing at 755,425 thousand euros.

This evolution was essentially due to the following factors:

- Increase of 40,355 thousand euros resulting from the application of IFRS 16 - Leases;
- A reduction of 31,039 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 10,031 thousand euros;
- Reduction of 4,845 thousand euros of financial debt.

The **Net Financial Debt/EBITDA** ratio stood at 3.9x as at 30 September 2019.

Evolution of Net Financial Debt



(VALUES IN THOUSAND EUROS)

Equity Attributable to Shareholders decreased by 43.765 thousand euros, from 367,624 thousand euros to 323,859 thousand euros, corresponding to a 11.9% decrease when compared to 31 December 2018.

Total Equity decrease by 11.3%, standing at 357,910 thousand euros, influenced essentially by the following factors:

- Positive net income of 17,713 thousand euros;
- Negative impact of 64,257 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;

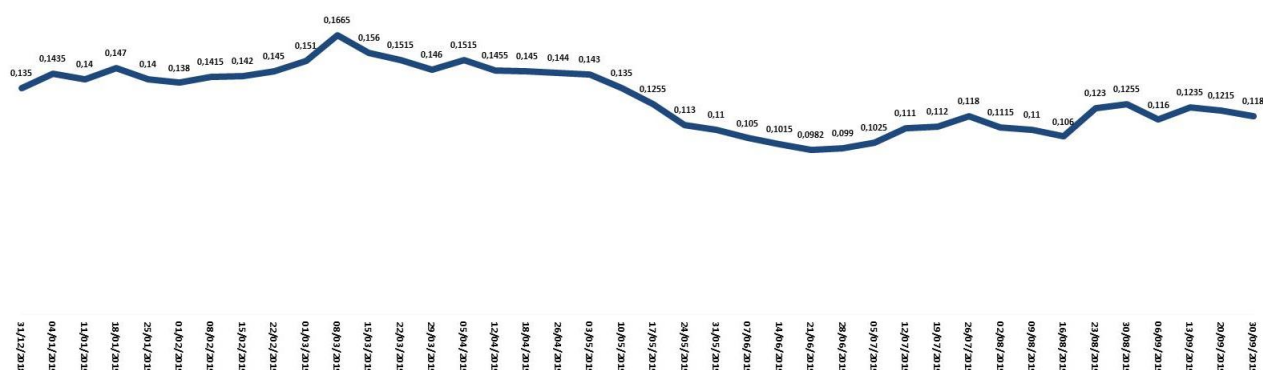
Financial Autonomy shifted from 21.7% as at 31 December 2018 to 18.7% at 30 September, 2019.

The **Average Number Of Employees** as of 30 September 2019 was 11,534, which is an increase of 9.5% compared to 31 December 2018, essentially due to Construction activity in Brazil.

The **price of "Teixeira Duarte, S.A." bonds** increased from EUR 0.135 on 31 December 2018 to EUR 0.118 on Saturday, September 30, 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.

Teixeira Duarte, S.A. List Prices



123,569,255 shares were traded on the stock exchange during this period, with a total amount of turnover of 16,166,438 euros.

III. FACTS THAT OCCURRED AFTER THE CLOSE OF THE 3rd QUARTER 2019

TEIXEIRA DUARTE continued its activity on the different markets on which it operates, and there are no relevant facts to highlight that occurred after 30 September 2019 and the issue date of this document.

Even so, it should be noted that after the close of the third quarter, Banco Nacional de Angola (the Angolan National Bank) announced the liberalisation of the exchange rate. Between 30 September 2019 and this date the Kwanza suffered a devaluation of around 30% against the euro. As the Group has significant assets and liabilities expressed in this currency, this will have an impact on equity, the terms of which are to be ascertained.

IV. PROSPECTS

On this date, the Teixeira Duarte Group expects to achieve consolidated operating profits of around 1,000 thousand 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 1,223,542 thousand euros on 30 September 2019. For this purpose it should be noted that two contracts were signed on 23 October 2019 for performing subcontracts in the state of Kuwait, amounting to a total of 177.9 million euros, which is added to that of the Order Book ascertained on 30 September 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:

	Oct to Dec 2019		2020	
	Value	Contribution (%)	Value	Contribution (%)
Portugal	74 520	40,1%	145 095	30,4%
Other Markets	111 538	59,9%	332 291	69,6%
Total	186 058	100,0%	477 386	100,0%

(VALUES IN THOUSAND EUROS)

Lagoas Park, 28 November 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

3rd Quarter of 2019

Consolidated Financial Statements

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

ON 30 SEPTEMBER 2019 AND 3 DECEMBER 2018
(VALUES IN THOUSAND EUROS)

	Notes	30/09/2019 (Non audited)	31/12/2018 (audited)
Non-current assets:			
Goodwill		12 281	12 271
Intangible assets		69 723	65 013
Tangible fixed assets	13	472 062	552 632
Investment Properties	14	198 323	194 091
Direito de uso	27	48 497	-
Investments in associates and joint-ventures	7 and 15	22 124	16 821
Other financial investments at amortized cost	16	4 236	4 219
Other financial investments at fair value through other comprehensive income	7 and 16	15 764	16 930
Assets for deferred tax	18	171 199	149 435
Customers		25 078	23 441
Other debtors		15 041	11 091
Total of non-current assets		1 054 328	1 045 944
Current assets:			
Inventories		207 394	192 645
Customers		245 183	186 103
Other debtors		33 412	22 194
Other financial investments at amortized cost	16	-	14 665
Other financial investments at fair value through other comprehensive income	7 and 16	10	-
Cash and cash equivalents	20	140 952	171 991
Other current assets		193 843	189 262
		820 794	776 860
Assets for sale	17	34 897	34 897
Total of current assets		855 691	811 757
TOTAL OF ASSET	7	1 910 020	1 857 700
Equity:			
Capital	21	210 000	210 000
Adjustments of shareholdings in associates and joint-ventures		(556)	(673)
Currency conversion adjustments	26	(364 797)	(303 790)
Reserves and retained income	22	459 161	450 960
Consolidated net result		20 051	11 127
Equity attributable to shareholders		323 859	367 624
Non-controlling interests		34 051	35 736
EQUITY TOTAL		357 910	403 360
Non-current liabilities:			
Loans	23	666 278	730 200
Provisions		64 723	43 946
Responsibilities com locações	27	39 086	-
Financial Leases		-	3 814
Liabilities by deferred taxes	18	97 087	112 548
Other non-current liabilities		64 399	63 654
Total of non-current liabilities		931 573	954 162
Current liabilities:			
Loans	23	183 153	124 076
Responsibilities com locações	27	7 860	-
Suppliers		144 200	139 646
Financial Leases		-	2 794
Other Creditors		29 072	21 472
Other current liabilities		232 690	188 629
		596 975	476 617
Liabilities for sale	17	23 561	23 561
Total of current liabilities		620 536	500 178
TOTAL OF LIABILITY	7	1 552 109	1 454 340
TOTAL OF LIABILITY AND EQUITY		1 910 020	1 857 700

CONSOLIDATED STATEMENT OF RESULTS

DURING THE PERIODS ENDED ON 30 SEPTEMBER 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	30/09/2019 (Non audited)	31/12/2018 (audited)
Non-current assets:			
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Adjustments of shareholdings in associates and joint-ventures		(556)	(673)
Currency conversion adjustments	26	(364 797)	(303 790)
Reserves and retained income	22	459 161	450 960
Consolidated net result		20 051	11 127
Equity attributable to shareholders		323 859	367 624
Non-controlling interests		34 051	35 736
EQUITY TOTAL		357 910	403 360
Non-current liabilities:			
Loans	23	666 278	730 200
Provisions		64 723	43 946
Responsibilities com locações	27	39 086	-
Financial Leases		-	3 814
Liabilities by deferred taxes	18	97 087	112 548
Other non-current liabilities		64 399	63 654
Total of non-current liabilities		931 573	954 162
Current liabilities:			
Loans	23	183 153	124 076
Responsibilities com locações	27	7 860	-
Suppliers		144 200	139 646
Financial Leases		-	2 794
Other Creditors		29 072	21 472
Other current liabilities		232 690	188 629
		596 975	476 617
Liabilities for sale	17	23 561	23 561
Total of current liabilities		620 536	500 178
TOTAL OF LIABILITY	7	1 552 109	1 454 340
TOTAL OF LIABILITY AND EQUITY		1 910 020	1 857 700

CONSOLIDATED STATEMENT OF RESULTS AND OTHER INTEGRATED INCOME

DURING THE PERIODS ENDED ON 30 SEPTEMBER 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	3 rd Quarter 19	3 rd Quarter 18	Jul-Sept 19	Jul-Sept 18	1 st Sem. 19
Consolidated net result for the period		17 713	5 741	6 894	(9 169)	10 819
Income and expenses that will not be reclassified for results						
Other equity variations		1 170	(1 426)	(37)	3 388	1 207
Other financial investments at fair value through other comprehensive income, net of	16	(193)	-	(421)	-	228
		977	(1 426)	(458)	3 388	1 435
Income and expenses that can be reclassified for results						
Currency conversion adjustments	26	(64 257)	(239 941)	(15 025)	(38 993)	(49 232)
Adjustments of shareholdings in associates and joint-ventures	15	117	(341)	(710)	(230)	827
		(64 140)	(240 282)	(15 735)	(39 223)	(48 405)
Result known directly in equity		(63 163)	(241 708)	(16 193)	(35 835)	(46 970)
Comprehensive income for the financial year		(45 450)	(235 967)	(9 299)	(45 004)	(36 151)
Comprehensive income attributable to:						
Equity holders		(43 765)	(229 628)	(8 789)	(44 446)	(34 976)
Non-controlling interests		(1 685)	(6 339)	(510)	(558)	(1 175)

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

DURING THE PERIODS ENDED ON 30 SEPTEMBER 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

Notes	Capital	Adjustments of associated and joint- ventures	Reserves and retained income					Income result consolidated	Total capital equity attributable to shareholders	Interests attributable to non-controlling	Total
			Adjustments conversion currency	Legal reserve	Other reserves	Reserve of operations	Reserve of revaluation of property	Results retained			
Balance on January 1st, 2018	210 000	215	(67 455)	42 900	195 213	(8 490)	-	733	(4 650)	367 566	408 843
Comprehensive income for the financial year:											
Consolidated net result for the period	-	-	-	-	-	-	-	-	7 094	7 094	5 741
Impact of the application of IAS 20 in Angola and											
Venezuela on January 1st, 2018	-	-	(223 977)	-	-	-	-	81 603	-	81 603	83 306
Variation in currency conversion adjustments	-	-	-	-	-	-	-	-	(233 941)	(5 964)	(239 941)
Effect of the application of equity method:											
Other	-	(341)	-	-	-	-	-	(2 404)	-	(341)	(341)
Operations with shareholders in the year:											
Appropriation of the consolidated net income for 2017:	-	-	-	-	-	-	-	-	-	-	(1 426)
Transfer to retained earnings	-	-	-	-	-	-	-	(4 650)	-	-	-
Saldo em 30 de setembro de 2018	210 000	(126)	(301 432)	42 900	195 213	(8 490)	-	73 282	7 094	210 541	256 182
Notes	Capital	Adjustments of associated and joint- ventures	Reserves and retained income					Income result consolidated	Total capital equity attributable to shareholders	Interests attributable to non-controlling	Total
			Adjustments conversion currency	Legal reserve	Other Reserves	Fair value reserve investments gains	Reserve of revaluation of property	Results retained			
Balance on January 1st, 2019	210 000	(673)	(303 790)	42 900	253 326	598	162 085	(7 049)	11 127	357 624	403 360
Comprehensive income for the financial year:											
Consolidated net result for the period	-	-	-	-	-	-	-	-	20 051	(2 338)	17 713
Variation in currency conversion adjustments	-	-	(61 007)	-	-	-	-	-	-	(3 250)	(64 257)
Changes in the fair value of other investments through											
other comprehensive income, net of taxes	-	-	-	-	-	(193)	-	-	-	(193)	(193)
Revaluation surplus, net of tax	-	-	-	-	-	-	(7 157)	7 157	-	-	-
Effect of the application of equity method:											
Purchase of non-controlling interests	-	117	-	-	-	-	-	(1 641)	-	1 641	-
Other	-	-	-	-	-	-	-	(1 082)	-	2 262	1 170
Operations with equity owners for that period:											
Appropriation of the consolidated net income for 2018:	-	-	-	-	-	-	-	-	-	-	-
Transfer to other reserves and results carried forward	-	-	-	-	-	-	-	-	-	-	-
Saldo em 30 de setembro de 2019	210 000	(556)	(364 797)	42 900	257 998	405	154 928	6 455	20 051	323 859	357 910

As notas anexas fazem parte integrante da demonstração consolidada das alterações no capital próprio do período findo em 30 de setembro de 2019.

CONSOLIDATED STATEMENTS OF CASH FLOWS

DURING THE PERIODS ENDED ON 30 SEPTEMBER 2019 AND 2018

(NON AUDITED)

(VALUES IN THOUSAND EUROS)

	Notes	3 rd Quarter 19	3 rd Quarter 18	Jul-Sep 19	Jul-Sep 18
OPERATIONAL ACTIVITIES:					
Receipts from customers		644 882	670 466	236 672	209 547
Payment to suppliers		(445 275)	(425 459)	(149 506)	(137 388)
Payment to staff		(175 966)	(164 401)	(63 813)	(56 497)
Cash flow generated by operations		23 641	80 606	23 353	15 662
Payment/receipt of income tax		(15 035)	(12 894)	(9 198)	(1 816)
Other receipts/payments related to the operational activity		(18 794)	(27 085)	(5 892)	5 395
Cash flows of operational activities (1)		(10 188)	40 627	8 263	19 241
INVESTMENT ACTIVITIES:					
Receipts related to:					
Financial investments	20	28 683	126 102	27 037	16 380
Tangible fixed assets and investment properties		10 621	4 859	5 252	3 144
Interests and similar gains		5 730	5 247	4 196	2 218
Dividends	20	628	1 104	5	-
		45 662	137 312	36 490	21 742
Payments related to:					
Tangible fixed assets and investment properties		(32 086)	(24 553)	(14 475)	(8 951)
Intangible assets		(1 220)	(511)	(1 061)	29
		(33 306)	(25 064)	(15 536)	(8 922)
Cash flows from investment activities (2)		12 356	112 248	20 954	12 820
FINANCING ACTIVITIES:					
Revenue derived from:					
Obtained loans	23	969 155	1 377 204	334 348	386 791
Payments related to:					
Obtained loans	23	(972 659)	(1 477 186)	(329 525)	(381 131)
Interests and similar costs		(19 672)	(19 290)	(6 636)	(7 242)
		(992 331)	(1 496 476)	(336 161)	(388 373)
Cash flows from financing activities (3)		(23 176)	(119 272)	(1 813)	(1 582)
Variation of cash and cash-equivalent items (4)=(1)+(2)+(3)		(21 008)	33 603	27 404	30 479
Exchange rate differences Effect		(10 031)	(32 630)	(2 390)	(6 929)
Cash and cash-equivalent items at the beginning of the period	20	171 991	154 265	115 938	131 688
Cash and cash-equivalent items at the end of the period	20	140 952	155 238	140 952	155 238

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

ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS

ON SEPTEMBER 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 third quarter 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 September, 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 September 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%
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OTHER

Investipart – Participações e Investimentos, S.A.	Avenida Pedro de Castro Van-Dúnem, Loy Bairro Morro Bento (Maxipark) Edifício Teixeira Duarte, nº 387 Luanda	36.00%
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ALGERIA

CONSTRUCTION

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

CONCESSIONS AND SERVICES

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

CONSTRUCTION

EMPA, S.A. - Serviços de Engenharia	Rua Paraíba, 1000, 12º andar - Parte Bairro Savassi - Belo Horizonte	100.00%
SOMAFEL – Obras Ferroviárias e Marítimas, Ltda.	Rua Iguatemi, n.º 448, 6.º andar conjuntos 602, 604, 606, 608 e 610 Bairro Itaim Bibi, São Paulo	67.74%

CONCESSIONS AND SERVICES

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

REAL ESTATE

TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.	Rua Irene Ramos Gomes de Matteo, nº 97 - Casa 097 Pina - Recife	100.00%
TDSP - Participações, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 01 Itaim Bibi - São Paulo	100.00%
TDSP - Elisa de Moraes Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 02 Itaim Bibi - São Paulo	90.00%
TDSP - Bela Vista Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 06 Itaim Bibi - São Paulo	92.65%
TDSP - Galeno de Castro Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 03 Itaim Bibi - São Paulo	92.65%
TDSP – Maratona Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 08 Itaim Bibi - São Paulo	92.65%
TDSP - Direitos Humanos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 4 Itaim Bibi - São Paulo	92.65%
TDSP – Alta Vista I Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 19 Itaim Bibi - São Paulo	92.65%
TDSP – Verum Mooca Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 18 Itaim Bibi - São Paulo	100.00%
TDSP – Gilberto Sabino Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 05 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista II Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 20 Itaim Bibi - São Paulo	92.65%
TDSP – Gualaxos Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 07 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista III Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 6º andar Conjunto 602 Itaim Bibi - São Paulo	92.65%
TDSP – Zanzibar Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 09 Itaim Bibi - São Paulo	92.50%
TDSP – Dionísio da Costa Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 10 Itaim Bibi - São Paulo	92.50%
TDSP – Baceunas Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 11 Itaim Bibi - São Paulo	100.00%

TDSP – Maria de Jesus Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 12 Itaim Bibi - São Paulo	95.00%
TDSP – Volta Redonda Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 13 Itaim Bibi - São Paulo	95.00%
TDSP – Nilo Empreendimentos Imobiliários, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 14 Itaim Bibi - São Paulo	100.00%
TDSP – Alta Vista IV Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 15 Itaim Bibi - São Paulo	92.65%
TDSP – 16 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 16 Itaim Bibi - São Paulo	100.00%
TDSP – Carolina Ribeiro - Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 17 Itaim Bibi - São Paulo	95.00%
TDSP – 18 Empreendimentos Imobiliários SPE, Ltda.	Rua Iguatemi, nº 448, 10º andar Conjunto 1001, sala 23 Itaim Bibi - São Paulo	100.00%

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

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, Ecuador	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%
TDRE LEE PARK, LLC.	4100 Spring Valley Road, Suit 310, Dallas Texas 75244	100.00%
TDRE HOOD, LLC.	4100 Spring Valley Road, Suit 300, Dallas Texas 75244	100.00%

MACAU

CONSTRUCTION

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

CONSTRUCTION

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

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

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

HOTEL SERVICES

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

PERU

CONSTRUCTION

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

CONSTRUCTION

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

5 - CHANGES IN THE CONSOLIDATION SCOPE

During the year ended on 30 September 2019, there was alterations to the consolidation perimeter relative to 31 December 2018:

- Divestment of MMK Cement, Limited Liability Company.
- Divestment of 50% of TDE - Empreendimentos Imobiliários, S.A.;
- Dissolution of TDD - Distribuição Brasil, Ltda.

6 - EXCHANGE RATES

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

Currency	Closing exchange rate			Average exchange		
	30/09/2019	31/12/2018	Var.	30/09/2019	30/09/2018	Var.
American dollars	1,0889	1,1450	(4,9%)	1,1241	1,1932	(5,8%)
Macanese pataca	8,7929	9,2365	(4,8%)	9,0759	9,6316	(5,8%)
Mozambican metical	66,8600	70,2400	(4,8%)	69,5680	71,7760	(3,1%)
Venezuelan bolivar	23 305,4109	813,5683	-	23 305,4109	12,2473	-
Angola Kwanza	401,5286	353,0155	13,7%	371,3070	277,3888	33,9%
Algerian dinar	131,1471	135,5660	(3,3%)	133,8518	138,3363	(3,2%)
Dirham from Emirates	3,9992	4,2058	(4,9%)	4,1288	4,3851	(5,8%)
Moroccan Dirham	10,6106	10,9560	(3,2%)	10,8234	11,1602	(3,0%)
Brazilian real	4,5288	4,4440	1,9%	4,3840	4,2851	2,3%
Cape Verde Escudo	110,2650	110,2650	-	110,2650	110,2650	-
Russian ruble	70,7557	79,7153	(11,2%)	73,4459	72,9057	0,7%
Tunisian Dinar	3,1174	3,4485	(9,6%)	3,3281	3,0502	9,1%
South Africa Rand	16,5576	16,4594	0,6%	16,1692	15,3237	5,5%
Peruvian Novo Sol	3,6685	3,8667	(5,1%)	3,7511	3,8929	(3,6%)
Colombian Peso	3 785,8300	3 718,3900	1,8%	3 666,2390	3 462,6220	5,9%

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 September 2019 and 2018, were as follows:

Segment	Sales and services rendered						Operational Income	
	3 rd Quarter 19			3 rd Quarter 18			3 rd Quarter 19	3 rd Quarter 18
	External clients	Intersegmental	Total	External clients	Intersegmental	Total		
Construction (*)	390 269	13 544	403 813	359 122	13 976	373 098	28 006	20 867
Concessions and services (*)	94 864	8 279	103 143	80 996	10 667	91 663	3 803	9 270
Real estate	15 078	5 494	20 572	53 424	9 053	62 477	42 226	37 277
Hospitality	31 167	316	31 483	28 633	437	29 070	5 983	5 465
Distribution	96 166	364	96 530	90 767	987	91 754	511	1 347
Automotive	24 694	1 429	26 123	22 571	2 734	25 305	4 167	7 865
Not included in the segments	-	-	-	-	-	-	(3 158)	(7 474)
Removals	-	(29 426)	(29 426)	-	(37 854)	(37 854)	(156)	(2)
	652 238	-	652 238	635 513	-	635 513	81 382	74 615
Costs and financial losses (Note 9)							(92 270)	(131 537)
Income and financial earnings (Note 9)							27 815	73 166
Income related to investment activities (Note 9)							1 299	1 371
Results before taxes							18 226	17 615

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

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

Other information:

Segment	Fixed capital expenditures		Amortizations and depreciations in results		Provisions and impairment losses	
	3 rd Quarter 19	3 rd Quarter 18	3 rd Quarter 19	3 rd Quarter 18	3 rd Quarter 19	3 rd Quarter 18
Construction (*)	25 492	10 540	18 041	18 045	23 280	3 775
Concessions and services (*)	1 936	2 569	3 162	3 426	3 011	(13)
Real estate	11 970	5 408	4 978	1 519	(3 647)	(51)
Hospitality	1 469	4 126	5 590	3 066	48	-
Distribution	1 229	6 774	5 741	4 192	-	-
Automotive	331	94	4 556	1 450	-	(62)
Not allocated to segments	44	190	157	163	-	-
	42 471	29 701	42 225	31 861	22 692	3 649

(*) - 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 September 2019 and 31 December 2018, are as follows:

Segment	30/09/2019				31/12/2018				Liabilities	
	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	30/09/2019	31/12/2018
Construction	2 018	622	1 966 180	1 968 820	2 134	12 978	1 850 492	1 865 604	1 045 191	975 325
Concessions and services	1 982	93	119 579	121 654	1 249	76	117 939	119 264	48 631	43 351
Real estate	4 033	1 129	1 204 758	1 209 920	75	1 285	1 124 972	1 126 332	511 443	457 749
Hospitality	-	16	213 393	213 409	-	12	234 698	234 710	63 858	71 653
Distribution	-	13	225 692	225 705	-	10	248 399	248 409	136 422	145 517
Automotive	-	9	206 321	206 330	24	7	207 273	207 304	86 617	88 905
Not included in the segments	14 091	13 892	970 520	998 503	13 339	2 562	896 707	912 608	834 793	841 532
Removals	-	-	(3 034 321)	(3 034 321)	-	-	(2 856 531)	(2 856 531)	(1 174 846)	(1 169 692)
	22 124	15 774	1 872 122	1 910 020	16 821	16 930	1 823 949	1 857 700	1 552 109	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 September 2019 and 30 and on 31 September 2019 and 31 December 2018, respectively:

Geographic segment	3 rd Quarter 19	3 rd Quarter 18	30/09/2019	31/12/2018
Portugal	160 605	161 376	249 745	196 576
Angola	178 634	210 144	455 140	536 284
Algeria	79 755	92 955	17 003	20 451
Brazil	131 288	99 140	24 241	16 529
Spain	28 298	26 861	17 654	17 528
Mozambique	21 886	23 072	32 777	31 818
Venezuela	15 641	11 218	194	1 014
Other	36 131	10 747	4 132	3 807
	652 238	635 513	800 886	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 September 2019 and 2018:

	3 rd Quarter 19	3 rd Quarter 18	Jul-Sep 19	Jul-Sep 18
Sales and services rendered:				
Sales	327 962	355 360	91 847	109 935
Services rendered	324 276	280 153	120 382	97 173
	652 238	635 513	212 229	207 108
Other operating income:				
Exchange rate differences	43 552	14 721	23 841	(2 498)
Variation in the fair value of income of investment properties a)	27 542	16 856	7 246	249
Sales of assets (b)	25 262	27 301	22 628	1 373
Supplementary income	7 661	6 092	3 234	3 213
Reversal of impairment losses in accounts receivable	3 412	1 725	2 589	1 618
Works for the company c)	1 917	1 987	589	752
Reversal of impairment losses in inventories	96	143	33	(4)
Other operating income	1 885	2 940	1 295	814
	111 327	71 765	61 455	5 517
	763 565	707 278	273 684	212 625

a) In the period ended 30 September 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 September 2019, the stated gains were obtained with the divestment of tangible fixed assets worth 2,979 thousand euros (2,403 thousand euros in the period ending 30 June, 2018).

During the period ended 30 September 2019, the Group divested 50% of the subsidiary "TDE – Empreendimentos Imobiliários, S.A.", posting a capital gain of 22,196 thousand euros. It also divested the subsidiary "MMK Cement, Limited Liability Company", posting a capital gain of 87 thousand euros. Furthermore, during the period ended 30 September 2018, the Group divested the subsidiary "Lagoas Park", posting 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 September 2019 and 2018:

	3 rd Quarter 19	3 rd Quarter 18	Jul-Sep 19	Jul-Sep 18
Costs and financial losses				
Supported interests	(17 577)	(20 945)	(6 660)	(7 166)
Unfavourable exchange rate differences	(54 214)	(95 798)	(16 024)	(32 219)
Other costs and financial losses	(20 479)	(14 794)	(7 205)	(5 516)
	(92 270)	(131 537)	(29 889)	(44 901)
Income and financial earnings:				
Obtained interests	2 718	4 776	648	2 198
Favourable exchange rate differences	19 089	35 507	2 165	10 505
Net Financial Position a)	2 490	32 373	(2 362)	12 631
Other income and financial earnings	3 518	510	1 660	176
	27 815	73 166	2 111	25 510
Income related to investment activities:				
Earnings from associates and joint works b)	726	746	117	260
Dividends c)	628	824	4	-
Other investments d)	(55)	(199)	(23)	(236)
	1 299	1 371	98	24
Financial Results	(63 156)	(57 000)	(27 680)	(19 367)

a) The presented amount corresponds to the gain arising from the application of IAS 29 to companies based in Angola and Venezuela.

b) The results relating to associated companies and joint ventures for the periods ended 30 September 2019 and 2018 include the effect of applying the equity method to these investments (Note 15).

c) On 30 September 2019 and 2018, the amounts presented correspond to dividends received from financial assets.

d) On 30 September 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 Saturday, September 30, 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 September 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 September 2019 and 2018 are as follows:

	3 rd Quarter 19	3 rd Quarter 18	Jul-Sep 19	Jul-Sep 18
Current Tax:				
Income tax in Portugal	(7 609)	(6 037)	(1 026)	2 220
Income tax in other jurisdictions	(15 149)	(11 533)	(9 556)	(1 486)
Current Tax	(22 758)	(17 570)	(10 582)	734
Deferred tax (Note 18)	22 245	5 696	13 381	1 332
	(513)	(11 874)	2 799	2 066

In addition to the amounts of deferred taxes recorded directly in the income statement, deferred taxes amounting to EUR 58 thousand were recorded directly in equity as at 30 September 2019 (EUR 9 thousand as at 30 September 2015) (Note 18).

11 - EARNINGS PER SHARE

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

	3 rd Quarter 19	3 rd Quarter 18	Jul-Set 19	Jul-Set 18
Result to estimate the net result by basic share (net result of period)	20 051	7 094	7 766	(10 276)
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	0,05	0,02	0,02	(0,02)

Since for the financial years ended on 30 September 2019 and 2018 there were no dilution effects of the earnings per share, the diluted earnings per share are the same as the basic earnings per share.

12 - DIVIDENDS

No 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 September 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 going	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	2 562	87 572	23 957	8 395	136	4 779	1 197	1 071	38	129 707
Impact of the application of IAS 29 - Hyperinflation	884	36 681	8 515	2 778	59	1 746	557	3 259	13	54 492
Currency conversion adjustments	(5 991)	(210 006)	(45 889)	(15 612)	(1 916)	(9 692)	(2 653)	(2 330)	(83)	(294 172)
Additions	-	736	7 627	3 675	2 107	621	467	10 172	-	25 405
Transfers and reductions	(5 377)	61	(3 302)	(142)	(797)	(159)	315	(3 219)	-	(12 619)
Sales	-	(2 187)	(4 584)	(2 575)	(218)	(700)	(293)	-	-	(10 557)
Saldo em 30 de setembro de 2018	23 017	358 156	347 222	75 178	41 361	30 935	10 527	16 251	111	902 758
Balance on December 31, 2018	27 157	828 208	348 539	73 198	41 227	30 535	11 183	8 972	112	1 369 131
Impact of the application of IAS 29 - Hyperinflation	1 233	4 973	7 285	2 084	51	1 862	573	727	-	18 768
Currency conversion adjustments	(3 117)	(97 740)	(9 273)	(4 962)	(383)	(1 665)	(103)	(1 171)	(13)	(118 427)
Additions	-	428	17 586	6 609	2 001	1 006	205	3 121	-	30 956
Transfers and write-offs	996	388	1 151	(266)	(55)	(191)	(285)	(1 185)	-	553
Sales	(4 605)	(303)	(11 494)	(2 926)	(1 643)	(135)	(9)	-	-	(21 115)
Saldo em 30 de setembro de 2019	21 664	735 954	353 774	73 737	41 198	31 412	11 564	10 464	99	1 279 866
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	-	25 111	19 755	7 736	112	4 163	649	-	-	57 526
Impact of the application of IAS 29 - Hyperinflation	-	15 314	7 484	2 444	49	1 595	330	-	-	27 216
Exchange conversion effect	-	(61 520)	(35 342)	(15 336)	122	(8 504)	(1 491)	-	-	(122 071)
Reinforcements	-	8 585	14 458	2 773	2 201	976	593	-	-	29 586
Transfers and reductions	-	(183)	(3 885)	(136)	(967)	(144)	(3)	-	-	(5 320)
Sales	-	(1 076)	(3 915)	(2 465)	(138)	(583)	(255)	-	-	(8 432)
Saldo em 30 de setembro de 2018	164	150 182	299 362	62 884	35 429	27 643	6 766	-	-	582 430
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	-	5 727	6 497	1 313	48	1 542	400	-	-	15 527
Exchange conversion effect	-	(39 108)	(4 778)	(4 492)	62	(1 381)	(678)	-	-	(50 375)
Stiffeners	-	19 294	14 490	2 746	1 990	916	534	-	-	39 970
Transfers and write-offs	-	(12)	(197)	(266)	-	(21)	-	-	-	(496)
Sales	(164)	(207)	(9 610)	(2 132)	(829)	(275)	(4)	-	-	(13 321)
Saldo em 30 de setembro de 2019	-	374 863	304 948	57 190	36 289	27 964	6 550	-	-	807 804
Net value:										
Em 30 de setembro de 2018	22 853	207 974	47 860	12 294	5 932	3 292	3 761	16 251	111	320 328
Em 30 de setembro de 2019	21 664	361 091	48 826	16 547	4 909	3 448	5 014	10 464	99	472 062

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

14 - INVESTMENT PROPERTIES

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

	2019	2018
Balance on January 1	194 091	217 647
Currency conversion adjustments	(10 072)	(54 285)
Increases / (divestments)	8 598	3 555
Variation in fair value	10 294	10 575
Transfers from/to tangible fixed assets	(4 588)	34
Balance on September 30th	198 323	177 526

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

	3 rd Quarter 19	3 rd Quarter 18	Jul-Sep 19	Jul-Sep 18
Portugal	10 294	(4 300)	3 126	(998)
Angola	-	14 875	-	(1 108)
	10 294	10 575	3 126	(2 106)

The income gained from investment property arising from operating leasing contracts reached EUR 3,932 thousand for the financial year ended on 30 September 2019 (EUR 4,196 thousand as at 30 September 2018). For the financial year ended on Saturday, September 30, 2019, direct operating costs related to investment properties reached 856 thousand euros (907 thousand euros as at Friday, September 30, 2018).

15 - INVESTMENTS IN ASSOCIATES AND JOINT-VENTURES

The following associates and joint-ventures were recorded through the equity method as at 30 September 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%
MESOFER, ACE	Rua Mário Dionísio, nº 2 , 2799-557 Linda-a-Velha	24.73%
NOVA ESTAÇÃO, ACE	Edifício 6 – Piso 1, Lagoas Park - Porto Salvo	25.00%
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	Edifício 2, Lagoas Park - Porto Salvo	57.30%
TDE - Empreendimentos Imobiliários, S.A.	Edifício 2, Lagoas Park - Porto Salvo	50.00%
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 September 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)	746	-	746
- Effect in equity	(341)	-	(341)
Increases	204		204
Effect of currency translation	(62)	-	(62)
Other	(918)	-	(918)
Balance on September 31st 2018	19 925	-	19 925
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)	726	-	726
- Effect in equity	117	-	117
Sales	(24)	-	(24)
Currency conversion adjustments	684	-	684
Other	3 800	-	3 800
Balance on September 31st 2019	22 124	-	22 124

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

Affiliates and joint-ventures	30/09/2019		31/12/2018		Value of financial position
	Equity holdings	Goodwill	Equity holdings	Goodwill	
IMOC - Empreendimentos Imobiliários, S.A.R.L.	14 091	-	13 339	-	13 339
TDE - Empreendimentos Imobiliários, S.A.	4 033	-	-	-	-
TDGISERV Services, LLC (a)	1 982	-	770	-	770
Alvorada Petróleo, S.A.	-	-	75	-	75
RPK Gulfstream Ltd.	-	-	479	-	479
Other	2 018	-	2 158	-	2 158
	22 124	-	16 821	-	16 821

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

3 rd Quarter 19			
Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(86)	1	(85)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	1	77	78
TDE - Empreendimentos Imobiliários, S.A.	(15)	-	(15)
TDGISERV Services, LLC (a)	1 133	39	1 172
Other	(307)	-	(307)
	726	117	843

3 rd Quarter 18			
Affiliates and joint-ventures	Income and losses in affiliates and joint-ventures (Note 9)	Adjustments of capital shares	Total
Alvorada Petróleo, S.A.	(109)	(152)	(261)
IMOC - Empreendimentos Imobiliários, S.A.R.L.	327	(111)	216
SCP AK-10 Empreendimentos e Participações SPE LTDA.	(31)	-	(31)
TDGISERV Services, LLC (a)	592	(78)	514
Other	(33)	-	(33)
	746	(341)	405

16 - OTHER FINANCIAL INVESTMENTS

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

	30/09/2019		31/12/2018	
	Non-current	Current	Non-current	Current
Financial assets at fair value through other comprehensive income				
Aginyo Inversiones Y Gestiones Inmobi	12 180	-	12 398	-
Banco Comercial Português, S.A.	1 290	-	1 553	-
TDHOSP – Gestão de Edifício Hospita	-	-	768	-
Administração, S.A.	624	-	624	-
KUIKILA Investments, Lda.	541	-	483	-
MATADOURO DE MACAU, S.A.R.L.	317	-	317	-
ILTA - Urbanizadora da Ilha de Tavira,	256	-	256	-
COLT Resources Inc.	158	-	146	-
Macau CPM Holdings	150	-	150	-
Other	248	10	235	-
	15 764	10	16 930	-
Financial assets at amortized cost				
Government Debt Security of the Peop	4 236	-	4 219	14 665
	4 236	-	4 219	14 665
	20 000	10	21 149	14 665

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

	Non-current	Current
Balance on January 1st, 2019	21 149	14 665
Increases	49	10
Reductions	(768)	(13 437)
Variation of fair value	(251)	-
Currency Variation	(240)	(1 228)
Other variations	61	-
Saldo em 30 de setembro de 2019	20 000	10

17 - FINANCIAL ASSETS FOR SALE

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

	30/09/2019	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	199	199
Clients - current	115	115
Other debtors	5	5
Cash and cash equivalents	24	24
Other Assets	427	427
Total assets for sale	34 897	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	212	212
Other Creditors	634	634
Other liabilities	448	448
Total liabilities for sale	23 561	23 561
Total Net	11 336	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 September 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	155 283	112 548	35 422
Constitution / Reversal				
Net income (Note 10)	19 011	5 850	(3 234)	154
Equity	58	9	-	-
Exchange conversion effect and adjustments	2 695	16 934	(12 227)	(10 658)
Balance on September 30th	171 199	178 076	97 087	24 918

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

19 - RELATED PARTIES

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

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

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

Entities	Balance Receivable		Balance Payable		Granted loans		Other debts	
	30/09/2019	31/12/2018	30/09/2019	31/12/2018	30/09/2019	31/12/2018	30/09/2019	31/12/2018
ADOQUINES VARGAS, (ADOQUINVAR), C.A.	29	67	-	-	-	-	-	-
AEBT - Auto Estradas do Baixo Tejo, S.A.	-	7	-	-	115	-	-	-
AVIA PORTUGAL, S.A.	-	8	-	-	-	-	-	-
CINTEL - Construção Interceptor Esgotos, S.A.	47	46	-	-	4	4	-	-
CONBATE, ACE	-	33	1	1	-	-	-	-
DOURO LITORAL, ACE	5	24	(21)	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.	446	35	99	21	-	-	1 675	-
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 Inmobiliarias 3003, C.A.	-	-	-	-	-	-	(481)	(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	-	-	34	35	-	-	-	-
TDGISERV Services, LLC (a)	97	52	-	-	478	447	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	456	224	-	-	-	-	-	-
	1 395	860	258	230	621	1 726	1 197	(34)

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

Entities	Sales and services rendered		Purchases and Services Obtained	
	3 rd Quarter 19	3 rd Quarter 18	3 rd Quarter 19	3 rd Quarter 18
AEBT - Auto Estradas do Baixo Tejo, S.A.	12	18	-	-
CONBATE, ACE	45	72	-	-
Consórcio Mineiro Luso Vargas - CONLUVAR	-	-	-	1
DOURO LITORAL, ACE	21	44	2	9
IMOC - Empreendimentos Imobiliários, S.A.R.L.	497	134	92	99
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	172	-	-
TEIXEIRA DUARTE - SOPOL - Metro Superfície, ACE	-	-	-	3
TDGISERV Services, LLC (a)	41	-	-	-
TDHOSP - Gestão de Edifício Hospitalar, S.A.	2 960	-	124	-
	3 576	440	218	112

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

	3 rd Quarter 19	3 rd Quarter 18	Jul-Sep 19	Jul-Sep 18	1 st Sem. 19
Executive Directors:					
Short-term benefits	466	955	172	434	294
Supervisory Board:					
Short-term benefits	50	50	17	17	33
Chartered accountant:					
Short-term benefits	45	45	15	15	30
	561	1 050	204	466	357

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

	3 rd Quarter 19	3 rd Quarter 18	Jul-Sep 19	Jul-Sep 18	1 st Sem. 19
Senior management:					
Short-term benefits	5 041	5 653	2 532	2 316	2 509
	5 041	5 653	2 532	2 316	2 509

20 - NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT

CASH AND CASH EQUIVALENT

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

	30/09/2019	31/12/2018
Bank deposits	97 194	129 629
Time deposits	35 214	22 066
Other treasury applications	6 378	18 332
Cash	2 166	1 964
	140 952	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 September 2019 and 2018 refer to the disposal of equity interests in the following companies:

	3º Trim. 19	3º Trim. 18	Jul-Set 19	Jul-Set 18
TDE - Empreendimentos Imobiliários, S.A.	15.000	-	15.000	-
Titulos da Dívida Pública do Governo República Popular de Angola	12.881	3.407	11.269	3.407
TDHOSP - Gestão de Edifício Hospital, S.A.	768	-	768	-
Lagoas Park, S.A.	-	122.433	-	12.973
LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.	-	150	-	-
Outros	34	112	-	-
	28.683	126.102	27.037	16.380

Dividends received in the financial years ending on September 30, 2019 and 2018 were as follows:

	3º Trim. 19	3º Trim. 18	Jul-Set 19	Jul-Set 18
Macau CPM Holdings	303	823	-	-
AEBT - Vias do Baixo Tejo, S.A.	310	-	-	-
Outros	15	281	5	-
	628	1.104	5	-

21 - SHARE CAPITAL

As at 30 September 2019 and 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 September 2019, TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A. directly held 199,770,000 shares representing the capital of Teixeira Duarte, S.A., 47.53% of which corresponds to the respective share capital (202,380,000 shares representing the capital of Teixeira Duarte, S.A, corresponding to 48.19% of the respective share capital on 30 September 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 September 2019 and 31 December 2018, the loans received were as follows:

	30/09/2019	31/12/2018
Non-current liabilities:		
Bank loans a)	332 878	376 100
Commercial role b)	328 300	343 900
Debentures loans c)	5 100	10 200
	666 278	730 200
Current liabilities:		
Bank loans a)	135 603	84 976
Commercial role b)	42 450	34 000
Debentures loans c)	5 100	5 100
	183 153	124 076
	849 431	854 276

a) Bank loans

As at 30 September 2019, the internal bank loans, bank overdrafts and escrow accounts earned interest at the weighted annual average rate of 2.28% (2.49% as at 30 September 2018).

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

Geography	Bank	Type of Financing	Contract Date	Due Date	Currency	Amount	Currency	Amount (€)
Portugal	Banco Comercial Português	Loan	05/01/2009	15/12/2033	EUR	141 020		141 020
Portugal	Banco Atlântico Europa	Loan	08/04/2013	31/12/2019	EUR	507		507
Portugal	Banco Atlântico Europa	Loan	08/04/2013	31/12/2019	EUR	353		353
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	AON	527 778		1 314
Portugal	Caixa Geral de Depósitos	Loan	27/01/2014	15/12/2020	EUR	2 528		2 528
Portugal	Caixa Geral de Depósitos	Loan	27/01/2014	15/12/2020	EUR	1 793		1 793
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	67 805		67 805
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	3 000		3 000
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	EUR	2 235		2 235
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		339
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	EUR	247		247
Portugal	Banco BPI	Loan	05/07/2016	05/11/2021	EUR	7 812		7 812
Spain	Bankinter (Spain)	Loan	22/07/2016	22/07/2020	EUR	216		216
Portugal	Banco Comercial Português	Loan	12/08/2016	31/12/2033	EUR	10 105		10 105
Portugal	Novo Banco	Loan	12/08/2016	31/12/2033	EUR	9 698		9 698
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	EUR	7 192		7 192
Portugal	BAI Europe	Loan	22/09/2016	30/09/2019	USD	1 102		1 012
Portugal	Caixa Económica Montepio Geral	Factoring C/ Recurso	17/01/2017	31/12/2019	EUR	3 281		3 281
Spain	Banco Popular (Spain)	Loan	16/06/2017	20/07/2021	EUR	956		956
Brazil	Banco Itaú	Loan	26/07/2017	28/02/2020	BRL	23 129		5 107
Portugal	BAI Europe	Loan	04/09/2017	31/12/2019	EUR	286		286
Spain	Banco Santander Central Hispano (Spain)	Loan	22/11/2017	22/11/2022	EUR	431		431
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	24 714		24 714
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	EUR	6 959		6 959
Spain	Abanca (Spain)	Factoring C/ Recurso	21/12/2017	31/12/2019	EUR	228		228
Portugal	Novo Banco	Loan	12/01/2018	31/12/2033	EUR	8 071		8 071
Portugal	Caixa Geral de Depósitos	Loan	12/01/2018	31/12/2033	EUR	5 052		5 052
Portugal	Banco Comercial Português	Loan	16/01/2018	31/12/2033	EUR	4 633		4 633
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
Brazil	Sandvik Credit	Loan	27/03/2019	02/08/2023	BRL	23 938		5 286
Brazil	Banco Itaú	Loan	15/05/2019	25/11/2021	BRL	4 213		930
Brazil	Banco Bradesco	Loan	24/07/2019	26/08/2021	BRL	15 272		3 372

As at Saturday, September 30, 2019 and 31 December 2018, the bank loans also include the pledged accounts of the value of EUR 81,713 thousand and EUR 72,316 thousand, respectively.

b) Commercial role

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

Geography	Bank	Type of Financing	Contract Date	Due Date	Spread	Currency	Amount (€)
Portugal	Novo Banco	Commercial Paper	16/12/2005	15/12/2023	1,60%	EUR	42 500
Portugal	Caixa Geral de Depósitos	Commercial Paper	07/07/2010	31/12/2033	2,50%	EUR	20 850
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	3 450
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	16 700
Portugal	Banco BPI	Commercial Paper	30/01/2018	30/01/2021	2,90%	EUR	4 500
							370 750

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

	30/09/2019	31/12/2018
2020	23 357	59 485
2021	53 489	65 804
2022	38 605	40 130
2023	37 949	39 547
2024 and following	512 878	525 234
	666 278	730 200

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

Currency	30/09/2019		31/12/2018	
	Currency	Euros	Currency	Euros
Venezuelan bolivar	-	-	143 668	177
American dollars	2 164	1 987	2 293	2 003
Angola Kwanza	3 527 778	8 786	4 962 223	14 057
Colombian Peso	8 568	2	6 143	2
Brazilian real	66 552	14 695	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 30 September 2019, we presented the reconciliation of changes in liabilities arising from the financing activity:

3 rd Quarter 19					
	Initial balance	Increases	Reductions	Currency effect	Closing balance
Loans	854 276	969 155	(972 659)	(1 341)	849 431
	854 276	969 155	(972 659)	(1 341)	849 431

24 - CONTINGENT LIABILITIES, GUARANTEES AND COMMITMENTS

Following several inspections carried out by the Tax and Customs Authority (TA) for the financial years 2008 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
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 2008 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 2008 to 2011.

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 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, 2015 and 2016, 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
2016	653

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

A legal challenge to the corrections for the years 2013 to 2015 was filed by "TD, SA", and the same company is preparing an identical procedure with reference to the 2016 financial year.

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, was challenged by "TD, SA" in its capacity as parent company.

Guarantees:

As at 30 September 2019 and 31 December 2018, the companies included in the consolidation perimeter had provided the following guarantees to third parties:

	30/09/2019	31/12/2018
Granted bank guarantees	272 078	275 996
Guarantee insurance	141 703	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.

Bank guarantees were issued in favour of AT for the purpose of suspending two tax enforcement proceedings filed against the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A., relating to corporate income tax debt for the 2008 period, the settlements of which were contested. The value of these bank guarantees amounted to 16,887 thousand euros on 30 September 2019.

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.

The bank guarantees issued in favour of AT, for the purpose of suspending a tax enforcement proceeding filed against the subsidiary TEIXEIRA DUARTE - Engenharia e Construções, S.A. relating to the debt for retentions at source of corporation tax (IRC), with an updated amount of 1,001 thousand euros, were cancelled due to the payment in full of the instalment plan to which they related, on 30 September 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.

For the purposes of suspending tax enforcement proceedings instigated against "TD, SA" and relating to the corporation tax (IRC) debt for the 2016 period, a bank guarantee amounting to 1,482 thousand euros was issued in favour of AT.

As of 30 September 2019, the Group's collateral broke down as follows:

Geography	Bank	Type of Financing	Contract Date	Due Date	Collateral
Portugal	Banco Comercial Português	Descoberto	16/08/2005	31/12/2033	Note a)
Portugal	Novo Banco	Loan	16/12/2005	15/12/2023	Pledge of 4,760,000 BCP shares + Nota a)
Portugal	Novo Banco	Descoberto	01/02/2007	31/12/2033	Note a)
Portugal	Banco Comercial Português	Loan	05/01/2009	15/12/2033	Note a)
Portugal	Caixa Geral de Depósitos	Loan	07/07/2010	31/12/2033	Pledge of 4,675,000 Shares in the TDF Fund + Nota a)
Portugal	Caixa Geral de Depósitos	Escrow account	07/07/2010	31/12/2033	Pledge of 4,675,000 Shares in the TDF Fund + Nota a)
Portugal	Banco Santander Totta	Loan	13/12/2012	13/12/2019	Mortgage of 65 Fractions - Santa Marinha - Vila Nova de Gaia
Portugal	Novo Banco	Loan	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 + Nota a)
Angola	BCGA - Banco Caixa Geral Angola (Angola)	Loan	23/01/2014	30/04/2021	Mortgage on Hotel Trópico (Building no. 1826) - Ingombotas
Portugal	Caixa Geral de Depósitos	Loan	27/01/2014	15/12/2020	Note a)
Portugal	Banco Comercial Português	Escrow account	27/06/2014	31/12/2033	Note a)
Portugal	Caixa Geral de Depósitos	Loan	22/09/2014	15/12/2033	Note a)
Portugal	Novo Banco	Loan	26/01/2015	15/12/2021	Pledge of 2,006,396 BCP shares + Nota a)
Portugal	Caixa Geral de Depósitos	Loan	04/04/2015	15/12/2019	Note a)
Portugal	Banco BIC Português	Escrow account	06/08/2015	30/09/2020	GB do BIC AO (23M €) ao BIC PT / Hipoteca Prédio nº 2254 - Complexo Comercial e Oficinas Polo Automóvel - Talatona
Portugal	Novo Banco	Loan	28/12/2015	15/06/2027	Penhor 1.045.610 ações da Recolte Espanha + Penhor de 50% das ações da TDE + Nota a)
Portugal	Novo Banco	Loan	14/01/2016	31/12/2033	Pledge of 1,000,000 TDGI shares + Nota a)
Portugal	Caterpillar	Loan	02/06/2016	07/06/2020	Respective Equipment
Portugal	Caterpillar	Loan	11/07/2016	07/07/2020	Respective Equipment
Portugal	Caixa Geral de Depósitos	Loan	12/08/2016	31/12/2033	Mortgage on the Magnolia and Coima + Vale Figueira development, Lezíria Park 2, Villa Rio, Jardins da Póvoa and Póvoa Logistics Park + Nota a)
Brazil	Banco Itaú	Loan	26/07/2017	28/02/2020	Real Estate Development Condominium Portrait Pinheiros - São Paulo / Brazil (104 Independent Units)
Portugal	Banco Comercial Português	Loan	27/11/2017	31/12/2033	Note a)
Portugal	Caixa Geral de Depósitos	Loan	30/01/2018	15/06/2021	Note a)
Portugal	Banco Comercial Português	Loan	30/01/2018	15/06/2021	Note a)
Brazil	Banco Itaú	Loan	15/05/2019	25/11/2021	Empreendimento Imobiliário Brasil

Note a): The Group pledged all of the shares of the companies in the Automotive and Distribution sector in Angola, as well as the shares of the company TDSP - Participações, Ltda in Brazil and also mortgages on the "Alvalade" and "Baía" hotels in Angola and the "Avenida" and "Tivoli Beira" hotels in Mozambique.

Financial commitments:

As at 30 September 2019 and 31 December 2018, the letters of comfort provided by TEIXEIRA DUARTE, S.A. and its subsidiaries reached EUR 348,840 thousand and EUR 344,459 thousand, respectively.

As at 30 September 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 5,729 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 September 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	1 448	-	-
Other financial investments at fair value through other comprehensive income	Actions	-	12 180	2 146
Investment Properties	Buildings and land	-	198 323	-

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 30 September 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:

	3 rd Quarter 19	3 rd Quarter 18	Jul-Sept 19	Jul-Sept 18
Angola	(57 535)	(214 509)	(20 021)	(49 764)
Algeria	979	(6 583)	3 382	(1 899)
Brazil	(2 900)	(24 946)	(5 598)	(3 807)
Mozambique	3 122	3 543	2 817	2 998
Venezuela	(9 106)	1 678	3 403	13 203
Other Markets	1 183	876	992	276
	(64 257)	(239 941)	(15 025)	(38 993)

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 30 September 2019:

STATEMENT OF RESULTS

	3 rd Quarter 19 (Before the application of IFRS 16)	IFRS 16 impact	3 rd Quarter 19 (After the application of IFRS 16)
Operating income:			
Sales and services rendered	652 238	-	652 238
Other operating income	111 327	-	111 327
Total of operating income	763 565	-	763 565
Operating costs:			
Cost of sales	(169 028)	-	(169 028)
Production changes	1 493	-	1 493
External supplies and services	(241 652)	5 694	(235 958)
Expenses with staff	(177 394)	-	(177 394)
Amortizations and depreciations	(37 574)	(4 651)	(42 225)
Provisions and impairment losses in depreciable and amortizable asset and Goodwill	(22 692)	-	(22 692)
Other operating costs	(36 379)	-	(36 379)
Total of operating costs	(683 226)	1 043	(682 183)
Operational Income	80 339	1 043	81 382
Costs and financial losses	(90 524)	(1 746)	(92 270)
Income and financial earnings	27 815	-	27 815
Earnings from investment activities:			
Income related to affiliates and joint-ventures	726	-	726
Other	573	-	573
Financial Results	(61 410)	(1 746)	(63 156)
Results before taxes	18 929	(703)	18 226
Income tax	(513)	-	(513)
Consolidated net result for the period	18 416	(703)	17 713
Net results attributable to:			
Equity holders	20 754	(703)	20 051
Non-controlling interests	(2 338)	-	(2 338)

FINANCIAL POSITION ON 30 September 2019

	(Before the application of IFRS 16)	IFRS 16 impact	(After the application of IFRS 16)
Non-current assets:			
Goodwill	12 281	-	12 281
Intangible assets	69 723	-	69 723
Fixed tangible assets	480 904	(8 842)	472 062
Investment Properties	198 323	-	198 323
Direito de uso	-	48 497	48 497
Investments in associates and joint-ventures	22 124	-	22 124
Other financial investments at amortized cost	4 236	-	4 236
Other financial investments at fair value through other comprehensive income	15 764	-	15 764
Assets for deferred tax	171 199	-	171 199
Customers	25 078	-	25 078
Other debtors	15 041	-	15 041
Total of non-current assets	1 014 674	39 655	1 054 328
Current assets:			
Inventories	207 394	-	207 394
Customers	245 183	-	245 183
Other debtors	33 412	-	33 412
Other financial investments at fair value through other comprehensive income	10	-	10
Cash and cash equivalents	140 952	-	140 952
Other current assets	193 843	-	193 843
	820 794	-	820 794
Assets for sale	34 897	-	34 897
Total of current assets	855 691	-	855 691
TOTAL OF ASSET	1 870 365	39 655	1 910 020
Equity:			
Equity	210 000	-	210 000
Adjustments of shareholdings in associates and joint-ventures	(556)	-	(556)
Currency conversion adjustments	(364 797)	-	(364 797)
Reserves and retained income	459 158	3	459 161
Consolidated net result	20 754	(703)	20 051
Equity attributable to shareholders	324 559	(700)	323 859
Non-controlling interests	34 051	-	34 051
EQUITY TOTAL	358 610	(700)	357 910
Non-current liabilities:			
Loans	666 278	-	666 278
Provisions	64 723	-	64 723
Responsibilities com locações	-	39 086	39 086
Financial Leases	3 189	(3 189)	-
Liabilities by deferred taxes	97 087	-	97 087
Other non-current liabilities	64 399	-	64 399
Total of non-current liabilities	895 676	35 897	931 573
Current liabilities:			
Loans	183 153	-	183 153
Responsibilities com locações	-	7 860	7 860
Suppliers	144 200	-	144 200
Financial Leases	3 402	(3 402)	-
Other Creditors	29 072	-	29 072
Other current liabilities	232 690	-	232 690
	592 517	4 458	596 975
Liabilities for sale	23 561	-	23 561
Total of current liabilities	616 078	4 458	620 536
TOTAL OF LIABILITY	1 511 754	40 355	1 552 109
TOTAL OF LIABILITY AND EQUITY	1 870 365	39 655	1 910 020

28 - APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements for the year that ended on 30 September 2019 were approved by the Board of Directors on 28 November 2019.

29 - SUBSEQUENT EVENTS

TEIXEIRA DUARTE continued its activity on the different markets on which it operates, and there are no relevant facts to highlight that occurred after 30 September 2019 and the issue date of this document.

Even so, it should be noted that after the close of the third quarter, Banco Nacional de Angola (the Angolan National Bank) announced the liberalisation of the exchange rate. Between 30 September 2019 and this date the Kwanza suffered a devaluation of around 30% against the euro. As the Group has significant assets and liabilities expressed in this currency, this will have an impact on equity, the terms of which are to be ascertained.

